Engels and the Housing Question: 150 years on

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Key words: Engels, Housing struggles, construction industry, estate regeneration

Abstract

How far does the current housing crisis resemble the housing question as Engels analysed it one hundred and fifty years ago? Three housing experts, Linda Clarke, Michael Edwards and Paul Watt, explored this question in a panel discussion at the Marx Memorial Library on 30th January 2023. They pointed to the continuing relevance of much of Engels' approach, rooted in a Marxist analysis of industrialisation, urbanisation and conflicting class interests in relation to land ownership, property development and the housing crisis. Market forces continue to

drive so many people out of city centres, for a start. The panellists then went on to identify some of the issues that Engels missed (particularly the role of the construction industry) as well as some of the issues that weren't so evident in Engels' time, such as the changing nature of state intervention, the roles of local authorities and the unions, and the increasing influence of the financial sector. The discussion concluded by focusing on what a progressive government could be doing to ensure that decent housing is provided as a right. And how to link housing struggles with wider struggles, fighting for a more sustainable future for us all

The panel was chaired by Marjorie Mayo, Theory and Struggle's editor.

Engels' Housing Question in summary: its strengths and continuing relevance

Linda began by summarising the essential elements of Engels' arguments. The Housing Question starts with a discussion of the significance of increasing land values, pushing up house prices in the centre of cities in the context of capitalist industrialisation and urbanisation in the nineteenth century. As urbanisation progressed, these pressures became more acute, especially for workers who were being priced out of city centres by market forces.

Engels then proceeded to develop a blistering critique of owner occupation which was not the effective solution that Proudhon had been suggesting that it could be, at that time. (Some of the arguments that Engels put forward to support this critique of Proudhon emerge in further detail in the panel discussion subsequently).

This led Engels into the discussion of employers' other potential interests in the condition of working-class housing. Poor housing was associated with the spread of disease; and, as Engels so graphically points out, 'the angel of death rages as ruthlessly (in the airier parts of town) as in the ranks of the workers'. These were very contemporary concerns in mid to late nineteenth century England - and indeed elsewhere.

One potential solution that Engels considered was the possibility of expropriating parts of luxury dwellings and then compulsorily quartering those in housing need in these newly vacated spaces - a proposal that was hardly likely to gain much support from those who would be expropriated as a result. Nor was Engels optimistic about the potential contributions that building societies could make. These were only helpful for those who had been described as 'the better situated workers', he pointed out. There were, in addition, risks that poor quality housing would be provided, if builders were given free rein. And there were risks of corruption, which was also an issue with local authority involvement in housing, in his view.

Engels' analysis was rooted in his understanding of urbanisation, in the context of capitalist industrialisation. But this was a book of its time. He was writing in 1872, which would have seemed a very depressing time. But this was not so long before a

number of very major changes. The labour and progressive movement was emerging as a much stronger force – Linda referred to the establishment of the Social Democratic Federation (SDF) in 1881, for example, and to the labour movement's first May Day event in 1890, calling for an eight hour day. Municipal housing began to be developed and the London County Council began to build council housing with its own direct labour force.

Before coming on to focus on these changes in more detail, other panellists summarised their own views on the continuing relevance of the Housing Question in the contemporary context. Paul added his appreciation of the importance of Engels' overall analysis, rooted in historical materialism. Marx and Engels's thinking was dialectic; they understood the development of capitalism and the growing power of the rising class, the proletariat, within this framework. Engels' writing exudes the confidence that, as the rising class within capitalism, this proletariat would ultimately win out. This echoes the confidence of the Communist Manifesto, written a quarter of a century earlier.

Clearly the situation is very different today though, with greater fragmentation within the working class. But there are still aspects that are highly relevant, including Engels' analysis of the issue of working-class displacement from city centres as the result of market forces, an issue that Paul would be discussing in more detail subsequently.

Michael reflected that he had himself approached re-reading The Housing Question with something of a sinking feeling, given that the situation had changed so significantly since 1872 when Engels had been writing with such confidence. Would the book still feel relevant? But as he began re-reading the book, he became really excited. This was such a fluent analysis of value, exploitation processes and accumulation in capitalist societies, written in such a punchy, polemical style. This style felt very contemporary, the tone reminding him of neo-liberal think tank tweets in response to centrist arguments about the housing crisis today. Michael went on to quote the following passage to illustrate Engels' analysis of owner occupation (as Linda had already mentioned) together with his stylistic forcefulness.

> However, the capitalist character of our worker has still another side. Let us assume that in a given industrial area it has become the rule that each worker owns his own little house. In this case the working class of that area lives rent free; expenses for rent no longer enter into the value of its labor power. Every reduction in the cost of production of labor power, that is to say, every permanent price reduction in the worker's necessities of life is equivalent "on the basis of the iron laws of political economy"

> to a reduction in the value of labor power and will therefore finally result in a corresponding fall in wages. Wages would fall on an average corresponding to the average sum saved on rent, that is, the worker would pay rent for his own house, but not, as formerly, in money to the house owner, but in unpaid labor to the factory owner for whom he works. In this way the savings of the worker invested in his little house would certainly become capital to some extent, but not capital for him, but for the capitalist employing him. (Engels, 2021 edition. 51-52.

Since then, as Michael went on to point out, we now have a rich and well-developed literature on landed property and rent to draw upon, including the theoretical work of Ben Fine and others on rent (Fine,2019). So rather than simply taking Engels' analysis as given, this subsequent theoretical work enables us to see what *can* happen: but whether this *does - or does not* – happen depends on a number of factors including the property relations involved, the structure of the leases, the employment contracts and the balance of power between the different interests concerned. So, there is scope for developing a much more nuanced account in the light of these subsequent theoretical developments.

In addition, Michael pointed out that these are not simply distributional issues - about the ways in which a given mass of surplus value is distributed between classes. The Housing Question also involves issues concerning relations of production and how accumulation takes place and about what is produced as a result, including the quality of housing that is being built.

Paul then added further reflections on those aspects of Engels' analysis that still have particular relevance in the contemporary context. He quoted from Engels' discussion of working-class displacement from inner city areas as follows:

'The growth of the big modern cities gives the land in certain areas, particularly in those which are centrally situated, an artificial and often

colossally increasing value; the buildings erected on these areas depress this value, instead of increasing it, because they no longer correspond to the changed circumstances. They are pulled down and replaced by others. This takes place above all with workers' houses which are situated centrally and whose rents, even with the greatest overcrowding, can never, or only very slowly, increase above a certain maximum. They are pulled down and in their stead shops, warehouses and public buildings are erected …. The result is that workers are forced out of the centre of the towns towards the outskirts; ….[and] the building industry, which is offered a much better field for speculation by more expensive houses, builds workers' dwellings only by way of exception' (Engels, 2021 edition. 23).

This account is so resonant of the processes of estate regeneration that are taking place in the contemporary context, in London for example. Council estates that were previously built in inner-city areas like the Heygate estate in Southwark, are being torn down, often, tragically, by the very same Labour councils that built them in the first place. These buildings are then replaced with housing for more affluent homeowners. Neil Smith's Rent Gap Theory explains these processes in the contemporary context; in situations in which land becomes very expensive but rents are still relatively low, which leads to the low rented dwellings being replaced by more expensive land uses. David Harvey's analysis of displacement is directly relevant here too, demonstrating the ways in which profits can be generated through processes of dispossession. Engels analysis is very prescient in these respects.

Before moving on to the discussion of what has changed since Engels wrote the Housing Question, Michael added that one of the strengths of the ways in which Engels analyses the Housing Question is his sense of geography. He is very good at distinguishing between isolated towns with a single employer (who had some interest in the provision of housing for his workforce) from larger towns with multiple employers who have no such direct interest. Engels' analysis also takes account of the differences between the countryside and the city, cottage estates and mansion blocks. And he explores comparisons with experiences in cities elsewhere such as Berlin and cities in Belgium, for example. This is such a contrast with the

approaches adopted by so many contemporary writers with no sense of geography who seem to assume that one size fits all, with top-down policy solutions being devised accordingly (as in the National Planning Policy Framework). Michael referred to the contributions of Doreen Massey here, the geographer whose writings provide such powerful materialist understandings of space and place (Christophers et al, 2018).

What is missing from Engels' analysis?

Linda had already pointed to a number of very significant changes that had been taking place since 1872, including the development of local authorities' involvement in building council housing and their use of direct labour.

What was really missing was the discussion of the production process. As Nye Bevan (then the minister responsible for housing and health) had previously recognised in 1949, the organisations of the building industry had been a major factor (and potential block) in achieving house building targets in Britain after the Second World War.

Local authorities had made major contributions to the production process through the development of their own direct labour forces (DLOs). These had been significant features of municipal socialism, constructing a wide range of buildings such as fire stations, for instance, as well building council housing. After the Second World War the Greater London Council was employing some 5,000 workers directly.

The reproduction of building labour was also missing from Engels' analysis. But the quality as well as the quantity of what can be built depends upon the quality of training in the construction industry. This is such a significant problem in the contemporary context – the lack of skilled labour, including the lack of workers with Green construction skills. The role of labour as an agent in the production process was

also missing, along with the role of trade unions. These were significant gaps as well.

Paul then picked up on this theme, identifying other areas that were missing from Engels' analysis. Clearly Engels couldn't foresee what was going to happen in the future, including: the changing role of the state and local authorities and the growth of owner occupation in England. But the role of the state had turned out to be far more complex than Engels had anticipated. Engels excoriates the state as the organised collective power of the bourgeoisie against the interests of the exploited. Local authorities were likewise written off as 'centres of corruption of all kinds, nepotism and jobbery' (defined as the exploitation of a public office for the private advantage of the official) (Engels, 2021 edition. 69).

But this approach fails to take account of what has actually been happening. There have been multiple ways in which different forms of welfare state – and different interventions in housing – have actually developed in various contexts, over time. Still, Engels does recognise the possibility of the state responding to pressures from progressive forces – which is exactly what has happened in a number of Western capitalist countries. In response to pressures from workers and from social democratic and communist parties, for example, genuinely decent and genuinely affordable social housing has been provided in Scandinavia, the Netherlands and UK (at least until the 1980s) – by taking social housing out of the market..

Michael then added that The Housing Question was written before the development of the variety of financial relationships that characterise the contemporary situation. There are differences between lease-holders and tenants for example, with different forms of leases and tenancy agreements just as there are differences between owners who have mortgages and those who do not. These differences are potentially undermining of solidarity. But there is some scope for bridging these divides, all the same.

Michael went on to outline the example of the organisation of those affected by the mortgage system in Spain. Owner-occupation is very prevalent in Spain for a number of historical reasons (including the

effects of fascist rule). But owner-occupiers share some common problems in relation to their mortgages, despite the variations on their circumstances. So, despite such differences, it has been possible for them to come together around their common concerns with the mortgage system in Spain.

The second question that Michael raised concerned the proportion of outright owner-occupiers without mortgages in Britain – a third of the population, which is very high. So, these households are effectively living rent free. How might this relate to the points that Engels has already been quoted as raising about the possible effects on wages? Are wages being depressed with employers taking advantage of the fact that these owner-occupiers were living rent free? Similar questions might be raised in relation to social housing tenants in cities with long histories of social housing such as Vienna and to some extent in Zurich. Have employers been in a position to pay lower wages in these contexts? These are interesting questions for further investigation.

Finally, Linda concluded the discussion of what was missing from The Housing Question by returning to the importance of the labour force. Engels hadn't focussed on the significance of the labour movement in general or building workers, more specifically. But building workers have played leading roles in working class struggles from the latter part of the nineteenth century, just as they have played leading roles in solidarity with fights for better housing.

What next then, in terms of contemporary policy debates and housing struggles?

At this point the panellists were invited to share their thoughts on current policy priorities and housing campaigns.

Linda emphasised the importance of addressing climate change. This was absolutely central. Housing is responsible for a third of carbon emissions. And 20% of the population is in fuel poverty. So, these are crucial issues. Retrofit has to be a key priority, then. There

is so much need for this, especially given the poor state of Britain's housing stock.

The building industry itself urgently needs to change too, with much better training provision. This needs to be made available more widely, especially to women and girls who are so under-represented in the industry. These issues have to be central to campaigning in the coming period, working with the trade unions, tenants and residents together.

Michael was in complete agreement about the importance of addressing climate change in general and retrofit more specifically. This needs to be done in ways which tackle rather than amplify existing inequalities, including inequalities between tenants, leaseholders and owner-occupiers. Housing is such a powerful generator of inequalities, affecting people's life chances in so many ways.

There are moves to develop common strategies across these divisions though, as Michael went on to explain. He referred to the Just Space Community-led Recovery Plan for London that was brought together following the Covid-19 pandemic, bringing thinking together on so many housing issues including the importance of retrofit (http://justSpace.org.uk/recovery). This report illustrates what can be achieved through such collaborative approaches.

Paul then focussed on how to move forward to achieve progressive demands to address the housing crisis. Housing campaigns had been very vibrant in recent years (from 2014 or so until around 2017). He quoted a number of examples from London, for instance. But housing activism seemed to be less vibrant now. How then could grass roots action be mobilised? And how could the state be involved more constructively? Paul quoted recent research illustrating some of the ways in which countries such as Denmark had been maintaining and expanding social housing far more effectively than Britain or Sweden, for example. Was the Danish model (based on housing associations) more robust for instance? And what could we learn from places like Vienna and Helsinki, where the social housing

system isn't in decline? We probably need to learn much more from the experiences of others.

The discussion that followed explored some of the theoretical questions that had been raised by the panel. But much of the focus was on finding the spaces for moving forwards, identifying possibilities for effective campaigning, building alliances in support of struggles for housing justice for all.

References

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See also The European Coalition for Rights to Housing and the City, founded in about 2015, http://www.housingnotprofit.org/en

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