Collective action and social exclusion in the British post-war housing programme

Introduction

For the urban working-class, the provision of better quality housing was a central political issue in the thirty years after 1945. Because city councils were often controlled by the Labour Party even when the Conservatives were in power nationally, the provision of housing was also by far the most important means by which the Labour Party could set about building (rather than simply talking about) its vision of a better society. This paper discusses the history and implications of that programme of intervention in two solidly Labour-controlled, working-class local authorities (Sheffield and Southwark). It argues that instead of building solidarity between people, collective provision came to divide them; and that this played a major role in loosening the attachment between the Labour Party and the skilled and prosperous elements of the working class.

The impact of social housing

Over a period of only thirty years after the end of the War, the previously-dominant system of tenure in Britain's inner cities (private renting) was reduced to residual status. From 1950 to 1975, the public sector constructed just over 4.3 million new dwellings, while the private sector built just over 3.9 million. Most of these public sector dwellings were built by local authorities. Pressures from central government constrained their choices; Dunleavy has argued that central pressures largely determined the scope and nature of the building programme. However, it is clear that while centrally available subsidies for slum clearance and central housing targets created pressure to build, government was usually pushing at an open door. Housing became a key yardstick by which local leaders judged their success, and were judged by the local press.

At both local and national levels, the pressure for public provision of housing stemmed from a set of problems which could only be solved by collective means (given the existence of rent control, the widespread existence of houses in multiple occupation and the low feasibility of making private contracts

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1 The local pictures presented in this study are an amalgam of primary material from several thousand local newspaper stories, academic sources, additional literature, and re-analysed statistical data. The voices that are heard in local newspapers are not 'representative'. But local newspapers tend to report a wide variety of views, and to reprint - more or less verbatim - comments made by local councillors and local residents. Although the voices heard in these sources may seem familiar, the worlds which they reflect have largely vanished. Apart from oral history, local newspaper stories are the closest that we can get to the fine-grained experiences of residents in these vanished worlds.

2 Social Trends No 7, 1976, p.151: author's calculations.

Much of the growth in owner-occupation before 1960 was fuelled by sales by private landlords to owner occupiers; private sector construction then became a major factor in the rise of owner-occupation, to become the dominant form of tenure by 1970.

3 Legislative and subsidy régime changes are clearly summarised in Peter Malpass and Alan Murie, Housing Policy and Practice, Public Policy and Politics (London, 1982) p 45-75.


Peter Shapeley, Duncan Tanner, and Andrew Walling, 'Civic Culture and Housing Policy in Manchester, 1945-79,' Twentieth Century British History 15, no. 4 (2004).
for area-wide improvement). Thus councils first municipalized much private rented housing, then demolished it as part of the slum clearance programme (Figure 1).

Figure 1 – United Kingdom Annual Average Changes in Dwellings 1950-1975, by Sector

By 1973, about half of the semi-skilled and unskilled manual workers in Britain, and almost four in ten skilled manual workers, lived in housing rented from local authorities or New Towns. In some regions the impact of council purchases, demolitions and new construction was even greater: in Scotland over 50% of households were local authority tenants by 1975, and in the ‘North’ standard region, 40%.

The proportion of council housing varied not simply between regions, but within them. Because slums had been largely concentrated in the inner cities, and because the cheapest building land was available in cleared areas, much of the reconstruction was geographically focussed. One consequence of this was to bring about a fundamental change in the nature of the relationship between local authorities and residents; in extreme cases, the right to live in a Borough at all came to depend on administrative decisions taken by the Council about who should be allowed access to its homes (Figure 2).

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6 Social Trends No 7, 1976, p.151
Housing provision and collective action problems

However, the collective provision of privately-consumed goods poses special problems to political theorists. The fact that one family lives in a house means that it not available to another family. Politicians thus also have to overcome uncertainty about how the fruits of co-operation will be distributed. But there is no certainty about whom political authorities will favour, and no means to bind future governments. Thus people should (in principle) be reluctant to make sacrifices for uncertain future gains. In practice, however, support was (initially) widespread, and public provision happened on a very large scale. This puzzle needs to be explained.

Theoreticians have advanced three principal sets of solutions:

- The first set stresses the emergence of trust, to reduce uncertainty about others’ intentions. Trust can reassure people that the fruits of co-operation will be distributed ‘fairly’. But rational maximisation does not justify extending trust to strangers. Thus trust depends on the existence of widely shared values, rooted in communities which can punish deviation from their norms.  

- Collective action dilemmas can also be resolved by the imposition of hierarchy. This process, which overcomes contractual indeterminacy by substituting administrative solutions, is similar to that described by Williamson; his argument is that firms (‘hierarchies’) expand because the costs of contract-enforcement (and other transaction costs) become greater than the cost-savings

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to be achieved by buying on spot markets. By analogy, political hierarchies are able to make flexible administrative choices to allocate housing in ways which reflect community values, even though it would be impossible to write clear contracts which could achieve this.

- A more limited range of collective-action problems can be solved by formal institutions, which guarantee rights of access. But ‘rights’ offer a poor basis for action, because they are hard to specify in practical terms; furthermore, many ‘rights’ are incommensurable or – at least – competitive.

The study of Sheffield and Southwark suggests that the habits and beliefs of Labour Party activists in the pre- and immediate post-war era met the first two of these conditions. In stable communities with low population turnover and considerable social and ethnic homogeneity, trust was able to emerge because of the probability of repeated interactions between participants, the emergence of reputation, and the likelihood of swift retaliation in face of a failure to live by the code. Collective values were based on a very restricted view of human nature, and of which individuals should be counted as a part of the ‘community’ to which duty was owed. The restricted range of potential beneficiaries was concealed from the party’s leaders by a historically contingent set of ideologies based around rationalism, planning, and un-theorised ‘socialism,’ which rendered invisible those outside its moral compass.

Furthermore, because power was hierarchically distributed, those who were in charge could exclude other groups from the assets that were being created (making them more like ‘club goods’ than ‘public goods’) and this built support amongst likely beneficiaries. Public provision of housing acted as a collective-purchasing club on behalf of the most respectable, prosperous and skilled members of the local working class; rents were high, and housing allocation overtly favoured the respectable.

Contradictions of collective provision

But both trust and hierarchy were time-limited solutions. They could not survive social diversity, or the emergence of alternative claims for access to social housing. In the 1960s - the era of ‘Cathy Come Home’ - up to 75% of all dwellings in both Sheffield and Southwark started to be allocated to those displaced by slum clearance. In Southwark, it was hard for affluent, upwardly mobile working-class families to buy homes in the borough (since the Council discouraged owner-occupation); but they could not get council houses, either. In Sheffield, the Council positively encouraged the children of the skilled working-class to buy their own homes, and even became a major mortgage lender; but it could not recapture the former enthusiasm for collective action amongst those who now had other concerns.

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12 For example, in 1951, 97% of the population of each of the three Southwark boroughs had been born in the British Isles, and many had been born locally (1951 *Census England and Wales: County Report: London,* (London, 1953), Table 19), while in Sheffield in 1961 96% of local residents had been born in England, and the total number of immigrants from outside the city boundaries (in that year) was only 1.8%, as against an average for large English cities of 3.2%. (William Hampton, *Democracy and Community: A Study of Politics in Sheffield* (London, 1970) p 36-37.)

As (generally poorer) slum dwellers started to move into council dwellings, hostility over housing allocation was made worse by the need to cross-subsidize the (high) rents of the new homes they lived in by raising the (low) rents paid by the (generally better-off) established council tenants. This provoked rent strikes in both Sheffield and Camberwell (later to become part of Southwark). In Southwark, from the mid-1970s, this challenge was made more acute by the arrival of overseas immigrants who were no longer - as they had been in the 1960s - effectively excluded from access to council housing (Figure 3).

Figure 3- Southwark, Ethnic minority % by Ward, and the location of Council Housing, 1971

The strongly hierarchical nature of these local authorities - dominated by older-statesmen, with younger politicians not expected to speak, and the public and pressure-groups entirely excluded - had allowed them to impose their values. But their faith in an atheoretical scientism, which eschewed design diversity in favour of 'objective' analysis of housing requirements resulted in poor-quality townscapes, which were none the less implemented on a mass scale. Once things started to go wrong, as design defects became increasingly evident and social problems mounted on the new estates, both their ideology and their power insulated them from negative feed-back, and prevented them from changing course.

As this old order crumbled, what remained as a basis for collective action was the third principle; the idea of rights. But formal rights were harder to specify, and were not rooted in the un-articulated values of the community; an idea of fairness based on support for local families from the milieux which generated Labour's leaders and activists was confronted by an idea of fairness based around serving those in greatest 'need'; there was no evident means to resolve these competing claims. This breakdown of shared values provoked extensive attempts to circumvent the system - both by the emergence of black-markets, and by the increasing use of 'statutory homelessness' to jump the housing queue. In a spiral of decline, this 'cheating' then further undermined the credibility of the process.

In Southwark, in particular, where housing pressures on working-class families remained intense, claims to housing based on existing community membership could seem self-evidently just to established residents,

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13 Southwark LSL MAPS. Major council estates have been plotted in black.
14 See, for example, J.M. Richards, An Introduction to Modern Architecture (Harmondsworth, 1940) p 39.
but racist to newcomers. In that borough, white working-class Bermondsey defected *en-masse* from support for the Labour Party. This did not reflect support for the general principles of Liberalism, however, since there were often protests (sometimes violent) when black families were allocated houses.

*The search for a new collective project*

The subsequent history of the two areas cannot be understood without taking account of conflicts of interest within the 'working class', which made reconstruction of a new Labour vision hard to achieve. The persistence of highly-unionised public-sector work forces created tensions between councillors’ obligations to the public, and the public-sector unions. Needs-based allocation of council housing concentrated the poorest and least capable families into large, unpopular estates - while families in the better council estates stayed put, or bought their homes under 'right to buy' legislation. In both cities, the Party turned to spectacular projects of regeneration in order to try to build new coalitions. But these projects were not enough to overcome the conflicting interests of different neighbourhoods, did not generate large enough inflows of resources, and sometimes failed, expensively. Faced with these contradictions, the new leaders used party discipline to fortify their position. Labour became increasingly dependent on the voting support of wards with high concentrations of the socially excluded. In Southwark, it depended on wards with high proportions of people from Afro-Caribbean backgrounds (Figure 4).

**Figure 4:** Proportion of self-described non-African black population in 1991 census, for Southwark wards electing different combinations of councillors in 1998. 

In Sheffield, control rested on the voting support of wards with high concentrations of voters receiving state benefits (Figure 5).

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The difference between the means was significant (sig. = 0.000).
Because many collective goods (such as housing and education) had area-based mechanisms of delivery, it was hard to connect the interests of the areas which most needed help with those of other neighbourhoods. In order to build coalitions beyond its existing base, Labour adopted positions that were oriented to social control; but it remained to be seen whether this would be enough to re-engage the demands of the prosperous with the needs of the poor.  

By the end of the century, Labour had still not re-assembled a hegemonic coalition. Inconceivably from the standpoint of 1945, in Sheffield the Liberal Democrats seized power in 1999 (Figure 6), and remained in contention thereafter. In Southwark, in 2002, the Liberal Democrats also took control.

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The features so deplored by Labourism’s critics – narrowness, inflexibility, exclusiveness – were what enabled the cities to be rebuilt. It was precisely when the Labour leadership stopped being narrow, inflexible and exclusive that the Old Labour project collapsed. Its successors have had great difficulty in finding an alternative vision.

Their experience suggests the existence of an intractable social dilemma facing those who wish to use collective action to increase social equality. Collective political action involves high levels of uncertainty about outcomes; it depends on trust. Trust is possible on the basis of an assumption of shared values. But fraternity is underpinned by frequent contact, bounded communities, and the emergence of reputation. The community which acts collectively will often be unwilling to share the benefits it creates. Fraternité and égalité can be enemies, not allies.