

## **Austerity and the city: impulse paper**

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### **Genealogies of 'austerity'**

Until relatively recently 'austerity' was associated with a very different political experience, namely the years of Labour government from 1945-51. David Kynaston uses the overall title of 'Tales of a New Jerusalem' to frame his series of books on British social and political history across the 1950s, but it is particularly apposite for the first of them ('Austerity Britain') which covers the period of that government (Kynaston 2007).

This was a time in which austerity was closely associated with a particular political vision, one whose emphasis was on the shared experience of a population emerging from the Second World War. It was a time of rationing (of food and clothes), import controls and currency exchange controls. Major industries such as coal mining and the railways were nationalised, and the National Health Service was created. Major schemes of slum clearance were launched in Britain's cities and 700,000 council houses were built. The first new towns were planned and built.

The political message of austerity was associated with the building of a more equal society, even in the context of post war reconstruction when there was a limited economic surplus to redistribute. The argument really was that 'we are all in this together' and, even if that was not really the case, there is no doubt that this was a period in which inequalities of income were relatively low.

But the counter argument, which was made very strongly by the Conservative opposition at the time, was very clear. All the controls and restrictions, it was said, were both limiting what ordinary people could do and were getting in the way of developing new economic opportunities and generating prosperity through growth (with the implication that such prosperity might be shared more widely). A 'bonfire of controls' was promised and after the election of a Conservative government in 1951, a not so fond farewell was bid to 'austerity' as political strategy and a mode of existence.

So, how was it possible for such an apparently discredited (and explicitly Labourite) formulation to return as an explicit strategy for the UK Coalition government dominated by the Conservatives which came to power in 2010? How was it possible for an approach which had been so closely associated with reductions in inequality now to be associated with a programme whose outcome has been significantly to increase social and economic inequality? How was it possible for an approach that was used to justify the building of the British welfare state to be used to restructure and perhaps even demolish that welfare state?

There seem to me to be three main factors in play in the way that 'austerity' has been mobilised politically:

First, it became possible to suggest that the issues at stake were indeed shared and to imply that all sections of society would also be expected to share the pain of retrenchment;

Second, it was a powerfully moral discourse, and made it possible to bring together the acknowledged excesses of the bankers with the way in which we had all somehow lived beyond our means;

Third, it was but a small step from this to suggest that the state too had somehow exceeded a range of limits – particularly in wasteful spending.

The message of ‘austerity’ was, therefore a post-political or anti-political one – it was that we all had to take responsibility for restoring Britain’s economic position, to accept a period in which there would be little or no income growth and support significant cuts in welfare budgets alongside tighter policing of those in receipt of welfare benefits. The expectation was that people would increasingly take responsibility for their own well-being (for example through Big Society or localist initiatives as well as through employment). In this context – and in contrast to the first moment of austerity politics – controls on the working of the private market and on corporate interests were seen in negative terms. The bonfire of controls and large scale privatisation were undertaken as part of an austerity programme and not as a reaction to it.

### **The urban experience of austerity**

So, how does all this relate to life in England’s cities? And it just worth pausing here to reflect on the shift from Britain to England in this context: the Englishness of ‘austerity’, at least, in its most developed policy form is clear. That does not mean that there are no similar pressures in Scotland, Wales and Northern Ireland, but these are filtered through the financial allocations determined by UK level funding models, rather than being expressed as explicit political commitments, and that matters. In a sense, however, it might even be argued that the dispersal of responsibility for managing limited budgets along these lines is itself a logical expression of the politics of austerity.

Here I shall just reflect on three aspects of austerity thinking as it works itself out in practice – in housing, planning and through forms of localism:

There has been a longer term shift in the way that urban housing is managed, dating back to the early 1980s when instead of investing in council housing and subsidising rent an emphasis was placed on the payment of housing benefit to individuals to cover their rent, while at the same time a programme of council house sales to sitting tenants was launched. Austerity has added its own twist to this tale, as levels of housing benefit paid to those with an ‘extra’ bedroom have been cut so that the idea that tenants have a continuing right to live in property that has been their family home has been lost. And many of the erstwhile council houses have been transformed into properties available for private rental as they have passed from the original owners into the hands of private landlords. For the first time for many years, not only are more people in England living in private rented than in council or other social housing, but the proportion of those living in owner occupied homes has fallen, in direct contrast to the promise of a property owning democracy made by Prime Minister Thatcher – the emergence of what has been described as ‘Generation Rent’ is a direct expression of the longer term shifts, reinforced by an approach to the housing market which has been more concerned to look for ways of shoring up the capital value of houses occupied by the beneficiaries of the system (see Dorling 2014 for a discussion of changing politics of housing over recent decades). One of the effects of the 2008-9 financial crisis as the harbinger of austerity has been that the market for new housing is now dominated by a very small number of builders.

In this context, the emphasis of planning policy has also shifted. In some ways, of course, the moves are subtle and build on the previous pattern of change, but the language (e.g. in the National Policy Planning Framework) has undoubtedly moved from a rhetorical commitment to sustainability, to one that emphasises the need to focus on the financial viability of developments. In other words what is expected to determine whether houses are built is the extent to which developers can generate sufficient profits from the schemes they propose. In recent years attempts have been made to extract social benefit from the gains made from the development process - whether through what are called Section 106 agreements (through which developers may be expected to provide community assets of various sorts) or through the requirement to provide a proportion of 'affordable' housing as part of the development. In the context of austerity the extent to which these requirement can be made is questionable and the proportion of affordable housing on any scheme is increasingly minimised (and since the definition of affordability is itself now highly questionable – 80% of market rates in London, for example, is already far beyond what is 'affordable' even for many middle class professionals). Austerity arguments have been used to support attempts to reduce planning controls, but throughout much of the Greater South East of England (where demand for housing is high) the house building companies already own land with planning permission and choose not to release the land for housing, because their business model is predicated on ensuring that their returns are maintained on each development, which means they have little incentive to develop on a large scale, whatever the level of housing need (even if, in the topsy turvy world of austerity England) the level of housing need is everywhere used to justify the argument that more and more land with planning permission is required (this is discussed more fully in Cochrane et al 2015).

A commitment to localism was identified early on as a core aspect of the austerity programme, often alongside what was called the Big Society agenda. Like many aspects of austerity, the precise meaning of localism has been subject to a wide range of interpretations, and what is interesting is how those meanings have overlapped, rather than being in contention with other. The driving set of assumptions was clustered around a sense that the politics around local government was the problem and what was needed instead was to find some way of making it non political – localism promised this since 'local people' (at neighbourhood level or in various forums, perhaps as school governors) would make sensible decisions which were consistent with what was expected of them by government. In some circumstances, in practice this meant that the important decisions would be left at the centre, to be implemented locally; in other circumstances it meant that they could be delegated to corporate agencies, whether defined as charities (as in many cases of school academy chains) or as privately owned service providers (since all that mattered locally was the efficient and cheap delivery of services); and in some circumstances local communities were supposed to find ways of delivering their own services (e.g. in the case of libraries in many council areas) when funding was cut in the face of severe financial restrictions. Of course, sometimes, local people could not be trusted and got things wrong, so government commissioners could be moved in (e.g. in schools where governors failed or local authorities where electors voted for the wrong people) (some of these issues are discussed more fully in Clarke and Cochrane 2013).

### **Concluding comments**

I have only discussed a small number of possible ways in which austerity has found a policy expression in an urban context. Many more could have been listed – from the direct impact of

welfare and benefit cuts on urban poverty to the policing of urban populations (as expressed, for example, in the responses to the 2011 riots); from property deals and mega projects to the re-imagination of urban government through City Deals and elected mayors, and so on. But what I hope is clear is that austerity can be translated into practice in many forms. Indeed it could be argued that it is a genuinely chaotic conception, whose ultimate meaning is confused and uncertain. But it is just that which gives it its strength as a political animator. It can be mobilised to shut down argument (since it is an overriding priority on which all can agree) but more important, perhaps, the discursive pillars around which it is constructed remain clear, even if ways of realising them are less clear.

Austerity delivers:

- a moral agenda (in which we all have to accept sacrifices);
- a responsabilising agenda (in which we all have to take responsibility for ourselves and our communities);
- a market agenda (in which the state has failed, so that private corporations as well as charitable agencies and social enterprises are best able to deliver what is needed).

Translating these agendas into practice in an urban context is rarely straightforward, but it is precisely the complex processes of negotiation that make austerity such a powerful and effective political discourse. This is no top down imposition of a clear or simple programme of action, but a way of thinking which invites us all in to determine our own fates, within narrow constraints of possibility.

## References

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