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Public housing, commodification, and rights to the city: The US and England compared

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ABSTRACT

In the past decade, England has not experienced the radical neglect and demolition of public housing that *We Call These Projects Home* describes happening in the United States. The English social housing sector has declined in size, primarily by sales to sitting tenants, but it remains a significant part of the housing system. Nonetheless, in London, we find that the progressive commodification of housing has contributed to the dispersion and suburbanisation of the urban poor over the 2000s, as the city as a whole prospered. As well as some demolition of inner-city housing estates, the increasing use of subsidised private renting has played a central role in this. We argue that in England, the boundary and relationship between state and market is an essential foundation to an analysis of 'rights to the city'. This is because it both determines the actual proportion of housing allocated by market pricing (as opposed to rights or needs) and the spheres of decision where market logic (rather than claims to rights) prevails. Current changes to Housing Benefit exemplify the effects of privatisation on the socio-spatial organisation of the city.

Introduction

We Call These Projects Home (*WCTPH*) is a sharp and forensic analysis of public housing policy in the United States in recent decades. The United Kingdom, and England within it, are often seen as the Western European welfare states whose recent direction in social and fiscal policy most closely mirrors the US. The first part of this paper summarises which parts of the critique of US housing policy could equally apply to English policies in recent decades. There are parallels, including the move from the direct supply of dwellings to poor households to personal rent subsidies, and demolition of public housing. There are notable differences: despite the selling-off of council housing, it remains an important part of the English housing system, and means-tested rent subsidies are available to all who are eligible. We examine the changes wrought by housing policy upon urban space in London in the past decade. Subsidised housing has become more suburban and more spread out. London's poverty rates have hardly changed in a decade, but the urban poor are more spatially dispersed. This is the first aim of our paper: to see how the cumulation of policies is altering the socio-spatial structure of cities.

Our other intention is to connect policy-making and 'rights to the city' to broad social forces, rather than seeing policies as only a sequence of disparate, tactical or political manoeuvres. There are different types of rights, and different foundations on which such rights might be claimed. However, the recognition of rights depends on there being a sphere where such claims have currency, whether in law or in expectations justified by practice. Hence, established debates about the boundaries between state and market remain pertinent. In so far as housing is a commodity allocated by market pricing, non-monetised claims to value-in or rights-to urban dwelling are weak or empty against economic logic. The classic literature on the commodification of housing and the shifting boundary between 'state' and 'market' offers a useful perspective to interpret the vicissitudes of housing policy in different countries, and such policy's bearing on 'rights to the city'. Changes introduced by the current UK government, which came to power in 2010, exemplify this perfectly. As in the US, as *WCTPH* describes, a large proportion of low-income households in London now rent from private landlords with the help of state subsidy, rather than living in public housing – the most significant extension of the commodification of housing in the past 10 years. By reducing the maximum subsidy payable, the new government's approach is almost certain to displace large numbers of existing low-income tenants from the high-rent, inner-urban parts of London to the suburbs and beyond. 'Rights' to a large part of the urban core will become very largely a matter of capacity to pay.

The direction of US and English housing policy

The collective authors of *We Call These Projects Home* present a pointed critique of the direction and results of public housing pol-

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icy in the United States (Cattell, Dodge, Kasdan, Nunn, & Sinha, 2010). We start by drawing out some of the central lines of argument, and assessing what similarities there are in recent English housing policy. The account given of the US in the past decade is one of neglect, disinvestment and shrinkage in a public housing sector that was already inadequate relative to need. Since 2000, federal capital funding has fallen, and metropolitan housing authorities have run deficits because of shortfalls in subsidies to their operating costs (Cattell et al., 2010, pp. 26–27, 52). *WCTPH* concludes that this demonstrates a failing political commitment to direct public provision of dwellings as a means of housing the poor. Preference and funding have instead gone to providing vouchers to subsidise rents paid by poor tenants to private landlords (Cattell et al., 2010, pp. 13–14). The physical decline of public housing and the belief that social ills on estates arise from the concentration of poverty therein have been used to justify the demolition of public housing in many cities (Cattell et al., 2010, pp. 15, 29). Demolition without replacement of public housing units has dispersed the one-time residents of these estates (Cattell et al., 2010, pp. 34–35). The authors suggest that these specific developments illustrate more general problems: firstly, the unequal status and resources of people of colour, and, secondly, the opacity of public institutions to scrutiny.

The time-line of public housing legislation appended to *WCTPH* shows some parallels between the US and UK, but also illustrates some long-standing differences. The apogee of post-war public rented, or "social", housing in the UK was much higher; it has lasted longer and waned less. Social housing in the UK is now roughly evenly split between "council housing" that is owned by city authorities, and homes let by not-for-profit housing associations, some of which own tens of thousands of dwellings spread across the country. These tenures are usually treated together because much of their housing stock was built with state subsidy, their rents and allocations are highly regulated, and the clientèle they serve is similar (Whitehead, 2007). Subject to a means-test, tenants may claim Housing Benefit (HB) to cover all or part of their rent. This benefit is also available to low-paid and non-working households in private tenancies. Unlike Section 8 vouchers, HB is not a limited good; it is available to all who meet the criteria.

For reasons that we will explore, the social rented sector has shrunk steadily since 1980. Nonetheless, in 2010, 19% of households in England lived in social rented housing, down from a peak of 31% in 1981. With this decline, the social sector came to house an increasing proportion of low-income households, but incomes disparities both across society and between tenures are smaller than the US. *WCPTH* reports that 56% of public housing tenants have 'extremely low' incomes (less than 30% of area median) and a further 17% have 'very' low incomes, below 50% (Cattell et al., 2010, p. 65). We do not have tenant incomes compared to area medians in England, but 16% of social tenants have incomes (before housing costs) below 50% of the UK median; the proportion below 30% is too small to be measured by surveys (Department of Work & Pensions, 2011, p. 53, Table 3.6b). The level of welfare benefits means that, to date, it would be almost impossible to have an income below 30% of area median. There are also historic and current ethnic politics of public housing, segregation and poverty in England (Henderson & Karn, 1987; Peach & Byron, 1993; Phillips, 2006), but the history, terms and terrain of conflict are very different to the US, and the national politics of social housing are not *ipso facto* racial. Overall, though English social housing has residualised, compared to US public housing it is a less marginal sector, and its tenants comprise a less marginalised and impoverished class.

With that background, we can ask whether over the 2000s, social housing in England was subject to the radical underinvestment and demolition seen in the US (from 1998, Scotland and Wales had devolved responsibility for housing, and have taken, on occasion, quite different paths). The Labour Party which governed over this period is the party most inclined to preserve the *status quo* in public housing. *A* policy that exemplifies this was the 'Decent Homes Programme', instituted in 2000. This sought to address a backlog of repairs (estimated at £19bn) and improve kitchens, bathrooms, and the thermal comfort of dwellings (National Audit Office, 2010, p. 12). At the start of the programme, 39% of social housing did not meet the prescribed standards; by April 2009, this had fallen to 14%, mostly because of publicly funded improvements works; such work was underway on some of those remaining unimproved (National Audit Office, 2010, p. 7). At the national level, in the 2000s, the charge that 'they run it down in order to knock it down' does not stand. However, the programme targets could, under some circumstances, be an element in local authorities' decisions to demolish social housing, and so we turn to demolitions next.

From 2000 to 2010, 125,000 social rented dwellings were demolished in England. Most of these had the object of reducing excess supply in regions of industrial decline in the North of England, where problems of vacancy and abandonment had manifested in the 1990s (Power & Mumford, 1999). However, estates were also being demolished in cities with an overall shortage of supply relative to need, in the pursuit of 'regeneration'. A version of deconcentration theory was part of public policy discourse during the 2000s; in England, its shibboleth was 'mixed communities', and mix-ing of people as well as tenures was sought. Academics, ourselves included, applied themselves to definitions, rationales and evidence (Bond, Sautkina, & Kearns, 2010; Cheshire, 2009, 2012). Central government endorsed a limited programme of 'mixed community' demonstration projects (Lupton & Fuller, 2009), encouraged by what appeared to be successful urban regeneration schemes in the US under the aegis of the HOPE VI programme (Berube, 2005; Lupton & Tunstall, 2008). These projects mainly involved demolition of existing social housing and building mixed-tenure developments on the land. Local authorities were also enacting 'mixed communities' schemes of their own. Whereas central government and academics were interested in the possible social or economic benefits of mixed communities, some local municipal authorities (with responsibility for housing and spatial planning in their area) were demolishing and redeveloping social housing estates for varying reasons. For example, they were being required to reduce the proportion of their social housing stock that failed the Decent Homes standard. Where renovation and improvement seemed technically or financially infeasible and the housing lay on land with high potential value, a decision to demolish and rebuild could be pragmatic. We present examples from London below, and later discuss the circumstances and logic that constituted pragmatism in such projects.

Nationally, in the 2000s, considerably more new social rented housing was built than was demolished. The prime reason for the continued net shrinking of the social housing sector was sales to sitting tenants under the 'Right-to-buy' (RTB) provisions instituted by the Thatcher government in the early 1980s. These gave council tenants the right to buy their home, after a period of tenancy, at a substantial discount from its open-market value. Tenant-purchasers were liable to pay back part of the discount if they sold on the dwelling in the years immediately following purchase, but otherwise their property rights are identical to those of other owners. It is a full transfer to private ownership. Although buyers often remain for some time – the median period was reported as 16 years, in 2003/04 (Wilcox, 2008, p. 8) – as they sell-up and move, the dwellings become wholly part of the private market. Although sales were not as rapid as in the 1980s, over the 2000s, 400,000 social rented dwellings in England were sold by the RTB.

This picture of a slow decline of social renting, from a large base, is not the same as the neglect and dismantling of an already mar-