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University of Durham

Working Class Credit On Tyneside since 1918

A thesis submitted to the University of Durham
in accordance with the requirements of the degree
of Ph.D. in the Faculty of Social Sciences.

Department of Sociology and Social Policy

by

Avram George Taylor

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August 1996



- 4 JUL 1997

Abstract

The research is about working class credit on Tyneside from 1918 to the present. Its central focus is the social relationships involved in the use of credit by the working class, and the way that they have changed over time. In order to investigate this, a comparison is made between the pre- and post-war periods. The starting point of the research is: that in the pre-war era, certain sections of the working class led a more communal lifestyle than they currently do. However, I argue that the solidaristic relationships that existed within the working class can also be seen to contain an instrumental element. The use of credit by the working class in the pre-war period shows an 'interpenetration' of instrumental and affectual spheres of action. In the post-war period, though, this interpenetration is considerably lessened, and there has been a breakdown of trust in certain communities. Just as there was often an instrumental element involved in the solidaristic relationships that existed within the working class, there was often an affectual element in the commercial relationships involved in the use of credit by the working class. So I argue that the relationship between lenders and working class borrowers can also be explained in terms of the instrumental and affectual spheres of action. Changes within working class communities in the post-war era, have dramatically reshaped the relationship between the working class and their traditional creditors. Many of the 'traditional' forms of credit have been greatly undermined. However, where it survives, the core relationship of doorstep credit trading, between customer and agent, has remained unchanged. Despite the rationalisation of the credit industry, this relationship still involves an interpenetration of the instrumental and affectual spheres of action.

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To my father.

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You Can't Fool The Fat Man

Sittin' with the fat man
Tryin' to get a loan
Talkin' about the horses
And the women that we've known

He was spittin' on the sidewalk
Squintin' into the sun
Greetin' all the people
Smilin' at everyone

I said, "Hey, listen Fat Man
I just can't get a break
Must I pay my whole life long
For just one mistake?"

"My brother's in the armed forces
My sister is in jail,
Won't you give me fifty dollars
So I can pay her bail?"

He said, "You Can't Fool The Fat Man
No, you just can't fool me
You're just a two-bit grifter
And that's all you'll ever be."

words and music by Randy Newman (1977.)

Introduction

This thesis seeks to assess the effect of credit on working class communities, and attempts to relate this to the debate about the decline of the working class community and possible changes in the working class after 1945. There is a large amount of literature on the decline of the working class community in the post-war period which presents the issue in terms of 'before' and 'after.' So this study also attempts to look at the use of credit in this way, by asking: How do changes in the use of credit by the working class, after 1945, relate to wider changes that may have taken place within the class itself? It is not, therefore, appropriate to include forms of credit that either did not exist before 1945 (e.g. credit cards) or, if they did exist, were not used by the working class before that date (e.g. bank overdrafts.) The other feature of the type of credit offered by commercial banks is that it involves either no social relationships at all, in the case of plastic cards, or very little social interaction (overdrafts can be arranged over the telephone.)

Hire purchase has also been excluded from this study for a number of reasons. Given the significance of this type of credit this was not an easy decision to arrive at, so I should now explain why it was left out. Many of the mass-produced consumer goods that first became widely available during the inter-war period were bought on hire-purchase and hire-purchase also funded the post-war consumer boom. The working class made extensive use of hire-purchase during both of these periods. The reason it has been excluded from this study is: that it is such a particular form of credit that it requires a



study in itself to be able to do it justice. It is unique because although it was originally widely available to all consumers before 1945 (so it was originally a non class-specific form of credit) the conditions under which it was offered to working class consumers were largely unfavourable. This is because of the abuses of the hire-purchase system perpetrated by unscrupulous vendors who took advantage of the fact that this type of credit remained unregulated until 1938. It was working class consumers who were the principal victims of these credit traders. So the circumstances of working class participation in this type of credit forms part of a different story which is to do with the changing role of the state rather than changes within working class communities.

The use of credit by working class communities during the pre-war period had a paradoxical effect, as it involved a potential loss of respectability and status, but also created mutuality. This mutuality found expression in a number of ways, a good example being the money or 'diddlum club' that local communities organised themselves. So, the central question this raises for the period after 1945 is: to what extent does the use of credit by the working class continue to involve a degree of mutuality in saving and borrowing?

Previous studies of this area of working class life have tended to fall into two main categories: general historical surveys of the subject area, or purely empirical contemporary surveys. Melanie Tebbutt's Making Ends Meet: Pawnbroking And Working Class Credit and Paul Johnson's Saving And Spending are the two most prominent examples of the first type of study. As for the second, there have been

countless recent surveys of the extent of indebtedness, two good examples being:

Consumers And Credit (published by the NCC in 1980) and Credit And Debt: the PSI Report (published in 1992.) There has been little attempt to compare the pre and post-war periods, or to place this type of credit within a theoretical framework. As well as being a local study of working class credit, this thesis is also a comparative study of the workings of this type of credit in both time periods (i.e. before and after 1945.) As it is neither possible nor desirable to do history or sociology in a vacuum, the research has also been related to issues of social theory which I hope it may shed some light upon.

Each chapter of the thesis explores the development of a specific form of credit chronologically. Chapter One examines the issues that confront us in a discussion of the working class over the period from 1918 to the present. In particular it addresses the question: has there been a change in the working class since the Second World War as some have suggested? It also examines the practical workings of mutuality in particular areas through the use of oral history. I argue that where mutuality was a feature of working class life, there was also an instrumental component. Working class social networks are based upon both kinship and locality. This chapter examines those social networks and concludes that the type of neighbourhood sharing that they engaged in is best seen as a form of credit in itself. I argue that this can almost be equated with the latter-day 'LETS' system in the sense that it was as an exchange of goods and services that usually did not involve cash payments.

Chapter Two examines illegal moneylending, which is a practice that often takes place within the working class itself. This is another way in which the solidaristic relationships that existed within the working class can also be seen to contain an instrumental element. My argument in this chapter is that illegal moneylending within working class communities forms an interpenetration zone. In other words it is an area where the laws of utilitarian action and the ethics of the working class community interpenetrate. The work of Richard Munch on the interpenetration of differentiated spheres of action is introduced here to explain this phenomenon.

Chapter Three explores the relationship between small shopkeepers and working class communities. It is argued that this relationship is conditioned by the contradictory class location (see: Wright) of small shopkeepers. Several commentators have made the point that shopkeepers in working class areas tend to be drawn from the skilled working class. I found this to be true of shopkeepers on Tyneside, and this meant that they tended to be viewed as part of the communities that they exploited. This makes it difficult to explain the relationship between shopkeepers and their customers purely in terms of naked self-interest, or the cash nexus, as Marx would have it. The argument that I raise in this chapter is that the commercial relationships involved in the use of credit by the working class are rarely of a totally instrumental nature, and this is further explored in the subsequent chapter.

Chapter Four and Chapter Five deal with the relationship that exists between agents of credit firms and their customers. One consistent feature of the use of credit by

the working class is, that those companies who offer them credit tend to rely upon 'agents' or collectors to mediate between themselves and their customers. An examination of the relationship between the customer and the agent shows that there is often an affectual element involved in the relationship, as was the case in the relationship between shopkeeper and customer. (see: Chapter Three.) These chapters explore the dynamics of that relationship, as well as considering the extent to which the companies involved in this type of trading have become bureaucratised (see: Weber) It was found that although there had been a gradual process of bureaucratisation within these companies, the use of personal evaluation and personal contact was still maintained at various organisational levels.

Chapter Six looks at the growth of credit unions on Tyneside in recent years and asks: do they represent the rebirth of community? I conclude that there is a generally a difference in motivation between 'ordinary' members of credit unions and the leadership group (consisting of credit union activists.) The latter tend to be motivated by an abstract need to 'serve the community.' I feel that the actions of the leadership group is best explained with reference to Weber's ethic of responsibility. 'Ordinary' members, on the other hand, would appear to be motivated by a combination of instrumental and idealistic motives. I feel that this is one of the reasons that credit unions create a small, close-knit community of dedicated activists within an area, rather than representing a revival of 'community spirit' for all the residents. Another major reason for the limited impact of credit unions on an area is that those most in need of the benefits are unable to join.

Finally, we look at the conclusions that can be drawn from the above discussion of the use of credit by the working class.

Methodology

The research methodology I employed was largely dictated by the nature of the research itself. As the research involved tracing the history of each type of credit, as far back as the nineteenth century in most cases, it was necessary to employ historical methods to accomplish this part of the task. However as I was also interested in exploring the contemporary situation, and interpreting it in the light of social theory, then I could also have been said to employ sociological methods. The question this raises of course is: are the two approaches qualitatively different? If they are then there would be surely be points within the research where I ceased to be a historian and became a sociologist and vice versa. My own position on this is the same as that of Philip Abrams and Anthony Giddens. This is, as the latter put it, that,

‘What history is, or should be, cannot be analysed in separation from what the social sciences are, or should be.....there simply are no logical or even methodological distinctions between the social sciences and history - appropriately conceived.’(1)

So I view this research as a work of historical sociology and this is the explanation, not just for the methodology I have employed, but for my whole approach to the subject.

Here I have to acknowledge a debt to previous members of the University and Department in which this thesis was produced, of whom Philip Abrams was one. In fact the Sociology Department of Durham University has produced some notable works of historical sociology by several researchers. Bill Williamson’s study of social change in a

mining village , Class Culture And Community is one example. Another is Ian Roberts' study of a shipbuilding community: Craft, Class And Control. These studies not only provided a tradition in which (hopefully) I have followed, but also indicated an approach which is appropriate for the task of creating a truly historical sociology. This approach can be summarised as: the active investigation of both the past and the present by the individual researcher using the methods of both the historian and the sociologist. This is the approach that I have adopted here, and I shall now go on to briefly outline what I mean by the 'active investigation of the past and the present.'

I feel that there are various possible approaches to 'doing' historical sociology. One of these could be called 'grand historical sociology.' A good example of this approach is Barrington Moore's The Social Origins Of Dictatorship And Democracy, as Goldthorpe has pointed out.(2) This is an approach in which various secondary studies are assembled to create a grand design by a researcher who has not themselves had first-hand contact with the primary research materials. I would argue that such studies form an important and necessary part of our knowledge and are complementary to the studies they employ. This thesis is not a work of 'grand historical sociology,' though, as it is not yet possible to produce such a work about the subject I am dealing with here. This is a study on a much smaller scale, as it attempts to deal with the perceptions of the individual social actors involved in the social relationships it describes in a meaningful way. The present research involves precisely the sort of active investigation of the past and present that I mentioned above. By active investigation I mean the investigation of a topic

through the use of primary materials rather than through the use of secondary sources (as is largely the case with ‘grand historical sociology.’) This is not, by any means, the only possible way to carry out such a study. It could be carried out purely by using previous historical studies of the same subject and accepting their findings and conclusions as a sufficient basis for an understanding of the history of the research topic. In other words, an alternative approach to this thesis would have been to take the work of previous historians of credit as the sole means of understanding the past, and then going on to investigate the contemporary situation through primary materials. I would argue that such an approach involves taking a methodological short-cut, although it is probably more akin to the way in which sociologists usually operate. My approach, on the other hand, has been to investigate both the past and the present through the use of both primary and secondary materials. This is what I mean by the active investigation of both the past and the present. We should now turn to consider the methods I employed to carry out this investigation.

The research approach adopted by this study is qualitative. As Bryman has pointed out, the central characteristic of qualitative research is, ‘its express commitment to viewing events...from the perspective of the people who are being studied.’(3) I have tried to achieve a certain depth of understanding of the actions and motivations of the individuals involved in the social relationships I was studying. The central method I employed for achieving such an understanding was: the unstructured interview.

‘An unstructured interview is an interaction between an interviewer and a respondent in which the interviewer has

a general plan of inquiry but not a specific set of questions that must be asked in particular words and in a particular order. An unstructured interview is essentially a conversation in which the interviewer establishes a general direction for the conversation and pursues specific topics raised by the respondent. Ideally, the respondent does most of the talking.’(4)

The interviews I conducted were always of a very open nature, and I feel that the above adequately describes the approach I adopted. However, there has been a certain amount of debate, within the methodological literature, about the extent to which an unstructured interview approximates a conversation. Oakley has offered a feminist critique which questions the extent to which the interviewer is a distanced confidant. Oakley advocates a non-hierarchical relationship between interviewer and interviewee where, ‘...the interviewer is prepared to invest his or her own personal identity in the relationship.’(5) It could be argued, however, that despite the best intentions of the interviewer there will always be a certain imbalance of power in this relationship as one party will always tend to dominate the questioning. My own feeling is that, although this is true, interviewees are also capable of withholding information from a questioner, blocking a line of questioning, or ‘setting the agenda’ themselves in other ways. They also have the ultimate sanction of terminating an interview altogether if they are unhappy with a line of questioning. I would argue that an interview is a type of ritualised social practice in which both interviewer and interviewee have to agree to participate, and in which both participants have a (more or less) equal share of power to shape the proceedings through different means. Ultimately, though, much rests on the attitude of the

individual researcher. An overbearing and/or insensitive researcher will create an unequal power relationship with their respondents. I hope that I was sufficiently sensitised to the issues for this not to apply to my own interviewing technique.

So, as a piece of sociological research, the thesis is firmly situated on the qualitative side of the quantitative/qualitative divide. As well as this, though, many of the research interviews deal with events that happened a long time ago. So my methodology could also be classed as 'oral history,' a research technique which has a different set of problems attached to it. This returns us to my initial question: when does historical research become sociological research? Or, when does my questioning of respondents about the past cease to become oral history and become an unstructured qualitative interview? I would argue that, since we can only interview respondents about events that have already taken place, there is no meaningful distinction between oral history and qualitative social research in this sense. I certainly carried out my interviews in the same way regardless of whether they were dealing with events that took place one year ago or fifty years ago!

In many cases, I had to employ oral sources in order to find out anything at all about the areas I was researching. There are very few primary sources, either published or unpublished, that deal with these particular types of credit. Many of the forms of credit that were investigated vanished without leaving any written record. In the case of illegal moneylending, for example, it was not necessary or desirable for the participants that there should be written records of transactions at all. Corner shops usually kept 'tick

books' at the time recording how much customers owed for groceries. However, few such ledgers would seem to have survived to the present day. I was certainly unable to locate any and, even if I had, how much would such a purely financial record add to our knowledge of how such business was conducted? So, oral sources are not only one of the few means of investigating this topic, they are the only way we can gain an understanding of the social relationships involved in the use of credit by the working class. So what are the particular problems associated with this source?

As I have said already, my research can be classified as both qualitative interviewing and oral history and, as such, could be subject to the criticisms that have been levelled at both of these techniques. So, this places me in a position where I could be attacked by both more traditionally-minded historians and more qualitatively-minded sociologists. My response to both is quite simply that all research techniques have their weaknesses. Statistics may have a comfortingly 'concrete' feel but numbers have to be gathered somehow before they can be crunched by a statistician. If the data-collection process is faulty to begin with, because of an inadequately administered questionnaire or the actions of a careless or gullible researcher or for a host of other possible reasons, then the information is worthless no matter how many tables or bar graphs are compiled from it.

As to the problems with using oral history as a source, there are two main criticisms that are usually levelled at this type of evidence. The first is to do with the fact that the evidence is not actually written down. Historians are used to dealing with written

evidence in various forms, they can even acquire what E.H. Carr has called 'a fetishism of documents.' This amounts to the belief that, 'If you find it in the documents, it is so.'(6) So, because oral evidence, by definition, does not take the form of a document it thus feels less 'reliable' to some historians. As Carr points out though,

'No document can tell us more than what the author of the document thought - what he thought had happened, what he thought ought to happen or would happen, or perhaps only what he wanted others to think he thought, or even only what he himself thought he thought.'(7)

In this sense, oral sources are no better or worse than written ones, as long as we do not exchange a 'fetishism of documents' for a 'fetishism of tapes' that is!

The second problem with using with this type of source is: the respondent's chronological distance from the events they are describing. This can obviously be quite great in some cases, it is not at all uncommon for oral historians to interview retired people about events that happened during their childhood for example. It would be wrong to deny that people's recollection can become distorted over such a long period of time. It can and it does. On the other hand, I would once again point out that written documents are often subject to the same problem. Of course they are unlikely to be written fifty or sixty years after the events they contain, but they are often written after the fact. If they are minutes of a meeting they may have been recorded at the time, but they are still only one person's version of events. All historical sources have their advantages and their disadvantages, the important thing is to be aware of what they are when using them. With oral history there is the dual problem of bias and distance to contend with. However, if

the researcher begins with an awareness of these problems, oral history can be just as valuable and reliable as other sources.

The main method I employed to check all the sources I employed was: triangulation. Wherever possible, I checked my oral evidence against written statements and vice versa. If this was not possible, then it was sometimes possible to check oral evidence from one interviewee with that of another. In some cases, for example the credit drapers I interviewed, the respondents knew each other and could confirm information about each other. Another of my respondents, Mrs Blake, did give me a fairly misleading account of events in her recent past and, as we shall see below, I only became aware of this after interviewing her son about the same period of her life. A further example of useful cross-checking, this time with a written account, can be seen in the chapter on credit unions. In this case I was alerted to the problem by the account of Meadowell Credit Union which appeared in Beatrix Campbell's Goliath which was at odds with the impression I had from my interviewees. I also tended to conduct follow-up interviews with respondents wherever I felt there was a problem with what they had told me or when, even after repeated listenings, the story on the tape was still unclear. So there are several ways in which I sought to check the accuracy of the evidence I gathered. Some of these will be apparent in the text while others, particularly those attempts that failed, may not be. Although there was a 'snowball' element to my sample, there were also times where the snowball melted! In other words, sometimes my respondents provided me with contacts that would have provided a useful cross-check had I been able to find them but

they proved to be impossible to locate. Two of these were supposed to be in old people's homes, and weren't. Other people that I would like to have interviewed were not physically well enough. All of these are fairly typical of the problems any researcher dealing with elderly respondents will encounter. We should now consider how I located my respondents in the first instance.

The Respondents

The potential number of informants for this project was enormous. It included anyone who could be classified as working class who had lived, or was still living, on Tyneside. It also included anyone who had been involved in any type of credit trading in the area. So obviously some method of sampling was required. As Bryman has pointed out, the sampling methods used in quantitative research to ensure that those selected are representative of a wider population are often inappropriate for the more in-depth approach of qualitative studies.(8) Burgess describes various methods of non-probability sampling such as: judgement sampling (selection according to predetermined criteria such as age, gender or experience), opportunistic sampling (selection of those with whom co-operation is possible), and snowball sampling (selection through existing contacts, thus following a pattern of social relations.)(9)

As Burgess has said, establishing a relationship of trust with the interviewee is an important aspect of the successful unstructured interview.(10) I have lived in Newcastle

all my life, and this gave me a small, but useful, set of ready-made contacts to begin with. So I began with people that I already knew, who had also had some experience with credit, and would be willing to be interviewed. This initial 'opportunity sample' was only going to take me so far, though, so I then had to widen my search. The problem with this research topic is, that many people do not want to discuss their financial arrangements with a total stranger. So it would not have been appropriate or desirable to select individuals at random from an electoral register for example. So how was I to locate respondents?

The method I came up with was to write to The Evening Chronicle, a local daily paper with a very large circulation covering the whole of the geographical area I wanted to reach. I wrote a letter to the editor briefly indicating the area of research I was interested in and asking for anyone who could talk about the subject to write to me at the University. I received 22 replies to this first appeal, but not all of those who responded consented to be interviewed. I was aiming to construct a quota sample through this method. Ideally I wanted to locate at least one respondent who had used each type of credit, and at least one who had provided it. After conducting several interviews, some of which led me to more respondents, I still found myself lacking in people who had been credit traders. I then wrote a second letter to the same paper, with the emphasis on this aspect, hoping for more such respondents to come forward. This was quite successful but I was still lacking any small shopkeepers. This was a problem as I knew corner shop credit was a type of credit I wanted to include in the study. So I narrowed my appeal even

further and sent letters to the trade publication The Grocer and the British Independent Grocers Association. This yielded nothing at all, and I eventually obtained interviews with local shopkeepers by simply walking in and asking them about their provision of credit. This was reasonably successful, but it still leaves a gap in the sense that I was unable to locate and interview someone who had kept a corner shop before 1945. However, I did manage to obtain, what I feel to be, some very valuable testimony from women who worked in such shops.

As might be expected, illegal moneylending was probably the single most difficult area to investigate. Firstly I could hardly do what I had done with other forms of credit (i.e. advertise for individuals who had experience of illegal moneylending to come forward.) Neither is there a Loansharks Gazette to write to, as there was for small shopkeepers! So I was completely reliant on what chance provided in this respect. I was very fortunate to obtain an introduction to a group of pensioners that met in Byker Community Centre where I was told of Mr Jones, who had been an unlicensed moneylender some years ago. I contacted him and he agreed to be interviewed on the subject. I feel this to be a major piece of luck, and this is a good illustration of how random factors can have an effect on the research process. Through contacts I formed on the Meadowell, I was eventually able to locate my other key respondent in this area: Mrs Flannery. After she was assured by my guarantee of anonymity, she agreed to be interviewed about moneylending on the estate. However, as I point out in the chapter, there were several occasions when I had this line of questioning blocked. Some

respondents, who were perfectly willing to discuss other types of credit, when asked about illegal lending replied, 'I know about it but I don't want to talk about it.'

Credit unions, by contrast, were incredibly easy to gain access to. This is because they have a formal structure to go through, and the activists are very willing to discuss what they do. Having said this, it is nowhere near as easy to gain interviews with ordinary members who aren't used to attending meetings or discussing their reasons for being in a credit union. Textbooks advise researchers to use personal contacts wherever possible in order to gain access to an organisation. This is because the researcher is dependent upon the goodwill of gatekeepers.(11) I visited three credit unions (Byker, Fenham and Meadowell), interviewed an Advice worker who was involved in the running of a fourth, and attended the AGM of the Newcastle Credit Union Project for two years running (in October 1993 and November 1994.) At the latter meeting I was invited to Byker Credit Union by two of the activists. I was invited to Meadowell Credit Union during an interview with one of its founder members, Magaret Nolan. So Fenham was the only Credit Union I was not actually invited to attend, but then it was simply a matter of making one telephone call to establish contact with the group. I was always made very welcome whenever I visited a credit union and the people I spoke to did much to assist my research. My own, very positive, feelings about credit unions may have contributed towards this. This would obviously communicate itself to the people I interviewed, and may have encouraged them to respond. Having said this, though, I do not feel this made me an uncritical observer, as will become apparent in the relevant chapter. I simply feel

that it is necessary to declare my sympathy with the aims and objectives of the credit union movement at the outset.

Similarly, I feel that I should also declare my antipathy towards the Provident, one of the largest and longest-standing commercial credit companies trading in this field, who denied me access. As it turns out, this was no great loss but I did initially expect some co-operation from them on a local level at least. I telephoned their Newcastle office several times in the early stages of the research, but the company eventually resolved not to speak to me at all. Since I was able to interview several of their ex-customers and ex-employees, I don't feel I lost a great deal through this refusal, but it would still have been useful to have heard from the company themselves. I would just add that my dislike of the company does not spring from their refusal of access, but is a result of finding out about the way they treat both their customers and their employees. This will again become apparent in the relevant chapter. To be fair, I did receive some literature from the national office of the company as well as from the trade organisation of companies like the Provident, and this was probably sufficient to represent their point of view. This brings us to the question of documentary sources.

Documentary Sources

I have made use of a wide range of documentary material in the course of this research, and it would serve little purpose to list it all here. What I can do, is to indicate

how some of this material was located. Probably the major printed primary sources I employed for the period before 1945 were: working class autobiographies. There are countless autobiographies of working men and women now in print, but I feel that their usefulness as a source is often overlooked. Some of these are incredibly well-known and didn't take much finding (e.g. Robert Roberts' The Classic Slum .) Others were located through The Autobiography Of The Working Class: An Annotated Critical Biography (a dictionary of working class autobiographies) or through local studies collections. I have drawn from local autobiographies as well as those written by authors from other parts of the country. Such accounts are valuable because of the insight they offer into all aspects of working class life. They can prove to be a useful source for the investigation of both the workplace and the domestic environment. Their main disadvantage for a researcher is probably the fact that they are very rarely indexed! This can make it very difficult to locate the specific passages which are relevant to the research topic, as I discovered in the course of this research.

The major primary printed primary sources I employed in order to investigate the post-war period were: the reports produced by various national organisations on the subject of credit, debt and poverty. These studies have been commissioned by various agencies as a result of the increasing public concern over the extent of indebtedness in the country. This concern, although always present to some extent, really began to manifest itself in the late 1970s. The NCC was probably one of the first organisations to produce this type of study with: Why The Poor Pay More in 1977, followed by Consumers And

Credit in 1980. However, the most useful and extensive research in this area is that produced by the PSI. This is partly due to the fact that their research was supported by a consortium of 54 commercial companies, public agencies and voluntary organisations. These included organisations as diverse as The Joseph Rowntree Foundation and The National Westminster Bank. So this illustrates the extent of the concern about this problem. The PSI eventually produced a number of separate reports that dealt with different types of credit. Two of these (Hard Times? and Moneylenders And Their Customers) proved invaluable to this research.

I also visited various archives as part of this research, and have made use of some archive sources. However, as I pointed out earlier, this type of credit left little behind in the way of documentary evidence. So an archive is not really the place to investigate the subject. I began by conducting a search in Tyne and Wear Archives (the major local archive) which yielded absolutely nothing at all! The local studies collections, held in the Central Libraries of Newcastle and Gateshead, did prove to be more useful, particularly for newspaper reports, but it would still have been impossible to carry out the research only using the materials I discovered there. My next step was to contact research libraries outside the area in order to find out what materials they had, and whether they would be relevant to the research inquiry. I concluded that the most valuable collection, for my purposes, was housed in the British Library's Newspaper Library in London. Accordingly I spent some time in that library gathering research materials. The Newspaper Library houses various trade journals, such as The Drapers' Record and The Retail Credit World,

going back to the beginning of their publication in most cases. The importance of this type of source lies mainly in the fact that it allows us to view events from the perspective of the credit trader trading in an earlier part of the century.

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Chapter One

Credit, Kinship And Community: The Impact Of Credit Upon Working Class Social Networks.

Working Class Communities During The Inter-War Period

The term 'community' is, in itself, contentious and it is not easily defined but I can offer a working definition of it as: the social networks that exist within a given locality. These networks function at an accessible level of geography. So, in this case, I am not talking about the working class of Tyneside as a whole, I am discussing the various communities that existed or still exist on different parts of Tyneside. The degree of interpenetration between those social networks based upon neighbourhood and those based upon kinship is so great that they need to be considered together. This point emerges from several accounts of working class communities in the period before 1945. In her study of lower working class life in inner London during the late 1880s, Ellen Ross says that,

'Neighbourhood relationships in many London districts overlapped with kinship, though to an extent which it is probably impossible to determine.'⁽¹⁾

Carl Chinn comes to the same conclusion in his study of a working class district in Birmingham between 1880 and 1939. He says that both daughters and sons favoured matrilocal residence during this period.⁽²⁾

The use of credit by working class communities during the interwar years had a paradoxical effect, as it involved a potential loss of respectability and status, but also created mutuality. This mutuality found expression in a number of ways, a good example being the money or diddlum club that local communities organised themselves. Another manifestation of this was the way that women lent each other articles to pawn. Many commentators have made the point that this type of mutuality was characteristic of the working class during this period. It is part of the stereotype of the 'traditional' working class that it led a communal lifestyle and lived in close-knit occupational communities. However, this stereotype has proven to be of limited usefulness, and in many places it has been contradicted by empirical data.(3)

The image of the 'traditional' working class community is well-known and appears in a number of studies (Class, Culture and Community, Coal is Our Life etc.) However, it may be as well to rehearse it here. In Coal is Our Life Dennis Henriques and Slaughter describe a mining community that they call Ashton. They say that in Ashton solidarity is strongly developed. The home-work link is important in forming a close-knit community, as are common hardships and shared experiences.(4) So, as I pointed out above, the 'traditional' working class were supposed to have led a communal lifestyle. In Working Class Community Brian Jackson says that,

'Without money to fall back on, men must turn to each other for help. And out of that necessary habit of mutuality grow not only the friendly societies, the unions, the co-ops, but all those groupings of community described in

the previous chapters.'⁽⁵⁾

The groupings of community he is referring to here are Clubs, and the Brass Bands etc.

Or what Jackson calls, 'the familiar interlocking cells of community.'⁽⁶⁾

Examples of what Jackson means by the 'necessary habit of mutuality' are not hard to find. Here is an account which appears in Chinn's study of Birmingham (see above) in which a woman is describing her childhood in the 1920s,

'You wouldn't go hungry not if next door had got any bread...You'd get a piece, if it was only a piece of bleedin' stale bread. There was some very hungry times. We was poor as bleedin' church mice, poorer than that...'⁽⁷⁾

So the basic message here is that when times were hard people helped each other. This is also the message that many of my respondents conveyed to me. So we should now consider some of the evidence I have gathered about neighbourhood sharing on Tyneside during the interwar period.

One of my respondents was born in South Shields in 1928. His father was a miner and his mother was a tailoress but, when he was five years old, his father left home which meant that his family was considerably worse off than many others in the neighbourhood. His mother survived by taking in sewing from the neighbours, and through their charity.

He says that,

'The people upstairs were working. He was a labourer in the shipyard, that was real luxury that. So they had a large family and she would make, say a pan of broth, and she would bring it down. She would say, 'Oh, I've made too much.' That's the way the generosity

worked. Everybody kept an eye on everybody else and made sure everybody was alright.'(8)

Another respondent (born in 1925 in Howdon) offered this account of neighbourhood sharing during the 1930s.

'Well when me mother baked, I mean everybody baked then...Then when I used to come in from school she used to have all this stuff that she had baked and she would maybe give you a little tart on a saucer. All the old women were [known as] 'grannies.' They weren't any relation but it was granny this and granda that. She would say, 'Run down to granny Sayers and give her that.' It was a little apple tart or something. She give everybody that was on their own a little bit for all we didn't have a lot of money...'(9)

She goes on to describe how her mother, in turn, benefited from the generosity of one of her neighbours,

'The lady who lived further along the street she was a real store woman. Everything she got at the store, the Co-op you know. When her dividend came she would knock on the door, 'Are you there?' and she used to give me mother half-a-crown. And me mother would say, 'Eeh no, I don't want your half crown.' Then she [the neighbour] would say, 'Go on, get yourself a few cakes.' In her eyes it was a little treat for my mother to have for herself.'(10)

The above example is fairly unusual in that the direct gift of a sum of money is involved. As Chinn says,

'Money was obviously a scarce commodity in the slums and neighbourly help usually took other,

more readily available forms, the most common of which was the lending of food or belongings.'⁽¹¹⁾

The other examples I have given here bear out this point. However, it is not so easy to agree with what Chinn says about the motivation behind neighbourhood sharing. He maintains that,

'It is true that, at some time or other, every poor family would need the assistance of neighbours and relatives to help them through a difficult period, but most forms of co-operation were patently not the result of selfishness. Help was not a commodity such as money which could be loaned out and called in as a debt when circumstances rendered it expedient. Communal sharing and self-help were selfless acts tendered, in most cases, with little thought of profit or reward.'⁽¹²⁾

Here Chinn is responding to a point that Michael Anderson makes in Family Structure in Nineteenth Century Lancashire: that the working class employed a 'calculative orientation towards kin.'⁽¹³⁾ We should now attempt to explore this issue in more detail.

Ellen Ross has a different view of the motivation behind working class sharing to that expressed by Chinn. She says that,

'The bulk of women's day-to-day sharing was exchange; in theory at least, reciprocity was the rule. 'You always got it [what you lent] back,' one woman recalled. To be thought of as untrustworthy as a borrower was one of the worst accusations that could be brought by neighbourhood gossip against a woman, threatening an important part of her livelihood... Services were often compensated by money payments: childcare, maternity nursing, sitting up with the sick, running

errands. These payments constituted a significant element in the survival of those in precarious circumstances - often widows or old women - who lived through serving neighbours.(14)

So, we have established that there was a degree of mutuality present in working class neighbourhoods during the period before the Second World War. We now need to decide which is the correct interpretation of this neighbourhood sharing? The one proposed by Chinn or the version that Ross offers us?

One of Chinn's respondents told him that, 'You wouldn't go hungry not if next door had got any bread.' However, it seems as if bread was not always offered for nothing. I interviewed one woman who told me what she had to do as a child when there was no food in the house.

'I mean I used to go, this is in the 1930s and 1940s, and ask a lady over the road ('cause her husband worked in a factory, well I mean that was a good job in a factory) if I could wash her dishes. For the simple reason that I knew I would get something to eat, and you know she used to give me brown bread and bramble jelly and, you know, I can still taste that bramble jelly today...My mother just sent me, 'Go over and ask Mrs so-and-so if you can wash her dishes,' knowing that she would give me something to eat.'(15)

The man from South Shields that I quoted above, whom we shall call Mr Lewis, felt that neighbourhood sharing was itself a form of credit. Although several respondents discussed working class mutuality during this period, Mr Lewis gave the most detailed account of it. So I feel that it is worth quoting him at length on this subject. In the earlier

quotation he made the point that 'Everybody kept an eye on everybody else.' He then went on to expand upon this statement,

'The community looked after itself. So if somebody was a miner, for example, if you helped them to put the coal in they would give you a couple of buckets of coal. Or, like me mother, they would let her have some coal very cheaply. You know, coppers a bucket. So we didn't buy coal from a coalman. There were enough miners around to buy coal from.'(16)

As we shall see, the recurrent feature of Mr Lewis's account is that there was an exchange of goods and/or services. When I asked Mr Lewis if people usually received something in exchange this became more apparent.

'It would be, yes, but not immediately but you knew it was there. I mean in some cases it would be. I mean if you wanted some coal from a pitman you paid him tuppence a bucket for the coal...But a lot of other things...I don't know where they drew lines...Some things you paid for other things you didn't. So if you wanted ginger beer from the ginger beer lady across the road, you paid her...If somebody was baby-sitting, I mean they never got paid.'(17)

We should now turn to consider Mr Lewis's account of the motivation behind neighbourhood sharing.

'Well it was a kind of goodwill everywhere. So it was part of this community spirit. In other words, people knew that you would do anything for me. So I would do anything for you. So you knew if my mother was ill the neighbours would look after me...Also she was a member of a large family. It was like belonging to an extended family being in the working class in

those days.'(18)

I then asked him: how far did this 'spirit of goodwill' extend? He replied that,

'Oh, I would say half a street and it spilled over because of relationships you see. So me mother had a friend in the next street who she went to church with and knew since she was a little girl. So she was part of our [group.] So there'd be a hard core where everybody belonged, 'cause you were all neighbours, then everybody would have their own fringe groups. Some members of which would coincide with others, others wouldn't.'(19)

So the social networks involved in this type of sharing were based upon both kinship and locality. As I pointed out above, Mr Lewis feels that the type of activity that the members were engaged in was itself a form of credit, but not one involving an immediate repayment. He says that although repayment (in whatever form) was not immediate, 'You knew you could call on it.'(20) It is for this reason that he feels it was like having money in the bank. In fact, in one phrase, he adopts the language of banking: 'It was an understanding that you could draw on that.'(21)

From the description that Mr Lewis offers, working class mutuality in the inter-war period sounds very much like the 'LETS' system that is operating in some areas today. The 'LETS INFO PACK' offers this definition of a LETS system,

"LETS' stands for 'Local Exchange Trading System.' It gives people and businesses the opportunity to acquire or sell goods and services without traditional cash. It also provides a communication network through which members of the community can meet their other needs for education, recreation and

social interaction.'⁽²²⁾

So, as another introductory leaflet puts it, 'It enables local people to give and receive all kinds of services from one another, without the need to spend money.'⁽²³⁾ Of course, even from this cursory description of the system, it differs from the neighbourhood sharing that was described above in several ways. Firstly, there sometimes was an actual exchange of cash in the pre-war period, as Mr Lewis points out. Secondly, the LETS scheme is usually run through a central database listing services and goods on offer in the area, and it invariably involves the keeping of accounts etc. In other words it is a highly bureaucratised form of exchange, while neighbourhood sharing in working class areas was completely informal. Finally, it cannot seriously be argued that the LETS system has been adopted by the contemporary working class as an alternative to previous forms of sharing, as the system has had a very limited, and localised, impact. It is also, at present, more concerned with middle-class notions of 'The Green Pound' and ecologically sound ways of using resources than it is with reaching working class communities. Nevertheless the comparison with pre-war forms of sharing is, I feel, instructive in that it draws our attention to the fact that this was not wholly altruistic and was based upon the idea of a norm of reciprocity. We shall return to this point later, but first we should consider whether there was mutuality involved in the use of credit by the working class during the inter-war period.

Melanie Tebbutt describes how, before the Second World War, 'bundle women' or 'runners' used to pawn goods for their neighbours for a few pence commission. Women

made use of these agents if they were either employed in mill or factory work, in which case they had little time to visit the pawnbroker, or if they wanted to avoid the shame that would result from their neighbours knowing they used a pawnbroker.(24) So in this case, a 'neighbourly' act could become quite profitable. Tebbutt says that,

'For some the business of collecting such bundles was a casual affair rewarded with a glass of whisky but for others it provided a regular living. Commission in the Black Country during the 1890s was 'rigidly fixed' at a ½d. in the shilling or part of a shilling, another payment becoming due if the pledge was also redeemed. A 'popper' in a good district with a fair connection was said to earn between £1 and 25s. a week.'(25)

One of my respondents told me that,

'I never went to the pawnshop, for the simple reason that I had the bairns. I couldn't go but me neighbour went, and if you wanted anything in the pawnshop, she'd put it in for you.'(26)

So in this case there was no direct payment involved in visiting the pawnshop for a neighbour. However this 'favour' could well become part of the type of exchange of goods and services that I described above. So could obtaining tickets from a credit agent for a neighbour. One woman said that, not only did her mother obtain tickets for those women that were refused them because they owed too much, but she would also pay the ticket agent for women that did not want him to call when their husband was at home.(27)

The collective organisation of savings clubs would seem to be an ideal example of the type of mutuality in saving and borrowing that is held to be characteristic of working class communities during this period. These were usually known as 'diddly' or 'diddlum' clubs, and they could either exist for general saving or for a specific goal. Members paid a weekly sum which could either be constant or progressively increasing. One informant described the diddlum club like this,

'A woman got 20 friends to pay a shilling a week for 21 weeks. At the start the names were put in a hat and as they were drawn out they claimed £1. First out got first week and so on, then the one that ran it got the last week for running it.'(28)

Again we can see that, although there was a degree of mutuality involved in this arrangement, the woman that ran it did not do so for nothing. Another woman described a diddlum club that ran in a small pit village near Stanley during the inter-war years. She said that an old woman, called Mrs Brown, used to run a money club (or diddlum) in the village.

'You paid a shilling a week for 21 weeks, and the 21st week was hers for doing the club. Everyone paid their shilling in, those 20 people, and the 20 numbers were put in a hat and you drew out of the hat to see whether you got it the first week or the last week...and in a way this was helping this old Mrs Brown who was a widow, because in those days the widow's pension was very little.'(29)

So there was often a profit to be made from helping one's neighbours and nowhere is this more apparent than in the type of moneylending that took place within working class communities during this period.

I will deal with the issue of illegal moneylending and the working class in a later chapter. However, it should be pointed out here that an examination of the type of lending that took place within working class communities also shows that there was often an instrumental element involved in the solidaristic relationships that existed within the working class itself. Women may have lent each other money, but there was usually some interest charged on a loan. Similarly, there was also sometimes a charge for borrowing items to pawn. Tebbutt says that,

'The practice of making a small weekly charge for the loan of goods and jewellery which were taken and pledged by the borrower was described as a common habit in Manchester in 1913. In one such case, those borrowing and pawning jewellery for a £1 had to pay 3s.0d. in the first instance and another 1s.0d. on the article's return..'(30)

I did not find any examples of women charging for borrowed items, but I did come across women who had bought pawn tickets from their neighbours. One respondent said,

'Another thing I remember about the pawnshops was this old woman used to come knocking and say, 'Do you want to buy a ticket for half-a-crown or 2s?' And like somebody would buy it off them, well me mother used to do it. She would say, 'Well what's in?' [The other woman replied] 'Well there's a pair of nice curtains and there's a tablecloth.' And it would be worth the money.'(31)

The point about this transaction was that it was only carried out after careful investigation of the value of the pawned goods, as this woman went on to explain. So it could provide some people with the opportunity to acquire articles cheaply at the expense of their neighbours.

A final way in which women exploited their neighbours was through the sale of shop tokens on the black market. Two shops played an important role in providing for working class communities on Tyneside during the interwar years. These were: Parrish's of Byker and Shephard's of Gateshead. Both of these were large department stores, situated in working class areas, that operated mainly on credit, and both had their own currency. To obtain Shephard's or Parrish's money, the customer had to first obtain a ticket from an agent of that shop. The tickets were sold in multiples of a pound, and the interest charged on them was a shilling to the pound.⁽³²⁾ The tickets were then exchanged for that shop's own currency (this was sometimes called 'Monopoly Money' or 'Funny Money' by those that used it.)⁽³³⁾ These shops were able to attract customers from all over Tyneside, so they were an important source of credit for the working class of Tyneside during this period. Neither of these shops would exchange their own tokens for cash, so a substantial black market in Shephard's and Parrish's money arose.

The evidence I have collected on this suggests that the 'street value' of the tokens was usually 14 shillings to the pound. It could also be more or less than this, depending on the circumstances in which the tokens were changed. The sale of tokens for cash seems to have been carried out on several levels. Firstly, between neighbours. Secondly,

they could be exchanged at some corner shops. Thirdly, they were sometimes sold to professional people, like doctors, who could make a considerable profit this way. One woman seems to suggest that 'black market' trading in tokens could almost become a small business.

'I remember a dealer in Parrish's checks in our street. She would buy a pounds worth of checks for, say, 12s. and 6d. and resell them for 15s. Making a profit of 2s. and 6d. to the pound. She always had checks for sale. Of course the poor unfortunate person selling them got deeper and deeper into debt.'(34)

Like illegal moneylending, this practice took place within working class communities but it was not always approved of by the community itself. Another respondent said that,

'People used to get so many Parrish's checks and sell them to somebody else a lot cheaper. They still had that debt to pay off. People were hard up and they used to sell them...I used to think it was terrible for them people to go and buy them because it was creating a bigger debt for the people who were selling them.'(35)

So what conclusions can we draw from this investigation of neighbourhood sharing on Tyneside?

In his study of Good Neighbour Schemes, Philip Abrams says that,

'Reciprocity, then, enlists egoistic motives for social purposes. But because that is how it works it can develop only within relationships where each party has something of value to give to the other. On that basis the distinctive nexus of rights and obligations - X and Y both owe benefits to each other and are entitled to receive benefits from each other - that is the

essence of reciprocity can develop.'(36)

Abrams says that the exchange involved in this type of relationship can be in the form of things that are dissimilar in kind but are perceived to be of equivalent value by the individuals involved. He feels that his research in the community of Sunnyside reveals that there is usually a norm of reciprocity (however hidden) behind a lot of neighbourhood sharing. Abrams questions the distinction that Gouldner makes between the norm of reciprocity and the norm of beneficence. What Gouldner means by the latter is the requirement that 'people should help those who need help,' which means that some social relationships are thus exempt from the norm of reciprocity.(37) Abrams found that,

'At the level of consciousness there is a structured disjunction; the Good Neighbours help because 'people should help those who need help'; at the same time they get the 'satisfaction' of paying debts incurred long since to other helpers (so often their mothers) or of staking a claim to help themselves in prospective future predicaments - 'well I just hope someone will do the same for me when I need it.'(38)

I feel that the evidence I have presented above supports Abrams' conclusion that neighbourhood sharing is governed by a norm of reciprocity. This norm of reciprocity can be worked out in various ways. It can involve an exchange of goods or services which is immediate, or it can be a 'helpful' act for which 'payment' is delayed. This is the type of reciprocity that Mr Lewis was referring to. In this first instance there is an exchange that is perceived as equal by the participants. Another way that the norm of reciprocity can

operate is that it can be based upon the idea of helping someone less fortunate (in other words at one level an individual's action can be motivated by the norm of beneficence) but help is offered in such a way as to also benefit the giver. This is the case with the 'bundle women' or 'runners' that Tebbutt describes, and the old woman that received payment for running the money club that I describe above. In both cases the providers of aid are still receiving a service in return for their investment. They are also creating a future support network for themselves in the sense that Abrams' respondent implied.(39) This is one type of reciprocity that develops when there is an imbalance of power between the participants.

The other type of relationship that results from a power imbalance between the participants is best described as an exploitative use of the norm of reciprocity. This type includes illegal moneylending and the illegal trading of shop currency and pawn tickets that took place within working class neighbourhoods (see above.) In this type of relationship the limits of neighbourly reciprocity are stretched so that the exchange can no longer be called equal but can only be characterised as exploitative. However, the boundaries between these three types of social action are fluid and it can sometimes be difficult to tell where neighbourly help becomes exploitation. A good example of this is the woman that bought a pawn ticket from her neighbour that I described above. It is difficult to tell from this account whether the prime motivation in buying the ticket was to help an elderly neighbour in need or to scoop a bargain. I feel that the answer in this, and most other such cases, is that both motives are present. This is because, as I pointed out

above, there is often an instrumental element involved in the solidaristic relationships that exist within the working class. This is due to the interpenetration of different types of rationality. My argument here is that although mutuality was often a feature of working class life, neighbourhood sharing also involved an instrumental component. An examination of the use of credit within working class communities shows an *interpenetration of the instrumental and affectual spheres of action*. This is the basis of the norm of reciprocity that Abrams describes. It is also the central thesis of this research, and we shall return to this in later chapters. However we should now consider how the type of social relationships that I have considered above may have altered in the post-war period.

Working Class Communities During The Post-War Period.

Many observers have pointed to fundamental changes in the character of the British working class after the Second World War. Much writing on this subject has concerned itself with the 'corruption' of the post-war working class, and implies that it has deviated from some former purity. This idea is often expressed in a dichotomy between the 'traditional' life of the working class before the war, and the 'non-traditional' nature of life after it. However, the concept of a 'traditional' way of life is in itself problematic, and raises a number of issues. So what are the principle ways that working class life has been said to alter after the Second World War?

The fundamental change in working class life has been that of greater affluence. This has caused many to question Marx's theory of society, as Marx expected there to be a 'polarisation' of classes under capitalism, with the progressive impoverishment of the proletariat. Instead, each successive generation of the working class has been told that 'It wasn't like this when I was a lad,' and for the most part it usually wasn't. There were advances in the living standards of the working class after the First World War, for example, but for many these were comparatively short-lived. After the Second World War we entered into the period of the long boom, and living standards reached levels that previous generations could not even have dreamed of. Although some sections of the working class have remained comparatively poor, the working class as a whole has experienced greater prosperity during the post-war period.

The greater affluence of workers has led to attitudinal changes in the working class according to some observers. These are often listed under the general heading of 'embourgeoisement' (the adoption of middle-class values and habits by the working class), or they are attributed to an increase in materialism and individualism among workers. With the growth of individualism, the concept of 'community' is said to have disappeared, and working class lives are said to have become 'privatised'. The widespread ownership of consumer durables has also led to the belief that there is no longer a working class in the way that it existed during the nineteenth century. This is the ultimate claim of those who preach the doctrine of post-war social revolution. This idea has recently undergone something of a revival in the speeches of John Major, who has

preached the doctrine of a classless Britain in an attempt to implement his own 'Cultural Revolution.'

The idea of the disappearance of the working class in contemporary Britain is explored by Goldthorpe et al in The Affluent Worker In The Class Structure. This study challenges the whole thesis of embourgeoisement, but begins by listing the claims that are usually used to support it. They point out that the era of 'high mass consumption' began after the Second World War. Along with this, came the concept of the 'affluent society' and the belief that,

'...the working class, understood as a social stratum with its own distinctive ways of life, values and goals, would become increasingly eroded by the main currents of change.'(40)

The effect of this would be to create a 'middle-class society.' The main indicator of this was felt to be the expansion in the number of people in the middle-income bracket during the 1950s, the phenomenon known as the 'homogenisation' of incomes.(41)

Two other alleged changes in the post-war working class, that Goldthorpe and his associates consider, are worth listing here as they show the ways in which social scientists have perceived this problem. Firstly, the nature of work itself is said to have changed, so that 'the work-tasks employees perform do not require great physical exertion.'(42) So workers have become more like technicians, and have thus acquired white-collar status. The other change that the working-class is alleged to have undergone is to do with the nature of working class communities. These have been disrupted in two ways. Firstly

from without, by the continued emigration from country to town, which has brought rural workers into working class communities. These new arrivals have social aspirations which go beyond the working class itself. So they view membership of the urban proletariat as only a step towards their ultimate social goal. It is claimed that in areas where this occurs, the working class becomes 'diluted.'⁽⁴³⁾ Secondly, communities have been disrupted from within by the building of new estates and towns by the local authorities. Both of these have been held to have a common effect, the decline of the traditional type of working-class community. So how can we best explain what has happened to the working class since the Second World War?

The first question to ask is, have there been changes in the consciousness of the working class since 1945? Many people feel that this has been the case. Goldthorpe et al did see several differences between the workers they studied and the 'traditional' working class. These included an increasingly instrumental attitude to work, and an increasingly home-centred (or privatised) social life. This seems to suggest that the distinction between an old 'traditional' and a new 'non-traditional' working class would appear to be more useful (and open) than that of a 'traditional' proletariat and an embourgeoisied working class. So how has the erosion of traditional working class values been depicted?

Richard Hoggart was one of the first writers to become concerned with the disappearance of the 'traditional' working class. In The Uses Of Literacy (first published in 1957), Hoggart addresses himself to the cultural change that the post-war working class were experiencing. Hoggart distinguishes between, what he calls, 'older' and 'newer'

attitudes. The older attitudes he describes are those from his childhood, spent as part of the Northern working class during the inter-war years. He begins by pointing out that older attitudes have not completely disappeared and newer attitudes were not completely unknown in the previous generation.(44) Hoggart's central concern is how traditional working class values have been transformed in the era of mass consumption. He does not question the fact that working people became better off materially than they were before the war, but he feels that 'the accompanying cultural changes' were not always an improvement.(45) He says that the labour movement is in danger of losing the material improvements that it has gained because '...material improvements can be used so as to incline the body of working-people to accept a mean form of materialism as a social philosophy.'(46)

Hoggart's ideological successor is Jeremy Seabrook. In A World Still To Win, Blackwell and Seabrook take Hoggart's argument onboard, but they begin by offering two criticisms of Hoggart's view. One, is that the 'older' values he describes are seen as the essence of the class itself. The other is, that he is only describing one section of the working class at one particular moment.(47) However, they also echo Hoggart in asking, 'What need is there of socialism when capitalism can provide everything which was once deemed to be necessary...?'(48) They feel that it was natural for the working class to want the consumer goods that became available for the first time in the 1950s. The working class has not been corrupted by affluence, but has been transformed by it, they say. The core of their argument is that acceptance of consumer goods involves acceptance of the

logic of capitalism itself, 'wherever it may lead us.'(49) They point to the decay of community as part of the price of consumerism.

This is a recurrent theme in Seabrook's work. In Unemployment he says,

'The exaltation of material concessions yielded by capitalism has meant that those improvements have been used, not primarily as a relief from that older poverty, but as a means of creating a different kind of subordination of the working class...'(50)

According to Seabrook, the working class struck a bargain with capitalism. It gained material concessions (increased affluence, and better welfare provision) but lost its soul ('some of the humanising responses to that older poverty, the solidarity and the sharing...')(51) The working class lost the values that offered it an alternative to capitalism and 'This has been the greatest loss of all,' he says.(52)

The parallel between Seabrook and Hoggart is quite clear. Hoggart's appraisal of working class values is quoted in A World Still To Win.(53) Blackwell and Seabrook then go on to repeat Hoggart's theory that these demands were transformed into conservatism during the post-war period. This was partly accomplished through the Welfare State,

'Through the basic securities which the Welfare State has conferred on the people, the corrosive ideology of individual salvation through money has found its way, dissolving what had appeared to be fixed and finished structures of character and sensibility.'(54)

This is, then, basically the same argument that appears in Unemployment and other works by Seabrook.

So what about community? What happened to it after 1945? Seabrook and Co. would have us believe that every old working class district was torn down after the war, and the old residents moved to an inhospitable council estate on the edge of town. In the process, the community spirit of the inhabitants was irreparably damaged. So what actually happened? What did happen was more complex than this version suggests. Firstly, not all the old inner city areas were demolished at once, so there was often a delay of 10 or 20 years between one area and another being cleared. Secondly, some are quite visibly still there! They have not been redeveloped, they have just deteriorated. Bill Williamson says that, during the 1950s,

'In some of the older industrial areas, in South Wales, the north east, Yorkshire, Lancashire and central Scotland, workers in mines and docks and shipyards and heavy engineering factories continued to live their lives in densely populated areas of terraced housing, and often, as in the case of miners, in sharply segregated communities. Within such communities older working class values, attitudes and life-styles held firm.(55)

Some mining villages, in areas like the Durham coalfield for example, would seem to have survived intact both physically and socially to the present day.

In Working Class Community, Brian Jackson and Dennis Marsden show that much of the old, independent working class culture of Huddersfield 'survived the first wave of television.'(56) Their study came out of the debate sparked by the publication of

The Uses of Literacy, in 1957, and is thus based on research carried out after 1958. The description they give of working class life in post-war Huddersfield brings out the continued importance of old working class institutions such as the Co-op, the club and the brass band. To take the example of the clubs, Jackson points out that they,

'... remain as organisations of working men, embodying, strengthening, and passing on their style of living. They are little touched by the mass media, little noticed by the upper sections of society.'(57)

This older culture was, however, being threatened by changes in the wider society. People were moving away from the old working class areas and, consequently, from their local clubs. The brass bands had now to compete with school orchestras for younger players. Jackson concludes that it is rehousing which is the most serious challenge to the continued existence of the old patterns of life. The new housing estates offered nothing that could take the place of what Jackson calls, 'the familiar interlocking cells of community,' because, as he puts it, 'Community centres are no substitute for community.'(58)

The classic study of the effects of rehousing in the 1950s is, of course, Willmott and Young's Family and Kinship in East London. This is based upon research carried out in Bethnal Green and Dagenham between 1953 and 1955. Willmott and Young demonstrated the continued importance of the extended family and kinship networks to the working class during the 1950s. They also found that strong family ties did not exclude outsiders, but acted as a bridge between the individual and the community.(59)

According to them, however, the centrality of the wider family to people's daily lives was being undermined by the effects of rehousing. When Bethnal Green residents moved to Greenleigh (a new housing estate in Dagenham) they suffered the loss of the old family and kinship networks. For Willmott and Young, Mrs Harper's experience of the move from Bethnal Green to Greenleigh is representative of the people they interviewed, as it showed,

'...how great can be the change for a woman who moves from a place where the family is linked to relatives, neighbours, and friends in a web of intimate relationships to a place where she may talk to no one, apart from the children, from the moment her husband leaves for work in the morning until he comes home again, tired out by the journey, at seven or eight at night.'(60)

People living on Greenleigh were isolated, not just from their kin, but from fellow residents as well. Willmott and Young point out that, 'One reason people have so little to do with their neighbours is the absence of places to meet them.'(61)

Beatrix Campbell quotes a woman in Sunderland, who moved onto a new council estate in 1954, who also makes this point. The woman describes the estate like this,

'All there was on our estate was houses for families. There were no shops, no church no pavements...There was nothing for women and children and nowhere for women to go. It was a long time before I did anything or went anywhere, and then I got involved in the church.'(62)

The physical conditions on such estates worked against the establishment of community. High-rise blocks were even worse! As Campbell points out, despite architects' attempts to build community spirit into them, streets in the air do not engender a sense of community!(63) She says that, 'This brave new world of social engineering produces the opposite of community contact,' - i.e. isolation.(64) The truth of this statement is undeniable, but is there always such a complete lack of social life on the new estates?

In The Evolution of a Community, Willmott's follow-up study of Dagenham, published in 1963, he looked at an estate that had been settled in the 1920s and 30s. In this study Willmott asked,

'Are the isolation from kin and the aloofness from neighbours part of a new way of life altogether, or are they merely transitional? What social patterns evolve on housing estates when place and people have had time to settle down; how do they then compare with the 'traditional' communities?'(65)

He found that the experience of the first people to move to Dagenham was very similar to those who migrated to new council estates after 1945. In fact, there was probably even less attention paid to the social needs of the residents on the pre-war estate. Not surprisingly, then, it took a long time for the population of the estate to become stable, but by the late 1950s it appeared to have become relatively settled.(66) Willmott found that matrilocality was almost as marked at Dagenham as in the East End. In fact, 44% of their sample of married people had parents on the estate (in Bethnal Green 54% of the parents of married people were in the same borough.)(67)

Willmott's findings were in many ways, though, quite ambiguous as he detected several patterns of residence. Many people that had been brought up in Dagenham stayed there and established 'extended families' like those of 'traditional' communities. On the other hand, some people who grew up on the estate also moved away from it. Those who moved to the estate after their marriage tended to leave their parents behind them in the old district. In some cases, though, their relatives were able to follow them onto the estate. The effect of all this was that, although some people on the estate were just as isolated as the residents of Greenleigh, others were part of a similar kinship system to that which existed in Bethnal Green.(68) Willmott drew a similar conclusion about the relationships between neighbours on the estate, as he claimed that,

'A set of relationships very similar to that of the traditional East End community has developed for some people on the estate, but not for others.'(69)

This presents a curious paradox, but it does show how communities can develop over time, and warns us against the adoption of an overly dogmatic approach to the subject.

Willmott concluded that, despite the lack of collective facilities, the 'fundamental regularities of working-class life will re-assert themselves.'(70) He felt that 'In part, Dagenham is the East End reborn,' even though this process had taken about a generation.(71) Willmott demonstrated that communities are not static entities, but rather that they are constantly evolving.

We can add a further dimension to Seabrook's picture of urban decay, by focusing on the new communitarian spirit that can be seen on even the worst council estates around the country. Credit unions are just one example of this phenomenon. In Inside The Inner City, Paul Harrison says that,

'The seventies saw the blossoming of new concepts of community action, of neighbourhood self-help, of the value of collective pressure, through lobbying, demonstrations, publicity, to achieve a better deal for disadvantaged groups.'(72)

Beatrix Campbell describes how the tenants' action against the council created a new community spirit on an estate in Sheffield. She points out that,

'Though the tenants did not like living there they grew into a community in the course of their campaigns: 'We're like old friends now, in and out of each other's houses,' said one of their organisers. 'We don't want to be separated from each other.'(73)

The fact that such groups often organise against a Labour Council, does not mean that the participants no longer vote Labour either, a fact that Campbell underlines in several places.(74)

For every successful tenants' group, such as the one described above, there is one that has suffered from a complete lack of success. Campbell also describes a tenants' association on a large estate in Coventry that has been totally demoralised by its lack of success.(75) So where community action is successful it can do much to bring people

together, but there are also many failed attempts at it. Harrison points out that the effectiveness of community groups depends upon,

'...knowledge of ways of forming legal organisations, of drawing up well-argued, well-documented cases, of the 'right' people to contact...possession of resources such as funds to pay for stationery, access to means of printing and of transport,...a surplus of mental and physical energy over and above that needed for work and for survival.'(76)

Given these requirements, then, it is not surprising that many community associations in deprived areas should experience difficulties. Harrison feels that tenants' associations in Hackney are good at providing social activities for their members, but they are not very effective pressure groups. Very few people are involved in the campaigning side of their activities, so it is left up to the leaders to shoulder the burden. In some places, though, there may be no individuals willing to take on such an onerous task. Harrison says that this is the reason that community workers have been unable to form associations on some of the worst estates.(77) Even where groups are successfully created, their continued existence is usually dependent upon the continued involvement of a few active individuals. As Harrison puts it,

'Often it is only the dedication and ability of one, two, or three individuals that keeps things going, and when they move on - as the most able often do, to better housing elsewhere, or to a seat on the council - the tenants' association may collapse unless it can find a replacement.'(78)

This brings us to a central issue in the discussion of community in the post-war period: the fact that many people living in deprived areas do not want to live in them! An individual solution to the poor housing conditions, high crime rates and lack of amenities that exist in certain inner city areas is simply to leave. As one of Campbell's informants from a council estate in Coventry put it, '...anybody here with get-up and go gets up and goes.'⁽⁷⁹⁾ This is quite a complex issue, as some people may wish to leave an area but be unable to do so. They can, therefore, become trapped in a place that they may not have wanted to move to in the first place, and are now unable to get out of. Such a state of affairs is hardly conducive to the formation of close community ties. On the other hand, as Beatrix Campbell points out above, even in areas where people are reluctant to live at first, community spirit can develop over time. Finally, it would seem that there are areas that may be quite 'hard to let' to outsiders, but are still sought after by local people that wish to remain in the area they were brought up in. This brings us back, in a full circle, to the continued importance of local ties that was such a marked feature of areas like Bethnal Green.

As well as the problem of a constantly shifting population, one of the main difficulties community organisations currently face is the apathy of the men in many communities. Harrison remarked on the fact that most of the community activists he met were women.⁽⁸⁰⁾ Not only are men not usually active in community organisations, but they can often be opposed to their wives becoming involved. These are recurring themes in Campbell's work. In Wigan Pier Revisited she quotes a woman who told her that, 'The

first hurdle you have to get over is your husband.'(81) Those women that do overcome opposition at home (and not all do) then have to face a further conflict with men, outside the home, over the form and content of their organisation. What happens to those individual women that do go through this process though? As Campbell points out, their whole selves change. They can gain much in terms of self-confidence. She says that,

'These women were changed by their politics, but most of them have nowhere to pursue their own development save through self-improvement - through further education, acquiring skills which they return to their community.'(82)

However, for some women, the acquisition of skills can lead to a decisive break with their community. Campbell acknowledges that, 'self-improvement puts these women's class belonging in jeopardy,' but she still does not talk about those women that leave their communities as a result of it.(83) The women that she discusses have all managed to combine self-improvement with continued involvement in their own communities. For those that leave their communities - to do a degree course, or whatever - there is often no going back. So, ironically enough, both total withdrawal from the community and total involvement in it can both have the same effect: the individuals concerned leave!

In Goliath, Campbell continues her analysis of the division along gender lines that exists in some contemporary working class communities. She also goes a stage further, though, as she describes other divisions that exist in, what she calls, 'Britain's Dangerous Places.' In this work she looks at the places that were the scene of the 1991 riots. In investigating the causes of the riots, though, she indicates how the communities involved

are fractured. So, for example, racism, particularly against Asian shopkeepers, was a feature of the disturbances in Ely (in Wales) and on the Meadow Well estate (in North Tyneside.) Blackbird Leys, on the periphery of Oxford, was the scene of joyriding performances (or 'hotting displays.') These displays had been going on for some time and Campbell points out that the displays '...divided the community between those who wanted to watch and those who felt tormented by the night noise.'(84) In Scotswood (in Newcastle) the community was divided very clearly along gender lines. Campbell says that it was the women who were, 'Scotswood's active citizens and yet also its most exposed targets.'(85) It is this division of communities along gender lines that is the central focus of Goliath. Campbell's argument is quite complex, and she looks at several factors that have contributed towards the current situation. However, her analysis is perhaps best summed up in the phrase used in The Guardian's review of the work, 'The lads are at war with their community.'(86) This is the case not just in Scotswood, as was pointed out above, but also in the other areas she visits.

Campbell feels that such estates are split into two communities: a criminal and a communitarian element. She feels that, on Meadowell, the communitarian element suffered from a lack of local authority funding (for whatever reason), and was also attacked by the criminal element in their own community. The men in such communities have completely abdicated all responsibility, not only for their families, but for themselves as well. So they are basically doing whatever they want, and leaving all the coping up to the women. The lawless behaviour of the men has been facilitated by the

attitude of the police, who have abandoned those communities. It can take police up to two hours to respond to calls in Scotswood, for example, and they have been known to tell victims, 'What do you expect? You're in Scotswood.'⁽⁸⁷⁾ The recent police initiatives to deal with crime: Neighbourhood Watch and community policing have not helped these communities either.

So what are the implications of this for 'community'? Is she justified in calling the areas she describes in the book: 'Britain's Dangerous Places'? Is this even a new problem? There have always been 'respectable' and 'rough' areas, and the latter have often had a reputation for being 'dangerous places.' However, it would certainly seem as if 'rough' areas are a whole lot 'rougher' than they have ever been as a result of the current recession. Broken windows are still broken windows, even if their cause is acute social deprivation. Campbell feels that the only thing that marked the riots out from everyday life was their scale, as '...they were simply larger displays of what these neighbourhoods had to put up with much of the time.'⁽⁸⁸⁾ Unemployed men are terrorising their own communities according to Campbell. She quotes Joe Caffrey, a community worker in Scotswood, who says,

'In the Seventies the way the lads targeted their aggression was different; it would be directed somewhere else. Now they're screwing their own people. These lads gravitate towards the vulnerable young lasses.'⁽⁸⁹⁾

So she feels that there is a complete gender split in such communities, with the men belonging to the criminal element while the women attempt to rebuild community life.

This is a bias that exists in a lot of her work and, while there is a lot of truth in it, she does tend to leave us with the impression that every woman she meets is involved in some sort of positive action, while all the men are involved in destructive acts.

Campbell's analysis of the different responses of men and women to long-term unemployment is quite categorical. Her argument is that,

'Crime and coercion are sustained by men.
Solidarity and self-help are sustained by
women. It is as stark as that.'(90)

She does not allow for any individual responses that may occur to the common problem of poverty. There are other responses to this situation, even if it is only apathy or despair! So, to what extent are the activities she describes (i.e. crime and community action) only the most visible responses to acute social deprivation? This is a difficult question to answer, due to a distinct lack of social research on this topic. What we do know about areas like Scotswood and Meadow Well tends to come from the police, who only see the worst side of a district, or the community activists, who are not representative of the population as a whole. When Campbell visits Meadow Well, she talks to the handful of women that form the core group of the local Credit Union. However, these women are not even typical members of the Credit Union let alone typical residents of the estate. Only a small proportion of the people on the estate are members of the Credit Union, and only a few members play an active role in their Credit Union. Similarly, we can ask: what proportion of the men on the estate are involved in criminal activities? These objections are not raised in order to dismiss the analysis presented in Goliath, but to qualify it. The

strength of Campbell's argument is that the responses to poverty that it depicts are indicative, even if they are not completely typical. It would seem to be the case that it is women that have the task of coping with the problems that long-term poverty creates, while many men have just given up. Not all the men in places like Meadow Well are criminals, though, just as not all the women are community activists.

Female self-help is not just provided by Food Co-ops and Credit Unions though, women have other ways of providing mutual aid for themselves. Campbell quotes one community worker who says,

'The lasses have the bairns. The relationship with the lad has broken down, but the relationship with his mother will remain. It's amazing. The responsibility bypasses the son, who does nothing, but his mother will be helpful, passing on a cot, or some clothes. Often the lasses will still go to see his mother, and go round for Sunday dinner.'(91)

This suggests that, in some respects, not a lot has changed! Women are still dependent on help from female relatives living nearby to bring up their children, just as they were in Bethnal Green during the 1950s. The only difference is that the men are perhaps doing even less than they used to. The lads have their own community of men that they hang around with. The young women, if they have children, will be more isolated, but may still be part of a female network of mutual aid. So neither men nor women are living what could be termed a 'privatised' lifestyle.

We have seen that Seabrook relies upon an overly simple notion of the breakdown of community in the post-war period. Broadly speaking, we have distinguished three types of community. These can be labelled: established/'traditional', newly-settled, regrouped/partially regrouped. In Family and Kinship in East London, Willmott and Young showed how Bethnal Green remained an established/'traditional' community during the 1950s. However, those Bethnal Green residents that moved to Greenleigh were moving into the second type of community (i.e. newly-settled) and they experienced the isolation that can result from such a move. Willmott's follow-up study of Dagenham, and Fiona Devine's follow-up to the original Affluent Worker study, both show how communities can regroup over time. So the places described in those studies are examples of the third type of community: regrouped/ partially regrouped. All three types of community were in existence during the period of the long boom, and it is perhaps only more recently, with the destruction of heavy industry, that the established/'traditional' type of community has become more scarce.] So writers like Seabrook have relied upon an overly simple notion of the breakdown of community. Having outlined the basic types of community that I identified in the general literature, we can now move on to consider several studies that deal with this topic in a more detailed fashion.

To begin with, we should consider Elizabeth Roberts' study of neighbours in North West England during the period 1940-70. This study not only provides further examples of the type of communities I have identified above, but is also helpful in

explaining the process of social change within a single area. Roberts begins with a general statement of her findings.

'Historians are concerned with the twin themes of continuity and change. In this project we found that whereas in some aspects of familial and social life there were strong elements of continuity, in the area of relationships between neighbours there was striking evidence of change. These appeared to be the result of a complex mixture of factors which included growing prosperity, changing mores which in turn included the desire for greater privacy and an emphasis on individual rights, physical changes in neighbourhoods, and the trend for more and more married women to go out to work.'(92)

She found continuities in the way neighbours related to each other in the older areas of small terraced houses (i.e. in established/'traditional' communities) and in inter-war council estates (i.e. regrouped/partially regrouped communities.) She found that, in areas where the housing was left intact, 'traditional' ways of behaviour survived into the 1950s and early 1960s. This is a point I have already made, and it is one that I will return to frequently: the rate of social change in the post-war period varied from district to district.

Roberts identifies several factors that are responsible for this change. These include: the physical demolition of old neighbourhoods, changing neighbourhood mores, the increasing attractiveness of the home environment, and the increase in the number of women working outside the home. All of these factors contributed to the erosion of the old social networks and patterns of sociability.(93) She says that, between 1955 and 1965 in Preston, many houses were demolished and the former inhabitants moved to new

council estates (i.e. newly-settled communities.) As she says, though, changes within working class neighbourhoods were not just a result of rehousing. These changes initially manifested themselves in small ways. Roberts points to two local practices that became increasingly rare after 1945. She says that,

'Until World War Two there was in each neighbourhood a woman who would lay out the dead. This task was usually carried out free of charge and was viewed by the women who did it as a service to their neighbours. The neighbourhood 'layer out' all but disappeared in the twenty five years after the war. No law was passed saying that undertakers had to perform this task but they replaced the neighbourhood women and of course charged for their services.'(94)

The other practice that was eroded was that of 'donkey-stoning' doorsteps.

'The front door step and very often the flagstones on the pavement were first scrubbed and then rubbed with a stone which dried leaving the surface yellow or cream in colour. There were many rational reasons for abandoning this custom; it was time-consuming and it was somewhat pointless as the colour tended to come off when either rained upon or walked on. Young women who married in the 1950s and 1960s tended to take the view that this was a waste of time and the practice was all but abandoned, especially as older women who had upheld the tradition died.'(95)

Donkey-stoning can be seen as a symbol of shared norms of cleanliness, as Roberts points out, while she sees vandalism as an indicator of the collapse of those community norms. She says that, during the 1960s, some of her respondents felt a loss of control of their communities. Some of them report a breakdown of trust due to the placing

of 'difficult' or 'problem' families on estates. This is a term which is too imprecise to adopt as an analytical tool, but it does appear in some of the literature on this period (see: above) and it is used by some of the respondents in this study. One of them describes how, after moving to another council estate, his parents felt swamped by a tide of roughness,

'It sort of crept in, it crept in from the other end of the street and it swamped them. It swamped all the nice people on there. It was just the pressure of people who was capable of robbing them. I mean they got to where they put locks on all the doors. They were reluctant to leave the place because if 'they' knew there was nobody in they would be in there. They threw rubbish in the garden, old prams and that. And it wouldn't matter whose garden it was. As they were getting older they couldn't stand it.'(96)

As we have seen, such experiences are not untypical. However Roberts also points out that this was not the common experience of the council estate dwellers she interviewed. She concludes by saying that a very small minority of the people she interviewed can be seen to be leading a highly privatised lifestyle, but the old neighbourhood support and friendliness still survives in some areas.(97)

From the mid-1960s onwards, there has been a decline in the number of community studies undertaken by British sociologists.(98) This makes Roberts' study, although classified as 'oral history' rather than 'sociology', somewhat unique. Many of the accounts we have of working class communities after the mid-1960s come from journalists rather than sociologists. So we are reliant upon writers like Jeremy Seabrook

and Beatrix Campbell for an account of the changes that have taken place within working class communities in more recent years. We have already considered the relative merits of those accounts above. I now propose to look at some examples of another genre of sociological study that has become something of a growth area in recent years: the study of the effects of unemployment. While community studies may have largely been abandoned by British sociology, studies of the effects of unemployment upon both individuals and society have undergone something of a renaissance. Several of these studies deal with some of the issues that concern us here. The first of these is: Workless, Dennis Marsden's 1975 study of the social consequences of unemployment.

The differing experiences of the workers in Marsden's study can partly be explained by the fact that they were living in different types of communities. Some were living in what I have classified as established/'traditional' communities, while others were living in areas that I have described as newly-settled. This had implications for the amount of support an individual unemployed person received from those around them.

Marsden says that,

'In the north-east there were families who had never moved to look for work, and those whose social lives were a set of closely interlocking and overlapping networks of relatives who were workmates, and workmates who were neighbours. A man's life was lived more with his friends during his leisure hours, and less with his family. And the wives too spent more time together, out of the home.'(99)

In other words, he found that the old working class patterns of sociability still existed in some parts of the north-east. On the other hand, workers who had moved to a new area to find employment had an entirely different experience of unemployment. Marsden also interviewed a group of workers who had moved to the south-east and are probably best described as unemployed affluent workers (i.e. workers of the type described by Goldthorpe et al in their classic study.) He says that,

'Workers who had been more mobile seemed to lead lives which were less in contact with the surrounding estates where they lived.(100)

These workers lived on new estates where they had bought their own homes, and they and their families experienced disapproval, rather than mutual support, from their neighbours during unemployment.(101) So this is a further illustration of the differing experiences of the working class in the post-war era.

The point that emerges from a consideration of the evidence of unemployed working class households in the post-war period is that: while the amount of mutual aid available within the wider community can vary greatly, help from kin is a constant factor. This help can take the form of loans, gifts and disguised aid, and this is a point that Lydia Morris also makes.(102) In her 1984 study of redundant steel workers in South Wales she found that,

'...twelve out of forty households receive fairly regular aid from kin who are not resident in their household.'(103)

She also found that gender plays a role in determining the type of aid received. Where the woman's mother provided the aid, it usually took the form of a contribution to housekeeping. However, in the two cases where the man received aid from his father it took the form of fairly small amounts of money for his personal spending. So this pattern of aid tends to reinforce traditional gender roles.(104) Morris also found evidence of aid passing from older women to daughters, often in the form of food or clothes for the children, in her 1987 study of Hartlepool.(105)

As we saw above, the provision of inter-generational aid amongst women continues today, even in circumstances where the men involved refuse to accept any responsibility for their children, as Campbell showed.(106) As I pointed out, this is one way in which continuity with the earlier period has been maintained. Further evidence of the continuation of help from kin is contained in two Child Poverty Action Group reports. The first is: Living On The Edge: A Study of the Living Standards of Families on Benefit in Tyne & Wear published by Tyneside CPAG in 1989. The authors found that some families had received help from their mothers or sisters in the form of clothing either bought or sewn or passed down from older children.(107) The other study is: Hardship Britain: Being Poor In The 1990s. The authors found that many Asian claimants borrowed fairly large amounts of money from relatives rather than make use of the social fund or commercial credit. They go on to say that,

'Almost half the non-Asian families with dependent children in Bradford stated that relatives frequently gave the children gifts

of clothes or shoes.(108)

The authors point out that,

'Those forced into borrowing from or depending on family help felt themselves pulled in two directions. While claimants were grateful for this type of assistance, the implied dependency often put a strain on wider family relationships and decreased self-esteem.'(109)

So we can see that the provision of informal support to kin can be both an expression of cross-generational kinship ties as well as a source of tension within families.

Lydia Morris provides some evidence of mutuality amongst neighbours in her study of redundant steel workers in South Wales.

'Mrs T. has recently taken on a part-time job in her uncle's shop (four afternoons a week.) During these afternoons of gainful employment she relies on a friend to collect her youngest child, along with the friend's own son, from the local nursery class. In return Mrs T. has both children for the day on Thursdays when the friend works in her own grandfather's shop.'(110)

This is a rare example of shared responsibility for childcare amongst women who are not kin. I would argue that allowing neighbours with no kinship tie to care for children is a key indicator of the amount of trust that exists in a community. It would also appear to be something that is now quite rare, and this is a point I will return to later. Again, in the case of some men in her sample, male solidarity finds expression in the traditional way (i.e. buying each other drinks.)(111)

In Morris's Hartlepool study she found that,

'...regular flows of aid between households most commonly take the form of short-term loans in cases of male unemployment.'(112)

These exchanges take place between women who receive benefit, and she feels that such exchanges are most likely to occur in housing estates with very high concentrations of unemployment. She also found that,

'Small regular loans of this kind rarely pass from those in employment to those without work, and there is an awareness on both sides of the non-viability of such an arrangement.'(113)

Morris is very clear about the fact that there is a traditional sexual division of labour in Hartlepool, and that neighbourhood sharing takes place within gendered social networks.

As she says,

'The woman's sphere continues to be the home, the financial and domestic organisation of life there is her province, as primarily is the rearing of children. She is supported in these tasks by a network of female friends and relatives, and this network provides the basis for an informal exchange of goods and services.'(114)

Morris makes the point that, in sharing some of the woman's allotted tasks, this female social network actually prevents the man of the household from having to perform them, and thus helps maintain the traditional sexual division of labour. She also found that informal aid which flows among male social networks tends to be supportive of a male role.(115) We can now turn to consider some of the evidence I have gathered of working class communities on Tyneside.

To begin with, we should consider an example of the first type of community in my typology: established/'traditional.' A very clear account of this is provided by the retired credit traveller for the Newcastle clothing firm of Locherbies, who started working for the firm in 1947. I have already indicated some of the ways in which this man indicated continuities with the earlier period (see: above.) It should be pointed out, though, that his whole attitude to the colliery villages he traded in is coloured by a wistful nostalgia for a bygone era. It is rooted in the conviction that he was experiencing the life of a community that was preserved unchanged from the pre-war era. In fact, he wrote a Rotary Club Address on the subject of credit trading in which he expresses this opinion.

'The hardship of those days, both physical and financial, produced a quite unique spirit of: neighbourliness, compassion, generosity and hospitality.'(116)

He goes on to say that the villages he visited managed to retain their old character until the 1970s.

'Unfortunately the 1970s are an entirely different picture. Gone now are the long colliery rows, the roaring fires in black-leaded grates with the stotty bread rising on the hearth. No longer the pit clobber steaming dry in readiness for the next shift.'(117)

Despite the obvious romanticisation of the places he visited, this respondent's account does appear to be quite accurate. The communities he is talking about did remain largely unchanged during the 1950s and 1960s.

He provides us with two concrete examples of older practices that persisted into the post-war era, both of which are also mentioned by Elizabeth Roberts in her study of changing communities (see: above.) Firstly, women continued to 'white-stone' their steps in the way their mothers had done. Secondly, laying-out also continued to be performed by a member of the community during the post-war period. As he says,

'Something which appeared above the door of one cottage in every community puzzled me for a long time. It stated: 'Board Kept Here.' I eventually worked out that this was the laying-out board belonging to the store undertaker. Talking of laying-out every cottage had a press, the bottom drawer of which was kept expressly for the laying-out. It included a gown, sheets, white socks, lace coverlet and so on.'(118)

As I pointed out above, he feels that this all began to change in the 1970s. He continues with a familiar tale,

'The mining villages gave way to council estates. Our customers now had a front and a back door, and a fence round the garden. And somehow, almost imperceptibly, the old community spirit began to die.(119)

This trader had a particular reason for being concerned with the death of community (if that is what it was) as it also signalled the death of his business! The younger generation rejected the old credit firms their parents had dealt with along with the other customs and rituals of the old neighbourhoods.

'The young men and women now handed over 'board money,' as they called it, and retained the rest of their wages which they spent in the fast-growing and fashionable boutiques and stores.

The older generation still clung to the old ways.
They liked to see the traveller and have a crack,
but steadily their needs became less and less as
retirement and old age took over.'(120)

Mrs Blake (see: above) was the daughter of a miner, and she grew up in the Blyth area. She says that her parents were eventually rehoused in one of the new council houses that were purpose-built to house miners from the surrounding villages. In fact, the rehousing of the Blyth miners was quite a gradual process, which began in the 1950s. It was also done with a degree of sensitivity, as whole streets were rehoused together.(121) This is a dimension that is missing from the credit trader's account of the process. Mrs Blake and her husband were married in 1957. They moved into an old terraced house in Cowpen Village, near Blyth, in 1958 and stayed there until 1983. This was an occupationally mixed community but it was mostly composed of miners and shipbuilders, as well as a few representatives of other trades.(122) Mrs Blake says that when they first moved into the area it was,

'Like a little village. You had a corner shop,
and everybody knew everybody else.'(123)

However, many of her neighbours were much older than her and, as they died, the new residents partly disrupted the old way of life. This happened in various ways some of which were quite small. So, for instance, while Mrs Blake's mother used to white-stone her step, Mrs Blake has never done it.(124) If some of the old customs disappeared though, there was still a great deal of socialising amongst the women in the community. Mrs Blake says they were always 'popping in' to each others houses for tea or coffee

during the day when their husbands were at work.(125) This female social network also provided informal aid, just as it did in the earlier period. The main difference was in the form that this aid was likely to take. So, for example, aid seems less likely to have been given in the shape of food or money, but Mrs Blake could get a neighbour to look after her children whenever she needed to go shopping. The women in her area would also pass on their children's' clothes and toys to their neighbours.(126) During the time Mrs Blake lived in the area, it didn't become rougher and more dangerous in the way that some places did. However, even going by Mrs Blake's account alone, there was a degree of change in the community. There is also another aspect to this story which I only discovered through talking to Mrs Blake's son, and I shall return to this below but we should consider her own account first. Mrs Blake said that she was not sure whether changes in the community were due to the fact that the new residents had a slightly more privatised lifestyle, or were simply the result of more women going out to work and, consequently having less time for socialising.(127) So while the area was not as close-knit as it once was, there was still a sense of community. When Mrs Blake went out to work, in 1975, she still felt comfortable about leaving her youngest child with a neighbour who wasn't working, and she kept up this arrangement for five years.(128) Although it is now twelve years since she left her old house, Mrs Blake has not moved far away, and she is still in touch with her old neighbours.

Some time after interviewing Mrs Blake I was given the opportunity of interviewing Mark, her 29- year-old son. He confirmed most of what his mother had told

me, but he was puzzled by her account of her final years in Cowpen village. Mark said that, although it had remained a fairly close-knit community, and Mrs Blake had got on very well with her original neighbours, during the mid-1970s the area had begun to change. As some of the older residents moved out to live in residential homes, or died, their place was filled by a new generation of residents. He said that, 'It wasn't that you could be mugged or anything, but things were changing.'(129) After the old couple who had lived next door to the Blake family died, a young couple with a child moved in. They had moved from a nearby council estate, and the woman was also the daughter of a local miner. So, like the Blakes, this family also had strong local ties. However, despite this similarity, Mrs Blake did not find her new neighbours altogether easy. Mark remembers much of what he told me next from his childhood, but he had also recently discussed it with his mother, so he was not solely relying on his own memory. The new family next door began having violent rows regularly late at night, which the Blakes could clearly hear next door. The woman was obviously being beaten up quite badly during these rows, and the strain of listening to this began to tell on Mrs Blake. This situation was made worse by the fact that Mr Blake got a job in another part of the country at around the same time. This meant that Mrs Blake was left alone, with her three children, in the house night after night listening to the fighting next door. Understandably, her nerves suffered as a result of this, and her GP eventually put her on tranquillisers. This is the hidden element in her account of why the family moved house. As Mark said to me, 'If it was as great as she made out to you, why didn't they just stay where they were?'(130)

Mrs Blake's experience indicates the ways in which an established/'traditional' community can change. It shows how communities can continually reconstitute themselves. In the case she describes above, it seems that the inhabitants of the old community were gradually replaced with newcomers. Although this did not completely disrupt the life of the area, it did seem to subtly undermine it. Other people's experiences show how a newly-settled area can regroup over time. It should be pointed out, though, that the boundaries between these categories of area are often quite fluid. In fact, it is probably misleading to think of an area as representative of only one particular type. So, for example, any individual housing estate may contain parts that are both newly-settled and established. So within any given area there are also micro-communities that have different characteristics from each other. Communities may exist within one of the broad categories I have identified above, but are also continually disrupted and reformed within those categories. This is a complex issue, as some places do not lend themselves to easy categorisation. So, for example, what about the phenomenon of mass re-settlement (i.e. the attempted rehousing of a whole community on a new estate)? Does that create newly-settled communities which then have to rebuild social ties, or are residents just able to continue with their lives as before but with better housing? This was a fairly common project both before and after the Second World War, and we have already seen one example of this in Blyth. Perhaps the most celebrated example in the north-east, though, is: Byker. So we should now turn to consider the experiences of people in that area.

Byker remained an established/'traditional' community until it began to be demolished, piecemeal, during the 1960s. In Housing Policy and Practice Malpass and Murie describe the area as it was before redevelopment.

'Byker lies to the east of Newcastle city centre, close to the River Tyne, and was originally developed to provide housing for the industrial working class in the last third of the nineteenth century. The accommodation was overwhelmingly in the form of 'Tyneside Flats' (two-storey houses constructed as flats) at high density and generally lacking one or more of the basic modern amenities of inside w.c., fixed bath and hot-water system.(131)

The area was originally scheduled for redevelopment as part of the 1953 slum clearance programme. However, as so often happens, there was a long delay between scheduling and redevelopment. The Development Plan Review of 1963 proposed to demolish the whole of Byker by 1981 and, between 1963 and 1967, the council rehoused at least 5000 people from the area in other parts of the city.(132) However, at this stage, there were no houses under construction in Byker itself. Malpass and Murie point out that,

'Byker people saw themselves as a cohesive friendly community, and there was good evidence to show that a high proportion of people had lived there all their lives, and that very many of them said they wanted to stay there. Gradually the idea of Byker as a community gathered momentum.(133)

The people of Byker made it known that they wanted to be rehoused together and, after 1968, this became the supposed intention behind the redevelopment of the area.

The architect of the new Byker was quoted as saying,

'...the redevelopment will be phased so that the

people's desire to move from their old worn out house to a new house, down the street, as it were, will be realised.'(134)

In the event, the homes of 3000 people were demolished, many of whom had no choice but to leave the area as their new homes were not built in time, neither were they offered houses in the area at a later date.(135)

In Byker, Sirkka-Liisa Konttinen points out that,

'Over 17,000 people lived in Byker at the start of the redevelopment. Fewer than 20 per cent of them were living in the New Byker by 1976. One is only left to speculate what would have happened had the policy not been to retain the community.(136)

So how successful was the redevelopment of Byker in preserving the old community spirit?

My own research suggests that the experience of living in Byker today can vary quite a lot. It seems that, if it survives at all, community survives in pockets or 'micro-communities' within the area itself. I interviewed several members of Byker Credit Union on this subject. They told me that there was still a limited amount of neighbourhood sharing in the area as well as a degree of sociability amongst neighbours.(137) This conclusion is supported by some of the accounts in Sirkka-Liisa Konttinen's chronicle of Byker.(138) However my respondents did not feel that Byker was as close a community as it once was.(139) One major indication of continuing mutuality amongst some Byker residents is the fact that many people trust their neighbours enough to allow them to pay

their credit union money for them. Not only that, but the people that do the actual paying are providing a service to their neighbours.(140) I also asked all my respondents from the Byker area (separately) whether there was any informal moneylending going on within their neighbourhood, and they all replied that there wasn't. Only one respondent regularly lent money to someone else, but that was to her daughter.(141) However, I did find some evidence of neighbours lending money to each other in the Cowgate area.

The Cowgate council estate was built between 1920 and 1940.(142) Since then it has acquired the reputation of being a highly deprived area. There is much justification for this, as a recent profile of the area has shown.(143) The area also has a higher than average crime rate. Beatrix Campbell quotes an advice worker who says that the initial response to the idea of forming a credit union in the area was scepticism.

'...it was said that the people of Cowgate would steal off their own grannies and how did you expect them to keep accounts?'(144)

So Cowgate is a highly deprived area in which the residents do not appear to trust each other. This makes it all the more surprising to find evidence of mutuality on the estate, particularly in the form of neighbours lending each other money.

Ian Poole says that it is quite common for people on the estate to lend each other money, and that such loans are invariably interest-free. He says that,

'The proof of that happening is, again, when we draw up a financial statement and somebody tells us, 'I owe Mary down the road so much.' And that creates another problem because there's no way, unless its just a few quid, that we can treat them as preferential [creditors.] We might agree

tactically to delay setting up a formal repayment programme, if within a couple of weeks they could pay this person off. Because there is a relationship, a very close relationship, there. But that's the proof of it, that people will tell us, 'By the way I owe this person money.'(145)

Ian Poole feels that neighbourhood sharing still takes place among small groups of long-standing residents on the estate.

'It'll be pockets of it, and it'll centre around a group of people who may be customers of a catalogue agent living on the estate. So they know that person from time to time will have a pool of money, and we're talking tiny advances. There is no doubt it is about crossing the road and asking for a cup of sugar...That's definitely the case here..Where the pockets still exist of people who've been here a long time, that's definitely the case, and its the way they get from one week to the next. If your Giro arrives fortnightly, and your friend's Giro arrives in the interim, then those arrangements are made.'(146)

So Cowgate would appear to be an area in which there are still pockets of mutuality, despite an overall breakdown of trust within the community. However, in the final area I wish to consider here: Fenham (situated in the West end of Newcastle) I could only find evidence of distrust and suspicion amongst neighbours. The people I spoke to had no experience of mutuality within their community. This is despite the fact that Fenham is not generally considered to be as deprived an area as many districts in the west end. The council estate in Fenham was built between 1920 and 1940.(147) Mo O' Toole, an ex-Newcastle City Councillor, told me that,

'Both central and local government have left Fenham

out of the various targeted urban initiatives that began in 1973, and were consolidated in the white paper: 'Policy For The Inner Cities' in 1977. So it was not seen as a priority area in terms of urban deprivation.'(148)

I conducted a group interview with three women who were all members of Fenham Credit Union about the experience of living in the area. So we should now turn to consider my findings.

I began by asking the women if they thought that communities had changed since the pre-war period. Like the respondents from Byker, they felt that communities were not as close as they once were. (149) In fact, their response was even more emphatic, one woman said that she did not consider Fenham to be a community at all!(150) When I asked whether, before the credit union was formed, people in the area lent each other money, the response was general laughter.(151) In fact, the group were in total agreement that they could think of no examples of neighbourhood sharing within their area. There was also very little evidence of sociability between neighbours. (152) The women made it clear that they did not feel that they could trust their neighbours either. (153)

Finally, I asked the group about two specific indicators of the existence of trust within the community: help with childcare and with gaining credit. The group felt that childcare should only be shared within families. None of the three women felt able to trust neighbours with their children.(154) As well as this, none of the women had ever heard of neighbours obtaining credit for one another in the shape of a Provident order, or a loan of another sort. Neither would they consider taking out a loan for one of their

neighbours. Overall, they did not feel that, apart from through the credit union, people co-operated with each other over the use of credit in the way that they used to.(155) It should be pointed out that I could find no evidence of co-operation between neighbours over the use of formal types of credit on Tyneside. Only one of the money advice workers that I interviewed had dealt with a situation where a client had incurred a debt in another person's name. Tracey Armstrong, a debt counsellor at Newcastle CAB, said that she had come across clients who had obtained a Provident order in their mother's name, but I found no cases of neighbours doing this for each other.(156) Agents of mail order catalogues do tend to recruit their friends and neighbours as customers but, as they constitute a potential source of profit for the agent, this can hardly be characterised as a form of neighbourhood sharing. So how can we make sense of these diverse accounts of working class community in the post-war period?

I would argue that there is no single existing explanation that adequately deals with the changes that have occurred within communities during this period. So I propose to outline my own conceptual framework utilising ideas drawn from three sociologists. The three concepts I wish to employ are: Ferdinand Tonnies notion of *Gemeinschaft* and *Gesellschaft*, Philip Abram's notion of modern neighbourhoodism, and Anthony Giddens' work on trust. So we should now consider each of these in turn. I feel that the basic direction of the change in social relations I have discerned can be described in terms of the movement from *Gemeinschaft* to *Gesellschaft*. These terms are first used by Ferdinand Tonnies in *Gemeinschaft und Gesellschaft* (1887.) As Larry Lyon puts it,

'Tonnies contrasted the types of human relationships appearing typically in extended families or rural villages (Gemeinschaft) with those found in modern, capitalist states (Gesellschaft.) Gemeinschaft-like relationships are based on a natural will (wesenwille) that includes sentiment, tradition, and common bonds as governing forces...In contrast, Gesellschaft-like relationships are based upon a rational will (kurwille) that includes, of course, rationality, as well as individualism and emotional disengagement as key elements. The basis for this rational will is urban, industrial capitalism. Gesellschaft is characterised by little or no identification with the community...'(157)

Tonnies saw Gemeinschaft and Gesellschaft as ideal types. So no society will contain relations that are solely dominated by one of these types. All 'real' societies will exist somewhere between these two extremes.(158) I would argue that not only is this a useful way of depicting change within urban society, but that it is also the fundamental direction of change outlined by subsequent social theorists.

To be more specific, I would argue that this is the underpinning 'meta-narrative' behind much of the writings on this subject. To take two (highly significant) examples, it is very similar to the transformation of society that Max Weber saw as resulting from increasing 'rationalization,' Gemeinschaft and Gesellschaft also bear a striking similarity to Emile Durkheim's concepts of 'mechanical' and 'organic' solidarity. Larry Lyon also notes these similarities, and also points to the same implication in Marx's work.(159) Although Lyon does not specifically mention it, I would see this as being expressed in Marx's notion of the increasing dominance of the cash nexus. So this tendency is well-

represented within the classical tradition. It is also still being continued today in the work of Anthony Giddens who, in works like The Consequences Of Modernity is, I would argue, still exploring the same basic movement between these two ideal types as Tonnies was over a century ago.

This is not to argue that every subsequent social theorist has 'imitated' Tonnies, or that their ideas can be reduced to Tonnies' basic formulation. All I am suggesting is that he was one of the first to detect this tendency within modernity, and that it forms a useful starting point in discussions about 'community.' It is a general, all-encompassing conception into which other, more sophisticated theories, can be placed. In other words, Tonnies ideas form the general framework of the discussion that has taken place of the nature of modernity, but subsequent work has greatly expanded upon his (highly generalised) notions of *Gemeinschaft* and *Gesellschaft*. What we need to decide is how usefully the more developed ideas of subsequent theorists can be placed within this framework. So the movement from *Gemeinschaft*-like relations to *Gesellschaft*-like relations is the basic, underlying, movement in modern society. What we have seen so far is, that this tendency is present in the development of relationships within working class communities.

Working class communities of the first type in my typology, established/'traditional', are characterised by a large degree of internal structural interdependence. What I mean by this is, that while they may quite often form a homogenous occupational community in terms of their relationship to the outside world,

internally the members of that community perform a diverse series of complementary tasks and services for each other. Malpass makes precisely this point about the old community in Byker.

'There were women noted for their expertise in midwifery or in laying out the dead. The basis of this mutual self-help whether in Byker, Bethnal Green or Barton Hill, was the common class position of the local population. The working class were, and to some extent still are, more dependent upon their neighbours and relatives to help them through the inevitable crises of life because of their restricted access to professional services.'(160)

My argument is: that working class communities were characterised by a large degree of internal structural interdependence, and that this formed the basis for a form of social cohesion. In the post-war period, though, this social solidarity has been increasingly undermined by the pressure of social change, and that it was eventually almost completely eroded in most communities. Again, Malpass, has detected this within the Byker area.

'The growth of the social services has tended to redistribute the caring role onto professionals employed by the local authority who come from outside the culture of the working class community and prefer to define problems and solutions in terms of the body of theory which underpins their claim to expertise.'(161)

The disappearance of the type of women I describe above, who perform services such as the laying out of the dead in their communities, is indicative of this change. Practices

such as donkey-stoning doorsteps, were an indication of the shared norms and values that accompanied this type of social solidarity. However, I feel that, the decline of the latter type of practice is indicative of a change in shared norms and values, not the complete abandonment of them. This change in values is best characterised as: 'modern neighbourhoodism.'

Philip Abrams contrasts the type of traditional neighbourhood social network that we have considered above with, what he calls, 'modern neighbourhoodism.' He says that,

'...most neighbourhoods today do not constrain their inhabitants into strongly bonded relationships with one another. Those that do are either exceptional or regrettable. Generally the old equation of problems, resources and closure which produced the diffuse trust and reciprocity of the traditional neighbourhood type-networks, within which care in 'critical life situations' could effectively be provided for and by local residents, has plainly collapsed in the face of new social patterns.'(162)

So here Abrams is discussing the type of change I have described above, which I have chosen to call the decline of internal structural interdependence. However, I would also wish to point to a concomitant change in normative orientation towards neighbours that can be characterised as 'modern neighbourhoodism.' The first point I would wish to make about my conception of this is, that it does not mark a complete break with traditional neighbourhood relations. Here I would want to endorse a point that Abrams makes about the continuity between the two periods. He feels that only two features have survived the traditional neighbourhood type.

'These are close kinship relations between parents and children (at both ends of the life cycle) and siblings on the one hand, and on the other the networks of local information sustained by the more or less idle, more or less benevolent or malicious talk that people engage in their efforts to construct a known and comfortable socio-spatial setting for their own lives, namely gossip.'(163)

We have already seen above that there is substantial evidence in the research of both myself and others to support the idea that, not only are there close kinship relations between parents and children at both ends of the life cycle, but that this relationship can be a constant source of material support. This is one aspect of the traditional neighbourhood networks that has survived into the present day. There is also evidence of the continuing power of gossip in such neighbourhoods.(164) So I would want to go along with Abrams' notion of 'modern neighbourhoodism' in that respect. However, while I agree that modern neighbourhoodism is characterised by increasing privatism, I would argue that this does not lead to a total separation of the home and the neighbourhood. There is still an interaction between the two spheres. A desire for a degree of privacy and detachment from neighbours is not necessarily something new, it was just much harder to achieve in the old neighbourhoods. While I do not wish to go along with the 'privatisation thesis', I would want to incorporate some idea of normative change into my explanation of events. It is a question of degree. I would argue that, in neighbourhoods that are characterised by 'modern neighbourhoodism', there is not so much an absence of neighbourhood sharing as a restructuring of it. It may help to clarify this point if we

consider two examples I cited above: Blyth and Byker. I would argue that both of these communities begin as established/'traditional' communities, and then become examples of the third type of community: regrouped/partially regrouped. What we notice about the way that they regroup, though, is that this reconstruction of community life also involves a restructuring of the relationship between the individual and the community. This does not occur in a way that precludes the possibility of neighbourhood sharing, but it tends to mean that mutuality is expressed in new ways. Most crucially, though, I would argue that 'modern neighbourhoodism' is more to do with the feeling that one's neighbours are 'there if you need them,' rather than being an active expressions of mutuality. This is the conclusion that is suggested by the responses of the Byker residents, in particular.

The two developments that I have outlined above: the decline of internal structural interdependence, and a change in the shared norms and values of a community, are very common occurrences within working class neighbourhoods in the post-war era. They are fundamental trends within social relationships. Of course many factors will influence the development of these trends and the rate with which these changes occur, but they are significant trends in the nature of neighbourhood relations. The third development that I want to discuss, a decline in trust, is contingent to an even greater extent. This is a situation that has only arisen in certain communities on Tyneside that have a high degree of social deprivation and a higher than average rate of crime. The two examples of this type of community I have cited above are: Cowgate and Fenham. The Meadowell estate on North Tyneside provides a further example, but we will consider this area in a later

chapter. The main reason I have not included it in this section is, that the atmosphere of distrust which exists on the estate makes it more difficult to obtain interviews with residents than was the case with the areas I have included here!

Giddens defines trust as,

'the vesting of confidence in persons or in abstract systems, made on the basis of a 'leap into faith' which brackets ignorance or lack of information.'(165)

He says that there were four main foci of trust in pre-modern cultures: kinship relations, the local community, religious cosmologies and tradition.(166) The one that concerns us here is the local community. Giddens says that,

'In the large majority of pre-modern settings, including most cities, the local milieu is the site of clusters of interweaving social relations, the low spatial span of which provides for their solidity in time.(167)

I would argue that this is also true of working class communities throughout much of the modern period. In fact, it is only in conditions of what Giddens calls 'late modernity' that this begins to break up. This is not inconsistent with Giddens' belief that the period of late modernity is one in which the consequences of modernity become more radicalised and more universalised than they previously were.(168) Giddens argues that in the modern period locality becomes disembedded. He says that,

'The locality in pre-modern contexts is the focus of, and contributes to, ontological security in ways that are substantially dissolved in circumstances of modernity.'(169)

The point I am making is that, in certain contexts, there is a delay in this process. So, in the case of working class communities, it does not so much denote a difference between pre-modernity and modernity, as between modernity and late modernity. Giddens makes the point that trust can no longer be anchored in criteria outside the relationship itself.(170) So ties based upon locality (for example) can no longer offer a sufficient basis, in themselves, for trust. This is precisely the phenomenon that we are witnessing today in areas like Cowgate, Fenham and Meadowell.

Finally, I would like to reiterate a point I made earlier: that the boundaries between different types of area are fluid. In fact, it is probably misleading to think of an area as representative of only one particular type. I feel that it is possible to say that an individual area has certain dominant characteristics. So, for example, Fenham would certainly appear to be an area in which there has been a breakdown of trust (in the sense that I describe above.) However, it is quite possible that there are still pockets of community on the estate which I did not encounter. Cowgate is also an area that is almost universally characterised as having undergone a breakdown of trust. However, we saw that there were still micro-communities of long-standing residents that trust each other enough to lend each other money. On the other hand, I have described Byker as an area characterised by modern neighbourhoodism, but this was not the experience of all the Byker residents I interviewed. There are several factors that give rise to this variation within areas, and it is not possible to explore all of them here. However, I will make one point: the fundamental condition for the re-grouping of communities, in whatever shape

or form, is a relatively stable population, and this would seem to be an increasingly rare phenomenon in many areas.

Conclusion

This chapter has dealt with social relationships within working class localities. It has also attempted to determine whether they have changed over time. I began with a discussion of working class communities during the inter-war period and I examined the practical workings of mutuality in particular areas through the use of oral history. I argue that where mutuality was a feature of working class life, there was also an instrumental component. Neighbourhood sharing in working class areas, during this period, is best seen as a form of credit in itself. I argue that this can almost be equated with the latter-day 'LETS' system in the sense that it was an exchange of goods and services that usually did not involve cash payments. I employed the work of Philip Abrams in order to explain this, and conclude that neighbourhood sharing is governed by a norm of reciprocity. This also applied to the way that working class neighbourhoods used credit (in the monetary sense!) In this case there is often a power imbalance between the participants. This can operate in two ways: it can involve the norm of beneficence, or it can become an exploitative use of the norm of reciprocity. However, the boundaries between these three types of social action are fluid, and it can sometimes be difficult to tell at what point neighbourly help becomes exploitation.

I then moved on to look at working class communities during the post-war period. I identified three types of community: established/'traditional', newly-settled, regrouped/partially regrouped. I went on to give examples of these types of community on Tyneside. This opened up a further problem, as we explored the different factors that contributed to change within those communities. This led me to attempt to describe the process through which communities are transformed and, to outline the different stages which communities have gone through in becoming regrouped. I presented a conceptual framework utilising ideas from three sociologists: Ferdinand Tönnies' notion of *Gemeinschaft* and *Gesellschaft*, Philip Abrams' notion of modern neighbourhoodism, and Anthony Giddens' work on trust. I argue that working class communities of the first type in my typology, established/'traditional', are characterised by a large degree of internal structural interdependence which led to a certain type of social cohesion. In the post-war period, though, this solidarity becomes increasingly undermined. Abrams' notion of modern neighbourhoodism indicates the points of continuity with the older neighbourhoods. I add to this the idea that there has been a restructuring of the relationship between the individual and the community. I argue that the first two developments I describe apply to very many working class neighbourhoods in the post-war era. However, the third development that I discuss, a breakdown of trust within communities, is highly contingent.

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Chapter Two

‘Taking An Interest In Your Neighbours, Or Just Taking Interest From Your Neighbours?’ Illegal Moneylending And The Working Class.

We can be reasonably sure that moneylending, of some sort, has always been a feature of working class life. Melanie Tebbutt says that,

'Various forms of moneylending were practised in most of the less prosperous working-class districts by the end of the nineteenth century, and were perhaps most deeply entrenched in the poorest.'⁽¹⁾

Booth found that moneylending was practised extensively among the London poor. He said of one deprived district of London that 'every street has its lender, often a woman.'⁽²⁾ Although Booth paid scant attention to the issue of moneylending, relegating it to the 'Minor Notes' section of his final volume, he does make two points that are worth noting. Firstly, he implies that while the street moneylenders were usually women there were also male lenders 'in the shape of the man who will 'sub' in the public-house.'⁽³⁾ So it would seem that, as far back as the nineteenth century, gender had an effect on the way moneylending was practised. The other point that he makes, which remains relevant today, is that, 'There is no legal protection to the lender; terrorism is relied on.'⁽⁴⁾

Of all the types of credit that are used by the working class moneylending is, in many ways, the most difficult to investigate. This is not just due to the lack of existing sources, but also to the real difficulty of getting people to talk about the subject. It should be pointed out at the outset that it is for this reason that this research is largely based upon

documentary evidence (both primary and secondary), and my reliance upon this type of source becomes heavier for the present period. Although a small number of people did consent to be interviewed on the subject, I also spoke to respondents who were willing to discuss other types of credit but flatly refused to divulge what they knew about moneylending in either the present or the past. It has to be pointed out that this is not mere surmise on my part. There were several occasions when not only did I have this line of questioning blocked, but the respondent made it clear that although they had experience of moneylending they were not prepared to discuss it. As we will see, there are several possible reasons for this unwillingness and, as a researcher, I took those into account and did not attempt to make reluctant interviewees tell me things they didn't want to.

The difficulty of investigating this topic was acknowledged as long ago as 1917 in one of the first major studies of this type of borrowing conducted by Vesselitsky and Bulkeley: 'Money-Lending Among The London Poor'. They point out that the 'atmosphere of secrecy and gloom which envelopes the subject of loans,' was a real impediment to their inquiry.⁽⁵⁾ In fact, they found that people were far more willing to discuss their pawning habits (itself a form of credit that was distinctly lacking in respectability) than to talk about moneylending! They go on to say that,

'Some doubtless deny the fact of borrowing through fear of prosecution and imprisonment; others resent the imputation as a stain upon their good name; but in many cases reticence was rather due to consideration for their benefactor, 'a poor woman who lets us have

money when we needs it,' doing it only to oblige her neighbours, and who, of course, cannot afford the fee for registration without which no one may lawfully practise the business of money-lending.'⁽⁶⁾

So all these factors lead to a disinclination to discuss moneylending, and they are all just as valid today, as we shall see later.

Vesselitsky and Bulkley say that there were two systems of moneylending at this time. The first system was only available to more 'respectable' borrowers who could show a clear rent-book or some other form of security. A lump sum was advanced which was then repaid by weekly instalments. Interest was deducted at the outset, at the rate of from 1s. 6d. to 4s. or even 5s. in the pound.⁽⁷⁾ Even though there were fines for delay, this system had the advantage of avoiding the excessive compound rates that resulted from the second type of loan where only a few shillings at a time were borrowed. The rate of interest for the second type of loan was almost invariably 1d. in the shilling, and the money was usually borrowed on a Monday and repaid with interest on the following Saturday. As Vesselitsky and Bulkley point out this works out at 608½% per anum!⁽⁸⁾ So, when a borrower was unable to repay the loan, they became trapped in the clutches of the moneylender. This same rate of interest, of a penny in the shilling per week, is also mentioned by Booth and by Maud Pember Reeves in her study of working class families in Lambeth during the early years of this century.⁽⁹⁾

So who were the moneylenders? Vesselitsky and Bulkley say that there were many different types of lender at this time and, again, evidence from other sources would seem to support this assertion. They say that,

'It may be a company formed for the express business of money-lending; or a small shopkeeper who combines money-lending with his other ostensible business...it may be a friend or relative of the publican, who stands by the side of the bar ready to oblige a customer; it may be 'a woman who goes about selling tea'... or it may be 'a woman like myself across the street.'(10)

This description of the variety of moneylenders that existed in London at this time also applied to other parts of the country. Several other observers have offered similar accounts of the period before 1918.

In John Benson's work on 'Penny Capitalists' in the nineteenth century, he also identifies several groups of people that were involved in commercial moneylending. The first were small-scale entrepreneurs (or penny capitalists) that were active in other spheres. This included street bookmakers, credit drapers, and small shopkeepers, who lent money as an extension of their usual activities. The second group were working class people that had managed to accumulate a small amount of capital, through a windfall or by saving. The third group were foremen, who had the capital from their wages, and the means to pressure borrowers to pay by virtue of their position.(11) Vigne and Howkins interviewed a Salford resident who stressed the importance of the local shopkeeper to the area,

'Because if mother wanted to borrow a shilling or a couple of shillings, you know, I used to go and say, 'Mother wants to know will you lend her two shillings well father gets paid.'(12)

Robert Roberts points out that,

'Few shopkeepers indeed would lend cash. Women customers at our shop very seldom asked for a loan but their husbands, banking on a wife's good name, would send children from time to time - 'Can yer lend me father a shilling, an' he'll give yer one an' three at the week end?'(13)

The local shopkeeper, then, was one obvious source of ready cash for those in need, even if assistance was not always readily granted. As Vesselitsky and Bulkley suggest, another source of funds was the street traders who were so numerous in the early years of the century. One example of this type of lender appears in Class Culture And Community where Bill Williamson's mother describes George Bradney the travelling fish merchant who, '...did well until he became a money lender. Poor George, that was the end of the fish. He got done.'(14)

After the passing of the Moneylenders' Act, in 1900, 'getting done' became an occupational hazard for the unlicensed lender. The act required all moneylenders to register themselves, but the local female moneylenders of the type described above were usually unregistered, as Vesselitsky and Bulkley point out.(15) We have already seen that Booth noted the widespread existence of local female street moneylenders, and they remained a feature of many of the poorer working class districts, at least up until the Second World War. Several working class autobiographies testify to the truth of this

statement. A typical example is given by a Southampton docker's daughter who remembered that, 'Every street had its resident money lender,' usually a woman who charged 'outrageous rates of interest.'⁽¹⁶⁾ Carl Chinn says that Booth's observation that every street had a moneylender, usually a woman, 'was as true for the slum neighbourhoods of Birmingham in the 1930s as it had been for London in the 1890s...'⁽¹⁷⁾ If we accept that this type of female street moneylender was very common during the period before 1945, then how did they conduct their business? What methods did they use to ensure repayment given that they could not use the force of the law?

Vesselitsky and Bulkley say that,

'The opinion was constantly expressed to us that no one could be a successful lender who was not capable of administering a 'hiding.' It is only by bullying that these women can get their money back. 'They frighten the life out of us,' said one borrower, 'and that is why we have to pay up.'⁽¹⁸⁾

They say that the street moneylenders used threats and abuse and, occasionally, actual physical force to obtain their money. Interestingly enough, though, when the relationship between lender and borrower had no affectual basis the outcome of the transaction became dependent upon who had access to the greatest physical force. As Vesselitsky and Bulkley put it, 'A powerful friend or relative is often a valuable asset.'⁽¹⁹⁾ In other words, in those cases where the lender resorted to coercion, the outcome was uncertain.

Vesselitsky and Bulkley make one final point that remains relevant for today's situation that,

'It is, of course, obvious that it would be better to save beforehand against a rainy day, but where the full income is barely adequate to meet the ordinary needs of the household, it is difficult to put away anything...'(20)

Tebbut agrees with the distinction that Vesselitsky and Bulkley make between the two types of borrowing but adds that,

'It was not uncommon for a woman to be paying for both kinds at the same time and from the self-same moneylender.'(21)

So she questions whether the alternative chosen was dependent upon status. Tebbutt cites a case of unlicensed moneylending that came before Greenwich police court in 1929. The witnesses in this case referred to sums under £1, for which the customary 1d. in the 1s. 0d. was charged, as 'borrowed' money, while the term 'loans' was only used to describe amounts over a £1 which were subject to a different repayment method.(22) As she points out, Vesselitsky and Bulkley also noticed that the term 'loan' was only used to describe certain types of transaction. The implications of this are quite significant, as it seems to have led to a greater sense of obligation on the part of the borrower to repay 'borrowed' money. Melanie Tebbutt says that working class borrowers placed the greatest importance on honouring small debts. She quotes Francie Nichol, who ran a cheap lodging house in South Shields before the First World War. She found that her lodgers were so grateful for any financial assistance that they offered her interest,

'If regulars couldn't pay, well ye let them go for a bit. Sometimes they'd give ye a penny interest or somethin' when they paid

ye back they were so grateful.'(23)

As Tebbutt puts it, 'Paying a few pence interest on a small loan also seemed more like recognition of neighbourly help than a business transaction.'(24)

The borrower certainly felt socially obliged to repay certain types of loan. Carl Chinn cites this example,

'During the 1920s a man from Studley Street remembered that his mother borrowed 2s. 6d. each week, year after year, from the street's money-lender. The interest charged on this type of loan was exorbitant, at least a penny in the shilling, which worked out at an annual rate of interest of 433.5%. Yet this woman would no more have thought of renegeing on her debt than she would have done of leaving the street. To have done either would have meant the loss of her position within the community.'(25)

Chinn felt that the urban poor felt a social obligation to pay back debts, particularly those owed to members of their own communities. This pressure must have been increased when the borrower did not look on the transaction as a 'loan' but as money 'borrowed' from a neighbour.

The relationship between moneylender and borrower could take on a different complexion in cases where the borrower began to feel exploited. Tebbutt gives an example of a moneylender who had obviously become excessively exploitative in the eyes of her neighbours. The woman in question was Mathilda Vale, who had been lending small amounts to her neighbours for some time. In 1913 she appeared before Smethwick

Police Court and, as a result of the evidence her neighbours gave, was fined. Although her customers were unable to calculate her interest rate, they had begun to feel that they were 'paying through the nose,' for loans.(26) The resultant gossip led Vale to send out letters accusing her neighbours of slander. As Tebbutt says, though, the willingness with which these borrowers made their disclosures was unusual.(27) It would seem that in many cases intimidation played a part in maintaining the silence of witnesses. If this was not a factor, the gratitude of the lender to the borrower for providing them with a service would often ensure the continuation of secrecy. Finally, it must be remembered that even if a borrower did not feel grateful to a lender, they may not have had access to an alternative source of credit. So if a borrower assisted in the prosecution of their moneylender, they would be cutting their own financial lifeline. All of these reasons are still relevant today, and make it as difficult as it ever was to prosecute moneylenders. As Tebbutt says,

'In certain respects the ethical position of the street moneylender was analogous to that of the back-street abortionist. Both originated in the desperation of the working-class woman and aroused the ire of the philanthropist but the uncertain gratitude of their own community.'(28)

In order to explore the relationship between the moneylender and their community further, we should now turn to consider the evidence I have gathered for moneylending on Tyneside. My research suggests that, in some ways, illegal moneylending was a fairly marginal activity among the Tyneside working class during the inter-war period. This was

mainly due to the fact that there were other options available which cost the user less. So the moneylender was seen as a last resort. I have chosen to concentrate on moneylending in the Byker area but there is, of course, evidence that it also took place in other parts of Tyneside. In Tom Callaghan's autobiography, for instance, which describes Benwell during the late 1920s and 1930s, he tells us that there was an 'unregistered money-lender' in the street in which he grew up.(29) Moneylending certainly seems to have been quite widespread in Byker during the inter-war period. One of my informants described it as an area with a moneylender at the end of every street.(30) She says that these 'street' moneylenders were all female, and she can describe exactly who they were and where they lived. On the other hand, her knowledge of male moneylenders is somewhat vague,

'There were men moneylenders too. I never knew where they lived. I only saw them knocking on people's doors.'(31)

This brings us back to the issue of the difference that gender makes to the way that moneylending is carried out.

I interviewed a man, whom we shall call Mr Jones, who began moneylending as a boy in Byker in 1938, and carried on doing it, illegally, throughout the 1950s. As well as telling me about his own activities he was also able to describe a female lender, whom we shall call Mrs Black. Mrs Black proved to be impossible to trace, so we are reliant upon the male lender's account of her business. Even though this is fairly scanty evidence, in itself, on which to base this statement my argument here is that these two individuals are, in many respects, typical male and female lenders. To begin with, though, let us consider

how Mr Jones began moneylending, at the age of twelve. Mr Jones says that he was able to lend money because, as a boy, he had various odd jobs. He puts it like this,

'With me being always working in the stables and that, I always seemed to have money, and the lads used to get their pocket money and just spend it. Well when we went to Shipley St. Baths here, they couldn't afford to gan, they were skint. So it was a penny to get in. So I used to lend them a penny, didn't I?'(32)

So we can see that Mr Jones began moneylending quite spontaneously and, as we shall see, he continues to lend in this ad hoc manner. In fact, if we look at what he says, it is not that easy to analyse his motives for lending money. His motivation for lending money would not appear to have been purely instrumental, but he was not acting altruistically either. After a spell in the army, Mr Jones eventually started his own business. So, as he continued to live in Byker, he also remained slightly better off economically than his neighbours. He was, therefore, able to continue lending them money. His usual interest rate, when he charged interest, was half-a-crown in the pound.(33)

The first point to make about the way that Mr Jones carried out his business is that he offers the same explanation for his high interest rate as any lender operating in a 'high risk' market would offer. He says that,

'Some they'd take the money and they wouldn't pay me back. So you gained on one, you lost on the other.'(34)

The difference between Mr Jones and a commercial lender operating in this type of market (e.g. The Provident) is that Mr Jones did not act in an instrumentally rational way. In other words he did not conduct his business in a way that would have maximised his profit, instead he acted in accordance with his own feelings at the time. This is not to say that he did not make a profit, as he must have done, but that perhaps in Mr Jones case there is some truth in the assertion that he gained from one what he lost on another. For instance, it seems that Mr Jones did not charge interest on money that he lent to individuals that he knew very well or had a particular liking for. It was pointed out above that when he did charge the borrower interest it was usually at the rate of half-a-crown to the pound, however this rate was negotiable. He says that people would shop around for the best interest rate.

'They'd gan aroond and get the cheapest one.
Say they come to me and said, 'Mrs Black's
only taking one and six in the pound,' so
I'd have to say, 'I'll take one and three.'
That's how it went.'(35)

Although this seems to indicate that Mr Jones and Mrs Black were in direct competition for customers, for the most part, they catered to different sections of the community with only a small degree of overlap. So we should now move on to explore the difference between these two lenders.

On the whole Mr Jones lent money to men to spend on drink and cigarettes, while most of Mrs Black's customers were women who wanted money to meet their family's living expenses. Mr Jones conducted most of his business in public houses, while Mrs

Black conducted most of her business from her own home. This is a bit of an oversimplification, as there was also some overlap between the two but, broadly speaking, this was the way in which the two lenders divided up the market. It worked like this, there was a moneylender in most pubs in Byker, and some of these were women 'street' moneylenders who simply continued to conduct their business from a table in the lounge. This had two effects: it expanded their potential client group to include men, while at the same time it brought them into direct competition with lenders like Mr Jones. In fact, in the case of Mr Jones and Mrs Black, if there was any competition between them it was of a fairly amicable nature, as they were apparently on quite good terms with each other. This may have had something to do with the fact that they continued to operate within 'separate spheres' inside the public house itself, as Mr Jones puts it, 'I was in the bar and she was in the lounge.'⁽³⁶⁾ Finally, Mr Jones would occasionally lend money to women that needed cash to pay for household expenses, if they asked for it, thereby encroaching on the territory of the 'street' lender. However, whenever he did this he always had a great deal of difficulty in obtaining repayment. This seems to suggest that the social mechanism that worked to ensure repayment of loans was gender specific, and did not function outside the male and female networks in which it usually operated.

Mrs Black was older than Mr Jones and began moneylending before he did, but he was unable to say precisely when. According to Mr Jones, Mrs Black originally worked as a cleaner and then went to work in various factories. She later became a Provident

agent and this, in turn, led her into moneylending and she ended up with a moneylender's licence. Mr Jones describes it like this,

'She worked for her money, and she decided to gan into the Provi, and she says to herself, 'Well I'm getting interest off the firm, I'll lend a couple of bob on me own and get the profit off that.' So she was making both ways. When they came to her house and said 'Ee Mrs Black I duvn't want the Provi 'cause its too dear,' she'd say, 'Well how much are you wanting?'(37)

So Mrs Black used her position as a Provident agent to enable her to select her customers (after all she knew who were the 'good payers' and who weren't) and then stopped working for the Provident and set up her own business. Mr Jones says that Mrs Black did not use physical violence in order to obtain repayment of loans, but that she would often embarrass people, into paying. She would often do this in the local pub, by making it known to the others present when someone owed her money. This sort of behaviour did not lead to resentment, according to Mr Jones,

'She was a straight woman. She hadn't a bad name just because she was a moneylender... She just wanted to make money, and I mean she didn't squander it. She never hurt anybody.'(38)

There is an obvious problem here, inasmuch as this is one moneylender's account of another lender. If people did feel exploited by Mrs Black's moneylending activities they would be hardly likely to tell Mr Jones, who was himself a moneylender. It was not possible to question Mrs Black's old customers, but I was able to gain some idea of the

way Mr Jones was seen by his contemporaries. Mr Jones says that he did not use physical violence in order to obtain repayment, and other old residents of Byker confirmed this. In fact, their overall impression of Mr Jones seemed to be quite favourable. This was a difficult line of questioning, but it is perhaps interesting that although the other people I spoke to did not actually condemn Mr Jones, they very definitely disapproved of moneylenders as a group. Typical remarks being that, 'There was no difference between them and loansharks today,' and 'What they did was wrong.'⁽³⁹⁾

The following quote provides a further example of the attitude of the working class towards illegal moneylenders. One of my respondents, Mr Wrigley, told me that his paternal grandmother was a street moneylender in a colliery village on Tyneside during the 1930s. His grandmother's children all knew that she was a moneylender, and this created a problem about what was to be done with her profits when she died.

'She always kept her money in a bag underneath her pillow. I always remember her getting it out and giving me something....When she died there were three sons and a daughter and none of them would go and collect the cash. Even though they were hard up they didn't want to know.'⁽⁴⁰⁾

His father used to go scavenging for coal on pit heaps at this time, and his uncles were also very poor. Despite their poverty, though, they felt that it would have been unethical to have taken the profits from their mother's moneylending.

To return to Mr Jones, he also said that,

'A lot of people used to say 'It's wrang for ye to dee that.'^{[i.e. make a profit from}

lending money] ...Well I'd say 'Then its not right borrowing, because if it wasn't for me they wouldn't survive.'(41)

Whatever we may think of this argument, which is typical of the type of argument that any lender in his situation would use, the way he practised moneylending was not totally businesslike for the reasons I outlined above. To add to that, though, he also went about debt collection in a fairly haphazard way. There was a very simple (and plausible) reason for this: his whole business was organised around his own drinking habits in local bars. This was the reason that Mr Jones ended up writing off a lot of debts. As he puts it,

'If you had twenty clients you might lose two or three. So you used to put them to one side at the end, you know, bad debtors. In fact, some bars you didn't gan in so you never got your money. So it was my fault.(42)

Mr Jones wouldn't go to a particular bar solely to collect money. He would always go wherever he felt like going at the time, and if this resulted in some debts being forgotten then he just accepted that. He says that if a customer didn't pay then he simply wouldn't lend them any more money, and this was the only sanction that he admitted to using.

Mr Jones himself acknowledges that his approach was not very businesslike. If we look at what he says about his motivation, though, there is an apparent contradiction. On the one hand he justifies his fairly high interest rate on the same grounds as any other lender lending to low-income consumers (the high risk of bad debt, as well as the fact that they are providing a service that would otherwise be unavailable.) On the other hand he

feels that his moneylending was part of the everyday mutuality of the community he lived in. He puts it like this,

'Me lending it was just like...to help. To think that I was helping somebody. I mean there's times I'd say as long as I get my money back I'm happy...Say one of these along here or in the back lanes [said] 'Eeh Billy I've got me rent to pay, and I owe £5, they're gonna throw as oot.' I'd say, 'Hey, here pay it. Give as it back when you can,' and they did do. There was a lot of people like that.'(43)

Mr Jones went on to give examples of the type of neighbourly help that many have seen as being characteristic of the working class during the inter-war period and, he says, continued in Byker during the 1950s. I then pointed out that, however altruistic his motives were, his activities were still profitable. His reply to this was,

'It was profitable, but I mean...if you had that money in the bank, you'd be getting interest on it wouldn't you? Well there you are, you're entitled to some interest aren't you?'(44)

To return to my original point, there is obviously an odd mixture of motivations at work here. There is one thing that Mr Jones mentions that is entirely symbolic of the mixture of rationalities that he employs: the use of a pint of beer as interest. Some of the men that he lent money to in public bars would simply give him the same amount back with no interest. Instead they would send him down a pint of beer to express their gratitude for the

loan. Can we call this 'interest?' How can we explain the apparently contradictory nature of his activities?

If we consider the evidence that Vesselitsky and Bulkley present, then we can see that moneylending could be based purely upon instrumental rationality in the earlier period. This is not to say that, even when a moneylender became dependent upon brute force to extract repayment, there may not have been an affectual component to that relationship in the beginning. It is quite clear from their evidence, and from the other sources cited above, that the relationship between lender and borrower could 'turn nasty,' and, literally, become a battleground. This was not the case with the relationship between Mr Jones and his lenders or, as far as I can tell, neither was this true of Mrs Black's relationship with her lenders. Both of these lenders conducted most of their lending within gendered local networks, although there was also a degree of overlap. These networks were based around the street (in the case of Mrs Black) and the pub (in Mr Jones case.) There was, thus, an affectual component to their lending in the first instance and it remained an important part of their practise throughout. We now have to consider the implications of this.

Max Weber said that the zweckrational orientation was the dominant one in modern society. However, if individuals are governed by instrumental rationality, how do we account for the way the moneylenders described above conducted their business? It would seem that some further explanation is needed, and this can be found in the work of Richard Munch. In Understanding Modernity, Richard Munch attempts to formulate a

new synthesis of sociological theory based upon the work of Weber and Durkheim. As he says,

'The key concept in that new understanding and explanation is the 'interpenetration' of differentiated spheres of action, which represents the unique feature of a voluntaristic social order in that it combines regularity and variation, continuity and goal-directedness.'(45)

He asks how social order can be maintained if instrumental rationality predominates? In order to answer this question he makes use of Durkheim's concept of 'interpenetration.'

Munch says that social order in an undifferentiated system is not problematic, as everything takes place within the community. However, social order is a problem in situations where differentiation of various spheres of action has occurred. He feels that there must be some form of 'organic solidarity' for societies to cohere, but that it does not stem naturally from functional interdependence, it comes about through the interpenetration of the differentiated spheres of action.(46) He says that, in the West, social order is based upon the interpenetration of the communal and economic spheres.

This interpenetration means that,

'...a new ethics is brought into being, which can neither be identified with traditionalistic communal ethics nor with the inner laws of utilitarian action; and yet the new ethics is not completely alien to either of these, but forms a zone where the two spheres interpenetrate...'(47)

My argument here is that moneylending within working class communities formed just such an interpenetration zone. It is an area where the laws of utilitarian action and the ethics of the working class community interpenetrate. Moneylending took place within gendered affectual networks but was also a very real form of exploitation. However, it was not always experienced as such by the participants for a number of reasons. Making a profit from other members of the community ran counter to the communal ethics of the group, and this is what those individuals that criticised Mr Jones were giving expression to. Yet the practise of moneylending brought into being a new ethic which was censorious of those individuals that did not honour their debts to their lender. A pint of beer is the very symbol of sociability, yet it was used to replace the payment of interest on a loan. In all these ways the utilitarian and the affectual interpenetrate.

So a study of moneylending in working class communities during the period before 1960 shows an 'interpenetration' of the instrumental and affectual spheres of action. It shows that there could be an instrumental element involved in the solidaristic relationships that existed within the working class itself. A further example may reinforce this point. In Arthur Harding's autobiography, compiled by Raphael Samuel from tape recordings, he describes life in Bethnal Green after the First World War. He says that,

'My sister Mighty did very well in the war, when people started buying more expensive things. She was well established down the Gardens as a money-lender and credit clothier, and now that people were getting regular money they came to her more often.

All the neighbours came to her and people from the other turnings nearby. After the war she started organising outings for the people she done business with. The people from the Gardens came and people from all over Bethnal Green. They went to Brighton, Southend, Hastings and Eastbourne. Sometimes they had two coaches.'(48)

In this example, affectual networks formed the basis for commercial transactions which, in turn, generated new social networks. So we can see that the separation of the communal and instrumental spheres of action can become impossible. This raises the question: is this true of moneylending today?

In the previous chapter I argued that there were three types of working class community during the immediate post-war period: established/'traditional', newly-settled, regrouped/partially regrouped. My argument here is that, during the 1950s, Byker belonged to the first of these categories (established/'traditional.')

In other words the community showed a great deal of continuity, in terms of both the physical and social environment, with the pre-war period. So both Mr Jones and Mrs Black are better seen as examples of the type of moneylender that existed in the earlier period than as examples of the type of lenders that may have been created by the changed circumstances of the post-war period. So did the post-war period produce a new type of moneylender? In order to answer this question, then, we will have to look at evidence pertaining to the period after 1960.

David Vincent says that during the post-war period,

'...the local structures of lending centred on

the pawnbroker and the corner shop had decayed, partly because of the disappearance of mass unemployment, which began to make poverty more an individual phenomenon, and partly because of the emergence of new forms of debt, which were easier to incur and more difficult to escape. Although street money-lenders could still be found in hard-pressed neighbourhoods, they had to compete with more commercial ventures with better means of ensuring repayment of their high interest rates.'⁽⁴⁹⁾

As Tebbutt points out, slum clearance programmes had been contributing to the decline of pawnbroking, even before the 1930s. The redevelopment of many inner city areas that took place after the Second World War finished off many of the remaining pawnbrokers.⁽⁵⁰⁾ So the first point to consider about moneylending in the post-war period is, that it takes place in an entirely different context. Although new types of credit become available during this period, there are no longer as many alternative sources of credit available to very low income consumers. Obviously the entire working class did not belong to this latter category but a significant section did and, for the most part, they no longer had access to a pawnbroker or a local corner shop in an emergency. While this factor may have had the effect of strengthening the power of the moneylender, there were other changes at work that would have served to weaken the position of the moneylender. After the end of the period of austerity, in 1947, Britain entered into the period of the long boom. Full employment was achieved in 1951 along with a rise in the level of real wages and an unprecedented rise in mass consumption.⁽⁵¹⁾ As Bill Williamson points out, 'Economic growth during the 1960s allowed most groups of workers in employment to

achieve higher living standards...'(52) Increased individual prosperity would have done much to undermine the position of the local moneylender. So what happened to street moneylenders during the period of post-war affluence? Does a new type of illegal lender emerge during this period?

There is no easy answer to this question as, in many ways, it is not possible to make a clear distinction between moneylenders in the period before 1960 and those in the period after it. Firstly, with regard to the interest rate there is no significant difference. Contemporary moneylenders do charge extortionate rates of interest (up to a million percent or more in some cases) but, as we saw above, so did 'street' moneylenders in the pre-war period.(53) Secondly, there are widespread reports of the use of violence by contemporary moneylenders but, as we have seen, it could also be used by moneylenders in the earlier period. Indeed, Mr Jones says that many of the other male lenders that he knew used violence, or the threat of it, to ensure repayment.(54) Thirdly, as Vincent suggests, the old 'street' moneylenders do not disappear altogether during the 1960s. So they are not totally replaced by a 'new' type of lender, even if they do appear to become less common. So, if a 'new' type of lender does gradually become more dominant during the post-war period what exactly is the difference between them and the 'old' type of lender?

My argument here is that: during the post-war period illegal moneylending in working class communities is much less likely to involve an affectual element than it previously was. It is no longer primarily carried out by members of local, gendered,

networks. The 'street' moneylender has been partially supplanted by the 'loanshark.' In my view the difference between street lenders and loansharks is not to be found in their rates of interest or in their use of physical violence. I would define a loanshark as an illegal lender who either comes from outside the community they operate within or, if they live within it, operates solely by the use of terror. In either case there is no affectual element in the relationship between lender and borrower. While there were violent street lenders during the earlier period, these lenders were usually women who were part of a local social network rather than male lenders with a known criminal background. The crucial development in the post-war period which has enabled the growth of loansharking has been the use of benefit books as collateral. This is vitally important because, as soon as this element is introduced into the relationship, the individuals involved no longer need to have any trust in each other. The lender is guaranteed a return on their investment regardless of the borrower's feelings about them. This is one of the factors which has enabled more individuals from outside communities to lend money illegally. This is not to say that there were not individual moneylenders who did not belong to the communities in which they operated during the earlier period, or that all exploitative lenders today come from outside their host communities. The point is that, before the 1960s, most lending in working class communities was carried out by local lenders who were based within affectual networks, and that this type of lender has become less common since the 1960s.

The difference between lenders in these two periods is reflected in the terminology used in the literature. Virtually all accounts of moneylenders in the earlier period refer to 'street moneylenders,' while all contemporary accounts of moneylending refer to 'loansharks.' Peter Reuter offers this definition of loansharking:

- '1. The true terms of the loan are not legally recorded.
2. Both the borrower and the lender believe that the true transaction is illegal.
3. The use of threats or violence in the event of the failure of a loanshark borrower to make repayment on time, while not necessarily anticipated by the borrower, are certainly understood by him to be a possible consequence of the type of agreement into which he has entered.
4. The interest rate is near or above the legal limit.'⁽⁵⁵⁾

Reuter includes the second clause in the definition in acknowledgement of the fact that loansharking transactions are sometimes conducted behind the facade of a legal loan. It should be immediately apparent that this definition could also apply to illegal moneylending in the earlier period. So we cannot make a hard and fast distinction between lenders in the period before 1960 and those in the later period purely on the basis of Reuter's definition alone. According to this definition they are both 'loansharks.' If we look at the literature, though, it seems as if the dominant type of illegal lender begins to change after the Second World War. The stereotypical lenders of the earlier period are those described by Booth (the woman down the street, and the man in the pub.) In the period after 1960, though, the typical illegal moneylender is someone who comes from

outside the local community. Or, if they do live in the locality, they are also much more likely to be part of a criminal fraternity after 1960. In order to substantiate this claim it is necessary to look at some of the literature about loansharking in the current period.

The first point to make is that there is extensive evidence to show that the practice of loansharking is quite widespread in Britain today. With the increase in the number of people on benefit in recent years, loansharking has become a problem in many parts of the country. The introduction of the Social Fund seems to have done little to alleviate this situation, as it would appear to be unable to cater for claimants' needs. Credit unions are often created as a response to the activities of loansharks in an area, so this is one indicator of the extent of this type of activity. A typical example is the Rhydelefin credit union set on the deprived Glyntaff Farm Estate in Wales. This is an estate where 80 per cent of households claim housing benefit and 38 per cent of the families are single parents. In an article in The Times in 1989 Mrs Jean Williams, a community co-ordinator who had lived on the estate for 12 years said,

'We are trying to find a way to cut out the loan sharks who prey on our people. They don't come from the estate, they just drive in and cause misery. Many of the families have desperately low incomes and can't get credit anywhere else. But many have to take out a second loan to pay the first loan and have to pay interest on both loans - it gets frightening. One unemployed man with six children was having to pay £30 a week. One family I know were going without food to keep up the payments.'(56)

Unfortunately it is all too easy to find examples of this type of unscrupulous lending elsewhere in the country.

Investigators from Strathclyde Regional Council spent a considerable period of time gathering evidence of loanshark activity to be used to obtain a warrant for their arrest. They say that,

'...loansharks flourish in areas suffering from a high level of general poverty where they often prey on the most financially disadvantaged members of our society. In the course of our investigations we found that many of those who used the loansharks were one-parent families, families whose sole income was DHSS benefits and even homeless persons.'(57)

Tyne and Wear County Council also carried out investigations into illegal moneylending, and Newcastle City Council is still doing it today.(58) The Strathclyde team go on to discuss the type of people that are involved in illegal moneylending,

'The individuals who act as loansharks, lending money at usurious interest rates and using violence and other illegal practices to recover debts, are often small time gangsters and the practice is frequently associated with other criminal activities such as extortion and drug peddling. The moneylenders cannot show themselves to be fit and proper persons to be engaged in a credit business and are not licensed by the Office of Fair Trading under the Consumer Credit Act.'(59)

Under the Consumer Credit Act of 1974 it is illegal for anyone to lend any amount of money for interest if they do not have a consumer credit licence.(60) Loansharks have no legal right to demand repayment, and this is why they often use violence, or the threat of

it, to obtain it. It is obvious from the Welsh example that the loansharks in that area were not part of the community that they preyed upon. It is apparent from the Strathclyde report that the loansharks in that area are not of the type that Booth describes, and they do not live in the communities that they exploit either. One of the moneylenders they describe lived in the Castlemilk area of Glasgow, nearly 15 miles from the area in which he operated, which was Paisley. Another lived in the Bridgeton area of Glasgow and worked primarily in hostels.(61) They also point to cases where gangs are involved. One of these gangs operated from a shopping centre, and this method of operation appears to be fairly common among contemporary loansharks. In none of the above cases, then, do loansharks belong to and make use of gendered local networks in the manner that lenders in the earlier period did. So is this also true of moneylending on Tyneside?

There is some evidence to suggest that female 'street' lenders still exist on Tyneside today. In 1969, the Evening Chronicle published an article entitled 'Victims of the misery makers.' The article describes women who lent money to *their female* neighbours allegedly in the name of 'neighbourliness.' As the writer puts it,

'Under the guise of generosity, the good neighbour down the street can bring untold misery to many women who cannot handle cash.'(62)

The latter statement is somewhat judgmental, but the principle of women lending to women in similar circumstances still applies here. The article goes on to say that social workers feel that this practice is quite widespread in the North East. It also implies that it is an old practice that has been revived 'in poorer areas of the city,' rather than one that

has gone on continuously since the inter-war period. This could be true but we cannot assume that, before 1969, all parts of Tyneside benefited enough from post-war prosperity so as to completely eliminate street moneylending. It seems more likely that the practice went into decline during the 1960s. The amounts involved would seem to be quite small, according to the article, ranging from 2s. to a few pounds. However, the interest rates charged were very high, and 400% is quoted in one case. This, then, was roughly the same rate as that charged by the more unscrupulous lenders in the pre-war period, and by some contemporary loansharks.

The 1969 Evening Chronicle article also quotes an example of an illegal moneylender that conforms more to the stereotype of the modern loanshark, although this term is not used by the writer. The person in question was a man 'who was running a full-time business in illegal lending in several streets,' with more than 100 customers, according to the report.(63) The women he dealt with handed over their family allowance books as security for a loan. He obtained payment, not through threats of violence, but by threatening 'court action' to those of his customers that did not pay! This article is interesting in that it suggests that the old 'street' moneylenders coexisted with the new type of loanshark at this time and, as we shall see below, it would seem that this is still true today.

The first reference I could find to 'loansharks' in the Tyneside district was in the Sunday Sun of the 12.6.77, which points out that, 'High priced loan sharks preying on hard-up North-East families are taking State cash set aside for children.'(64) The article

states that illegal moneylending was taking place in Byker, Killingworth, Longbenton and Wallsend. These moneylenders had also taken family allowance books as security for loans. The use of benefit books as security for loans, then, is one of the features of this type of activity. In an article summarising the findings of Tyne and Wear County Council's investigation of illegal moneylending, Michael Crossley discusses this in some detail. He says that,

'This disreputable (and wholly illegal) scheme works this way - the moneylender, through his network of contacts, quickly gets to know when a potential borrower is in financial trouble. He then approaches the potential customer - often a woman, frequently a single parent - and offers a comparatively small loan of money against the security of their DHSS book. The borrower, often desperate for ready money, is in no position to argue. She hands over her payment book to the money lender, first signing a number of payment vouchers, and then receives the loan. Loans are commonly from £30 to £200 and usually go to paying fuel and housing debts.(65)

Once they are in possession of the payment book, the moneylender can then use any one of several methods to cash the vouchers at the Post Office. So the moneylender uses the payments received from the Post Office as the weekly repayment on the loan. It is perhaps significant that the warning that appears in Tyne and Wear County Council's consumer magazine, Shop Around, against illegal moneylending is accompanied by a photograph of a male lender taking a benefit book from a female borrower in exchange for cash. This article is headed by the message: '...don't worry you're not in trouble - he is!'(66) So Tyne

and Wear County Council's investigations clearly indicated that loansharks are usually men and their victims are usually women, and this conclusion is supported by an examination of all the sources cited above. So what has happened to street moneylenders during the period of the expansion of loansharking?

I found that there was a great deal of variation in the type of localised, informal borrowing that takes place in working class areas on Tyneside today. In the previous chapter we saw that there appeared to be very little moneylending of any sort between neighbours in either Byker or Fenham. In Cowgate, on the other hand, there would seem to be a certain amount of borrowing between neighbours on a non-profit basis. It should be made clear that, whatever the real extent of this type of informal borrowing, it is not great enough to prevent loanshark activity on the estate. The manager of Cowgate CAB, Ian Poole, told me that loansharks do operate in Cowgate but people don't complain to the CAB about them because they are afraid of violent reprisals. He said that,

'Loansharks have been seen at the queue at the Post Office, which is three doors away, handing child-benefit books through car windows. Those of us in the know, know exactly what they're doing, because the child benefit book is then returned to the car window a few minutes later once they've drawn their money from the Post Office.'⁽⁶⁷⁾

Although there was no evidence to suggest that there were street moneylenders in any of the above areas, I was able to find some evidence that locally-based female moneylenders still operate on other parts of Tyneside today. Advice workers at the Money

Matters Project in Newcastle told me that both loansharks and street moneylenders were still operating in the Tyneside area. They said that the street moneylender was often, 'the old woman at the end of the street who lends money for things for the children.'⁽⁶⁸⁾ The advice workers felt that this type of moneylender was usually seen as benign despite the fact that they could charge interest upwards of 100% APR! This also fits in with what I was told about a street moneylender on the Meadowell estate whom we shall call Marge the Moneylender.

I interviewed a woman who had been a community worker on the Meadowell between 1987 and 1990 whom we shall call Mrs Flannery. Mrs Flannery worked closely with a lot of families on the estate, and she found that many of the mothers that she came into contact with were borrowing from Marge the Moneylender. Marge the Moneylender, like the women described above, charged interest of 100-200% but was still perceived as benign by her customers.⁽⁶⁹⁾ Like the female moneylenders of the earlier period, she mainly lent to women. These women would borrow comparatively small amounts of money for various reasons. Mrs Flannery said that one of the main reasons people borrowed from her was to repay other creditors! So women sometimes went to her when they were unable to meet their HP instalments or Provident payments. In such cases the women could later find that they had paid off the original debt but were still repaying Marge a year later! Borrowing often took place for special events such as Christmas or birthdays, or to replace items that were damaged or stolen. The latter was important because many people on the estate were uninsured.⁽⁷⁰⁾

So Marge the Moneylender fits the stereotype of a street moneylender as she lived on the estate itself. She did not use violence in order to ensure repayment. Mrs Flannery said that her approach to her customers was to make them feel that she was helping them out. So she would say, 'I'm just a friend lending you this.'⁽⁷¹⁾ Mrs Flannery felt that Marge manipulated her customers by playing upon their loyalty to her, and that this was a very effective way of doing business. So, in other words, she was able to skilfully manipulate the affectual element in the relationship for instrumental purposes. Whole families could borrow from her, and this gave her the opportunity to play family members off against each other in various ways. For one thing it meant that she had the threat of telling other family members if someone didn't pay on time. Marge would also use latent sibling rivalry as well. So, for example she would say, 'Your sister's going to buy X, aren't you?'⁽⁷²⁾ So she was adept at making her customers borrow more money. Mrs Flannery felt that she could appear to be very sympathetic towards her customers, and it was precisely because she appeared friendly that they took on more debt. Marge the Moneylender provides a very good example of a street moneylender who is particularly skilled in exploiting the norm of reciprocity. As I pointed out in the previous chapter, an exploitative use of the norm of reciprocity involves stretching the limits of neighbourly reciprocity so that the exchange can no longer be seen as equal.

An important point to consider here is that the activities of women like Marge the Moneylender are likely to be very limited in terms of their coverage of a specific geographical area. So the presence of street money lenders on an estate does not mean

that there will not be any loanshark activity in that particular area, and this is true of the Meadowell estate. The Meadowell estate is one example of an area on Tyneside where a credit union was created to protect the residents from loansharks. In an article that appeared in a 1992 edition of the Evening Chronicle headed, 'Fear: the twilight world of the vicious loan sharks,' a community helper on the Meadow Well estate said,

'Young mothers here talk about the moneylenders taking their benefit books, then meeting them outside the post office to take half the money they've just drawn out.'(73)

In fact it is this type of lender, not lenders like Marge the Moneylender, which seem to be the dominant type on the estate.

When I interviewed Margaret Nolan from Meadowell Credit Union in 1993, she said that she only knew of one female lender actually living on the Meadow Well estate at that time, but that a few years previously there had been more. The reason that there were so few locally based lenders was that those women who were a bit better off than their neighbours had all moved away. So the old 'street' moneylender has all but disappeared on the Meadow Well and, I would argue, has become increasingly rare elsewhere too. Margaret Nolan feels that it is the new type of loanshark, from outside the area, that is the dominant type of lender on the estate today. There is one further dimension to this picture, though, and that is the fact that many people may have become increasingly reliant upon help from members of their own families. Margaret Nolan says that, while 'street' moneylenders may have become less common in recent years, people have become

more reliant upon help from particular individuals within their own families, often a father or a grandfather, who has access to a comparatively large amount of capital (typically a redundancy payment.)(74) This suggests that the provision of credit may have become increasingly internalised within families (where this is possible) and that there is some truth in David Vincent's notion that poverty has become more of an individual rather than a community phenomenon.

The main difference between illegal moneylending in the pre and post-war periods is: the erosion of the importance of social ties in the later period. Obviously this is a generalisation and street lenders, like Marge the Moneylender, still operate through social pressure. However such lenders do now appear to be less common than the new type of loanshark, who employs coercion of some description (rather than social pressure) as a means of ensuring repayment. Graham Dixon, the manager of the CAB in Newcastle, told me that he had dealt with clients who had debts to loansharks. He found that the problem was that the only way to deal with loansharks was to have them arrested but this was incredibly difficult to accomplish as arrests were usually followed by reprisals. As he put it,

'If a loanshark is arrested, or whatever, then obviously someone will have to be 'paid off.'
The clients are aware that this is a risk and that, if they take it, they may end up with broken arms or whatever else may happen.'(75)

Although he could not name any of the individuals involved, he told me that his clients had left him with the general impression that some loansharks were also members of the

local criminal fraternity. These were people who were liable to be very violent if they were crossed! Such individuals are likely to live in the area they lend in, and so could also be considered as part of the 'community.' They are certainly more likely to be known to their customers than the loanshark who only appears on benefit day. However the mere fact of living in the area does not make this type of lender benign, or imply any trust in the relationship.

In conclusion, there has been a gradual change in the dominant type of illegal moneylender (or loanshark) operating in working class communities. Before the 1960s, most moneylending took place within local, gendered, affectual networks. This did not mean that the relationship between lender and borrower was not based upon exploitation during this period, or that the relationship between the two could not become acrimonious, or even violent, in some cases. It meant that moneylending was an area where the communal ethics of the working class interpenetrated with the laws of utilitarian action in a number of ways. Affectual networks formed the basis for commercial transactions which, in turn, created new social networks. Although this conception of social action is taken from Munch's work on the nature of modernity, it is not adopted in order to reject Marx's analysis of capitalism, but rather as an attempt at refining it. The argument here is that an examination of the social relationships involved in moneylending within working class communities shows that there was often an instrumental element involved in the solidaristic relationships within the working class itself, and this is often overlooked in historical accounts of the 'traditional' working class.

So the social relationships involved in moneylending cannot be explained purely in terms of the cash nexus.

The dominant type of illegal moneylender begins to alter during the 1960s. The female 'street' lender becomes increasingly rare, while the male 'loanshark' from outside the community becomes more common. This does not just occur because the old affectual networks disappear, but because many working class areas have become increasingly homogenous and are thus less likely to contain people who are 'a bit better off' than their neighbours. There is some evidence to suggest that (non-commercial) lending within families may have become more common, thus supporting Vincent's assertion that poverty has become more of an individual rather than a community phenomenon. However, the growth of credit unions in recent years, as a communal response to loansharking, warns us against the wholesale adoption of Vincent's argument. Finally, although illegal moneylending may have become more heavily governed by pure instrumental rationality during the post-war period, there are also still instances of street moneylending in which an interpenetration of instrumental and affectual rationality predominates.

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Chapter Three

'The Changing Fortunes Of A Petit Bourgeois Chameleon.' The Relationship Between Small Shopkeepers And Working Class Communities

The working class has always used some form of retail credit in order to survive. Originally this was provided by small corner shops on an informal basis. However our knowledge of this subject is limited by the lack of available sources. In his article: 'Small Businessmen and their Credit Transactions in Early Nineteenth -Century Britain,' David A. Kent points out that,

'Although historians of retailing in the eighteenth and nineteenth centuries agree on the ubiquity of customer credit, the literature, reflecting the paucity of evidence, contains few illustrations of its nature and extent.'⁽¹⁾

Kent uses the documents generated by the workings of the Insolvency Debtors Courts in order to investigate the issue. He concludes that,

'Well into the 1840s and beyond, publicans and small shopkeepers were routinely obliged to provide short-term credit to their working-class customers.'⁽²⁾

This was a potential cause of insolvency for those traders who extended too much credit to their customers. Kent notes that,

'Publicans and shopkeepers were especially prominent among insolvents with numerous debtors; they made up 60 per cent of those with more than 21 debtors and over 80 per cent of those with more than 100.'⁽³⁾

In fact, Kent found that 22 per cent of the insolvents in his sample were owed a greater amount of money than the sum they had been jailed for!(4)

The other side of this story, of course, is the experience that customers had in dealing with small retailers. In The Condition Of The Working Class In England Engels noted that the poor often became victims of the small shopkeeper. He says that,

'They must deal with the small retailers, must buy perhaps on credit, and these small retail dealers who cannot sell even the same quality of goods so cheaply as the largest retailers, because of their small capital and the large proportional expenses of their business, must knowingly or unknowingly buy adulterated goods in order to sell at the lower prices required, and to meet the competition of the others.'(5)

Engels shows that these small dealers were also notorious users of false weights and measures. In The Communist Manifesto, Marx and Engels say that shopkeepers and pawnbrokers both belong to the bourgeoisie, as they exploit the poverty of the workers.(6) This raises two questions. Firstly, is this the true class position of this group of people? Secondly, although the relationship between small shopkeepers and their customers was based upon exploitation, was it just that? In other words, can we see another dynamic at work in this relationship other than naked self-interest. Or, to use Marx's phrase, is it purely governed by the cash nexus?

The Shopkeeper And The Community

Robert Roberts' family kept a corner shop in Salford during the first quarter of this century. In both The Classic Slum and A Ragged Schooling, Robert Roberts describes the relationship that existed between the small shopkeeper and their customers in a working class area at that time. He remembers his mother saying that, 'In the hardest times, it was often for me to decide who ate and who didn't.'⁽⁷⁾ The decision to grant credit was crucial for both the shopkeeper and the customer. For a customer it meant status and security. Roberts says that,

'A tick book, honoured each week, became an emblem of integrity and a bulwark against hard times. The family had arrived.'⁽⁸⁾

The shopkeeper, on the other hand, depended upon the right choice of customers for their survival. Roberts describes a nearby shop, very like his own family's, that '*...was continually changing hands as one little dealer after another slid into near-bankruptcy and left.*'⁽⁹⁾ This was the result of granting credit too freely. Assessing the potential credit worthiness of a customer meant taking into account all the factors that might indicate an inability to pay. These included: the size of the family, its general health, whether the husband had a problem with drink, their use of the pawnshop, and their previous credit record.⁽¹⁰⁾ If it was granted, though, such a credit facility could become a 'lifeline' for families that were struggling to survive. ⁽¹¹⁾

The relationship between the small shopkeeper and the customer could remain amicable as long as both parties satisfied each other's expectations. Basically, the shopkeeper expected to be paid on time, and the customer expected the shopkeeper to meet their need for credit. It was, however, very easy for this balance to be upset if the shopkeeper felt they were being taken advantage of, or the customer's expectations of the shopkeeper proved to be too high. One customer who asked Robert Robert's father for money for the gas meter was met with a curt refusal. His father later complained,

'Damn it all! We lend 'em food, now we gotter loan 'em the light to eat it by! It's not a shop, this, it's a bloody benevolent society!'(12)

There would appear to have been an expectation among customers that local shopkeepers would lend them money. Kent found that, in the nineteenth century, many publicans and shopkeepers lent money to their customers. He concludes that,

'The frequency with which these tradesmen listed such debts suggests that moneylending was a service expected by their customers; indeed it may even have been necessary to ensure continued custom.'(13)

While shopkeepers did not take kindly to being asked for what they felt was excessive credit, customers must also have resented having their purchases chosen for them, on occasion, by the shopkeeper. Roberts' father refused to sell, 'fancy relishes to them as can hardly buy bread and scran [margarine].'(14)

Roberts brings out the interdependence of shopkeepers and customers in working class areas. Roberts felt that there was a great deal of social stratification within the working class itself. He says that,

'Division in our own society ranged from an elite at the peak, composed of the leading families, through recognized strata to a social base whose members one damned as the 'lowest of the low,' or simply 'no class.' Shopkeepers, publicans and skilled tradesmen occupied the premier positions, each family having its own sphere of influence.'(15)

So he feels that shopkeepers belonged to the upper strata of the working class. He says that they shared the culture of the working class but, on occasion, also tried to ape the manners of the middle class in an attempt at 'betterment.' Robert Roberts' father, however, was a skilled engineer and an active trade unionist. Shopkeepers were rooted in their community in working class areas. Roberts' mother was not just a shopkeeper, she performed several services for the people in the area. Roberts says that his mother acted as,

'...village scribe, communicating on behalf of the unlettered with magistrates, county courts, boards of guardians, charitable societies, hospitals, sanatoria, or soldiers serving away from home.'(16)

As well as this, she also offered her services as an unpaid doctor to her neighbours.(17) In this way, small shopkeepers put back some of what they took from communities.

The fact that small shopkeepers were an integral part of their communities can be seen more clearly by looking at parlour stores. Bill Williamson's account of the mining village of Throckley, at roughly the same time, cites examples of small-scale attempts at retailing by the residents themselves on an informal basis. These parlour shops were important in small, isolated, village communities which may not have possessed an official shop. In Throckley, however, they were in competition with the Co-op, where they obtained most of their goods. His mother says that,

'I remember also in Mount Pleasant and other colliery rows, little shops. Some were huts in a garden; some were in an outhouse in the yard. One was owned by Mrs Barry, one by Cecil March, one by Mrs Donnison, one by Mrs Liddle. These shops were useful for small items. They sold haberdashery, sweets, also food. Most of these people bought stuff from the Co-op, put on coppers, but they did get the dividend from the Co-op for their purchases...(18)

This seems to have been the usual way that parlour stores obtained their goods.

Some of my own informants told me that there were parlour stores in the villages around the area now known as the Leam Lane Estate in Felling that were demolished in the slum clearance programmes of the 1930s. One of these shops was in the village of Jonadab. This shop was run by a local woman who also purchased all her goods from a nearby co-operative store. This practice had the advantage of allowing the 'shopkeeper' to make a profit while charging the customer very little above the purchase price.(19) Bill Williamson's mother says that the shops in Mount Pleasant did not offer credit. However

the shop in Jonadab ran on 'tick.' So, although some parlour stores offered credit, others did not. Like Robert Robert's mother, the women that ran the parlour shops also offered a number of services to their communities. They could also act as money lenders, unpaid midwives, and a community police force, intervening in any disputes. So it is difficult to class the relationship between this type of small shopkeeper and their customers as purely exploitative. The granddaughter of the woman that kept the parlour shop in Jonadab said this of her grandmother,

'She left a lot of money when she died, but she was a hard-working woman for the community. She did everything. You see in them days, well everybody relied on somebody with a bit of know-how.'(20)

The local corner shops helped many people to survive during the depression of the inter-war years, as the testimonies collected in Memoirs Of The Unemployed show. One woman factory worker with six children said,

'I don't suppose *I shall* ever have more, for *I* do not know on Fridays who to pay first. I get the food from the nearest shop on 'strap' and I must pay that debt or there's no more forthcoming for the week.'(21)

Most of the people interviewed in Memoirs Of The Unemployed obtained their groceries on credit from small stores. This could leave families with debts that would take them years to clear.(22) While shopkeepers may often have offered 'unpaid' services to their communities, they were also capable of unscrupulously exploiting the poverty of those around them, as Engels has suggested. A London house painter, quoted in Memoirs Of

The Unemployed, said small grocery stores in poor working class districts that ran on credit charged approximately 25 per cent more for their goods than did cash stores.(23) On the other hand, though, if their customers fell upon hard times, then small shopkeepers often suffered too.

The interdependence of *small shopkeepers and their customers is explored in* Melanie Tebbutt's history of pawnbroking and working class credit. She points out that the owners of small shops were usually women. It was also women that applied for credit, and actually did the shopping. So, like other forms of *working class credit*, corner shop credit was predominantly female. Tebbutt is mainly concerned with pawnbroking, but she does make a number of points about *back-street pawnbrokers that are also* applicable to small shopkeepers. She says that,

'... the pledge shop was firmly rooted in the community and trusted in a way which external organizations were not.'(24)

This point is brought out in a *description of a pawnshop in Liverpool that she quotes*,

'The proprietors of this establishment are well known to their customers, they having been born and brought up in the locality, and of course there is a familiarity existing between the proprietors and their customers which is not to be found everywhere.'(25)

Like small pawnshops, corner shops were also rooted in the community through local ties, as the experience of Robert Roberts shows. Tebbutt feels that, in middle-class areas, there was a different relationship between the shopkeeper and their customers. In such

areas the relationship was more servile, as '...the retailer had to ingratiate himself into the customer's favour.'(26) Finally, she feels that the working class viewed pawnbrokers in a different light to shopkeepers. She says that, a sense of mutual obligation often characterised relationships at the corner shop, while the pawnbroker's position was more ambiguous, so their customers had fewer qualms about cheating them.(27)

The Gradual Decline Of The Corner Shop

Pawnbroking went into decline in the inter-war years, but this was not the case with small shops. Using contemporary estimates, Paul Johnson calculated that,

'In 1931, despite the inter-war development of department stores and multiples which by then accounted for about 25 per cent of retail trade, something between one-half and two-thirds of the 750,000 retail outlets in Great Britain were family shops, employing no assistants.'(28)

However, the proportion of trade done by small, local retailers has gradually declined. In The Development of the British Economy 1914-1980 Pollard says that the proportion of trade carried out by independent outlets was: 100% in 1800, 65% in 1939 and 31% in 1980 81.(29) So although small, independent shops still enjoyed considerable success during the inter-war period, Pollard shows that by 1980/81 small shops were eclipsed by larger outlets. In his account of consumer society in Britain John Benson points out that the century between 1880 to 1980 saw the rise of co-operative stores, department stores,

chain stores, supermarkets, hypermarkets and mail-order houses.(30) So, given the multiplicity of new retail outlets that have developed over this period, it is perhaps surprising that small retailers have not been even more marginalised than they actually have been.

There are several reasons for the continued success of small shops and these have remained the same throughout. Firstly, and most obviously, there is the question of proximity to the consumer. It is always more convenient to buy things locally, and if this means paying a bit more for them, then this can be offset by the cost of the journey to a bigger shop. Levy points out that,

'...poverty may play a part in preventing people from buying in distant places with their larger shops. Jarrow, for instance, is in a sense an industrial suburb of Newcastle-on-Tyne, it is certainly not a self-contained distributing centre. Yet the poverty of the inhabitants is such that very few of them before the war could afford even the moderate expense of a journey to Newcastle to do their shopping.'(31)

As well as this, Levy makes the point that the urgency of a purchase can mean that a nearby shop has to be visited in order to obtain it. Charles Booth noted that it was the poorest families who made the most journeys to the shop.(32) He describes one family who not only bought everything on credit from one shop, but only bought items as they were needed. So, as he puts it, 'They go to their shop as an ordinary housewife to her canisters....'(33) In his study of the lives of the women of the urban poor before 1939, Carl Chinn says that,

'Another advantage of the corner shop was that although prices might be a little higher than in shops along main thoroughfares, it was impossible to purchase from the proprietor the tiniest amounts of food, from a single rasher of bacon to a halfpenny worth of milk.'(34)

So the corner shop has always had the advantage of offering small amounts to those who cannot afford to buy in bulk. Finally, as Levy points out,

'There can be no doubt that the giving of credit sustains the popularity of many small retailers. It is an old tradition of the small shop.'(35)

Although they have by no means disappeared, as we have seen, a number of factors have contributed towards the decline of small shops. Peter Scott points out that,

'In Britain the early housing estates built under the Addison Act of 1919 excluded the corner shop, thereby favouring nearby centres and string-street developments as well as the mobile shop and the hawker.'(36)

He says that there are more corner shops 'in old industrial towns containing large tracts of low-income housing,' than in non-industrial towns and dormitory suburbs.(37) So corner shops are a feature of old working class areas, even if that is not the only place that they are found. It would certainly seem that the newly built inter-war housing estates were not supportive of small shops. Ann Hughes and Karen Hunt give the following account of Wythenshawe, a Manchester council estate built during the 1930s.

'Shops were built after the houses and were often left untenanted: rents were high because no subsidies were possible, and profits uncertain because customers were scattered over a fair distance. So the first women to come to

Wythenshawe had to rely on expensive deliveries and travelling shops, or walk over a mile, sometimes along unmade roads, to Northenden.'(38)

Another contributory factor was the number of shops put out of business by the depression of the inter-war years. Tebbutt points out that a number of small shopkeepers ran into financial difficulties or bankruptcy during this period. Shopkeepers were particularly vulnerable during a trade dispute, when they had to balance their customers' demand for credit with their own ability to provide it.(39) Finally, there has been a fundamental change in consumers' shopping habits, with more people shopping in larger stores, particularly after the Second World War. In her study of neighbourhood relations in the North West of England, Elizabeth Roberts says that,

'By the end of the 1960s many women had all but deserted the corner shop in favour of the new and cheaper supermarkets usually situated in the town centre and visited perhaps only once or twice a week.'(40)

Despite the decline in the numbers of small shops, *the tradition of corner shop* credit has survived into the present, even if it is not as widespread as it used to be. This extract from Sandra Wallman's 1984 study of eight households in South London indicates that it still persists today.(41) The authors of Hardship Britain: Being Poor In The 1990s also found that Asian families often obtained credit from the local Asian community shops.(42) Both my own evidence and that presented in other studies suggests that while this type of credit has not gone away, it has become increasingly rare. In the Policy Studies Institute's 1994 study of how low-income families make ends meet, only 5 out of

the 74 families interviewed reported that they ever put things 'on the slate' at their local shop. (43) As we saw in an earlier chapter, most corner shops on Tyneside no longer extend credit to their customers. The money advice workers I interviewed from both Byker and Cowgate had no clients with experience of corner shop credit.(44) So this is a good indication that corner shop credit is not widely used in those areas, and we will consider the local situation in more detail later.

There are several reasons that the corner shop continues to be used as a source of credit by sections of the working class. Firstly, there is the persistence of absolute poverty which requires the use of some form of credit to bridge the gap between income and basic needs. The local shop is an obvious place to begin seeking such assistance, even though it may not always be granted. It may also be preferable to some of the alternatives, such as the Provident or loansharks, that present themselves to those on low incomes today. One of my informants suggested that older people might use it because it is a form of credit that they have grown accustomed to. He said that,

'My mother-in-law died about two years ago, and up until then she would continuously go and get credit from the corner shop. She would run up a bill of say £40-£50 and then she would pay about £20-£30 back out of her pension, and then she would get the food back again up to that level. She was brought up with it all the time... She never reneged on her credit, but she always got that back again midweek... This goes on in various areas of Jarrow and Hebburn today.'(45)

So there may be factors other than pure economic necessity that lead people to use corner shop credit. As a National Consumer Council report pointed out, 'The consumer can and does programme his/her purchasing behaviour and in the process simplifies decision-making by relying on habit.'⁽⁴⁶⁾

My informant felt that, on Tyneside generally, although some people still used this type of credit it was not as widely used as it once was. He said that,

'It was very heavy during the 50s and in the early 60s, but when the supermarkets came in it declined, but it was always there for the people who didn't have the cash.'⁽⁴⁷⁾

Although supermarkets undoubtedly did contribute to the decline of corner shops, as we have seen, they were not always accessible to the very poorest. One recent nation-wide development which has undoubtedly further undermined corner shops, though, is the opening of branches of the supermarket chains Aldi and Netto in deprived areas. As a recent article in the Guardian pointed out, both of these companies offer goods that are cheaper than their nearest rival (Kwik Save) as they concentrate on unbranded goods, or goods which were previously unknown in this country.⁽⁴⁸⁾ Netto trades on a cash-only basis and specifically targets low-income consumers not only by offering a selection of (mainly) lesser-known goods at very low prices, but also by the strategic location of their stores. There are currently four branches of Netto in Newcastle situated in: Kenton, Cowgate, Benwell and Byker.⁽⁴⁹⁾ All of these stores are situated in deprived areas, and two of these areas (Byker and Cowgate) have been studied as part of this research. The

manager of Cowgate CAB, Ian Poole, felt that local people had benefited from having a local branch of Netto. He described the shops available to local people,

'You'll probably be aware that there just aren't shops here. I mean this is laughingly called 'Cowgate Shopping Centre,' but the only real shop is Safeways across the traffic island. Now you'll probably be aware that Safeways really isn't accessible, generally speaking, to people on income support, although some people from the estate do use it. The real boost has been Nettos here. What I do see there, when I go in and get milk for the bureau, is people who I know are on benefit with a trolley full of stuff that they feel they can afford. So if anyone has been a social service, Netto has.'(50)

So small shopkeeping has been gradually declining over the period we are concerned with here, and this decline has been hastened by the rise of supermarkets and discount stores. This process is still continuing today. In a 1993 article on new developments in retailing, Ian Katz says that,

'Between 1979 and 1992 the number of shopping centres in Britain almost doubled from 395 to 686. Superstores, almost unheard of two decades ago, now number almost 1,000. In 1980 only 12 per cent of grocery sales were through out-of-town sites now the proportion is about half.'(51)

The effect of these developments on the small retailer is spelt out by Derrick Eastwood, assistant national secretary of the British Independent Grocers Association, who Katz quotes as saying,

'Put it this way...20 years ago there were 70,000 grocers; now there are 30,000.'(52)

Having looked at the changing fortunes of small shopkeepers over the period we are concerned with, we should now turn to consider their class position.

The Class Position Of The Small Shopkeeper

Rowntree's second social survey of York, conducted in 1936, described the situation of the small shopkeepers in that city. He says that,

'Some of these shops were once relatively prosperous, but have lost much of their trade through the removal of the resident population by slum clearance, or through the competition of chain stores or other low-priced shops in the city. Others have never provided a reasonable living; they were taken as a last resort by men who had lost their jobs and could not find regular employment. Again, some of them were originally kept by women to make a small addition to the earnings of their husbands, who were in regular work. But now the men, through illness, old age, or other causes, have fallen out of employment and the shop has become the sole source of the family income.'⁽⁵³⁾

This depiction of the hardship suffered by some small shopkeepers hardly fits in with the stereotypical image of the prosperous trader. The shopkeepers that Rowntree describes are not only proletarian in origin, but their material circumstances have not been significantly altered by their new occupation. This conclusion is borne out by Levy, who points out that the economic and social condition of many small shopkeepers is not

always good and they '...frequently cannot earn more than the highly paid industrial worker.'(54) Income is not, however, the factor that determines an individual's position within the class structure, so we should now consider how class is to be defined. Given the continued influence of the ideas of the 'founding fathers' of sociology on this subject, it is necessary to begin by considering what both Marx and Weber had to say about social class before considering more contemporary approaches.

Marx said that classes were not income groups, but that class was determined by the relationship of individuals to the means of production. He said that the *working class* were those who had to sell their labour in order to survive. As Giddens points out, though, Marx's writings do not offer a systematic analysis of the concept of class.(55) Although it may sometimes appear that Marx had a simple 'two-class' model of society he recognised that, in practice, class structure was more complex. Class was of central importance to Marx's work. For Marx, the very existence of classes meant that class conflict was inevitable. Class struggle was, in fact, the motor of history.

Rosemary Crompton makes the point that, despite their fundamentally different approaches to social science, there are both similarities and differences in Marx and Weber's approach to class analysis. Weber said that,

'We may speak of a 'class' when (1) a number of people have in common a specific causal component of their life chances, in so far as (2) this component is represented exclusively by economic interests in the possession of goods and opportunities for income, and (3) is represented under the conditions of the commodity or labour

markets.'(56)

So while Marx sees class in terms of production relationships, Weber sees it in terms of market relationships. Weber says that people belong to the same class when they share the same market situation. However, at the level of description, Weber's account of the class structure of capitalist societies is not too different from that of Marx.

Marx sometimes made a distinction between 'class in itself' and 'class for itself.'

This can be seen in works like The Eighteenth Brumaire of Louis Napoleon. He says that the working class is a class in itself in the way that it is placed within the system of production of society. It can only become a 'class for itself,' though, by becoming conscious of its common interests, and through collective organisation and action.(57)

However, this distinction does not always appear in Marx's work, as Ralph Miliband points out. At other times Marx speaks of the working class 'forming itself into a class' as it becomes organised.(58)

Given this ambiguity in Marx's own work, it is not surprising that the distinction between 'class in itself' and 'class for itself' has been questioned, most notably by E.P.

Thompson. In The Making Of The English Working Class Thompson says that,

'Class happens when some men, as a result of common experiences (inherited or shared) feel and articulate the identity of their interests as between themselves, and against those whose interests are different from (and usually opposed to) theirs.'(59)

E.P Thompson has consistently argued for a type of Marxism that rejects economic determinism and seeks to assert the importance of individual agency. This is what leads him to reject the notion that class is a category that can be measured objectively, as he insists that, 'class is a relationship and not a thing.'⁽⁶⁰⁾ While wishing to support Thompson's rejection of economic determinism, I would argue that a Marxist conception of class should retain some notion of the objective existence of certain material realities. It would seem to me that if the history of contemporary capitalist societies has taught us anything, it has taught us that class struggle is contingent, as class can exist without class consciousness.

This is precisely the point that some Marxist critics of Thompson have made.

Perry Anderson says that,

'...classes have frequently existed whose members did not 'identify their antagonistic interests' in any process of common clarification or struggle. Indeed it is probable that for most of historical time this was the rule rather than the exception.'⁽⁶¹⁾

Ralph Miliband also adopts the position that class exists independently of individuals' feelings about their class position. However he is quick to assert that,

'This does not of course mean that how men and women think through and act out their class position is unimportant; it is, on the contrary, crucial.'⁽⁶²⁾

I would argue that it is best not to see the identification of a 'social map' as an end in itself. It is merely an essential point of departure for an analysis of class relations. I feel

that this is the best approach to adopt to the study of social class, as it means that we are not dependent upon a given individual's subjective perceptions of their own class, but we are still able to study these perceptions in their own right. Having considered some of the difficulties involved in defining social class, we should now move on to look at the particular conceptual framework I have adopted here: Wright's neo-Marxist approach to social class.

Wright's goal is the development of an adequate Marxist 'class map,' which he freely admits he has not yet achieved.(63) However, in the process, Wright's class scheme has been through a number of transformations. He begins by distinguishing between 'class' and 'occupation' and then locating individual jobs within his class scheme.(64) It is Wright's second class map that I wish to explore here, as I think this is the one most appropriate to the purpose of explaining the class position of small shopkeepers. It should be pointed out, though, that Wright developed the central concept that I wish to employ in my explanation, that of 'contradictory class locations', in his first class map. This term refers to occupations that he felt were, '*torn between the basic class relations of capitalist society*.'(65) Wright developed this concept in order to explain the position of the 'new middle class' in advanced capitalist societies.

Wright's second class map reflects relations of exploitation rather than domination. Wright defines exploitation as, '*an economically oppressive appropriation of the fruits of the labour of one class by another*.'(66) He points out that it is not only capitalists who are able to exploit workers but that '*certain non-owners are able to exploit*

other non-owners on the basis of their organisational assets and/or their skill/credential assets.'⁽⁶⁷⁾ I would argue that this is often the way that working class credit operates. We have already seen one example of this with regard to the parlour stores that existed in more remote villages during the inter-war period. This is an example of the way that an informal use of credit by the working class (through shops that had no legal basis) can lead to intra-class exploitation. Another example of this is illegal moneylending within working class communities, which we considered in the previous chapter. Both of these activities give rise to contradictory class locations.

Wright says that,

'Within capitalism, the central contradictory location within exploitation relations is constituted by managers and bureaucrats. They embody a principle of class organization which is quite distinct from capitalism and which potentially poses an alternative to capitalist relations.'⁽⁶⁸⁾

This should make it clear that I am using Wright's concept in a quite different context to the one in which he himself uses it. I am not doing this in order to cast doubts upon his original usage of the concept. Instead I am attempting to highlight the complexities that can arise when we attempt to apply this exploitation-centred approach in an entirely different context. In this case, I am applying Wright's analysis not only to relations of consumption rather than production, but also to the informal (rather than just the formal) economy, as he does. Before we do this, though, we should briefly consider my reasons for adopting this scheme in the first instance.

In order to be useful, an account of the class structure of contemporary capitalist societies needs to acknowledge the various difficulties involved in assigning individuals to classes. Edgell makes the point that a researcher actually has to make three choices to operationalize the concept of class, a choice of: conceptual scheme, unit of analysis and degree of coverage.(69) While I agree that these are all necessary choices, we are only concerned with the first of these (a choice of conceptual scheme) at the moment. I would argue that an adequate explanation of social class should take account of three fundamental issues. Firstly, we must acknowledge Marx's fundamental contribution to the subject. This means taking into account the social relations of production and acknowledging that the primary division of society is between capitalists and non-capitalists. However, very few Marxists would now support a simple dichotomous conception of social class. So this brings us to the second issue that we must take account of: the existence of at least one major division within the category of non-capitalists. This is best conceived of as a division between the 'working' and the 'middle' class. The third essential factor in the understanding of class we have formed so far is, that it is based upon exploitation. Given these requirements, Wright's analysis would appear to be the best one available, despite the fact that he himself acknowledges the existence of certain 'unresolved problems' within it.(70) However, he also points out that one of the major advantages of his revised class scheme is that it makes it easier to identify and explain class alliances, and it is this property that I now want to go on to explore.

Shopkeepers do not stand in the same relationship to the mode of production as the working class. It has been suggested that they are not involved in the production of surplus value, but can only convert surplus value which has been created elsewhere.(71) It is probably more accurate to say that they add exchange value, as opposed to use value, to the products they sell. However, small shopkeepers in working class communities are very often proletarian in origin, and they may continue to work in their previous job after they acquire a shop or, if they don't, they may ultimately return to it. This means that, as individuals, their class position is ambiguous and, in the case of those who continue in their former occupation, their class cannot easily be determined by looking at their relationship to the means of production. Even if a shopkeeper ceases to work outside the shop they may still have strong ties with the working class. So is it more appropriate to view such shopkeepers as part of the working class than as part of the petit-bourgeoisie?

Marx saw the petty bourgeoisie as a 'transitional' class comprising the self-employed who employ little or no wage-labour.(72) Wright's definition is consistent with this,

'The only thing which defines the petty bourgeois is ownership of certain kinds of assets - land, tools, a few machines, perhaps in some cases 'skills' or credentials, - and self-employment, but not work autonomy.'(73)

If we accept this definition, then small shopkeepers do belong to the petty bourgeoisie. However, as I have suggested, it is not that simple. Wright sees the petty bourgeoisie as potentially being neither exploiter nor exploited within capitalist relations, although they

can also be either.(74) In fact, Wright does not deal with this group in any detail, as he does not see them as forming the principal contradictory location within contemporary capitalism. This is probably true, but I would argue that, to use Wright's words,

'...they will typically hold contradictory interests with respect to the primary forms of class struggle in capitalist society, the struggle between labour and capital.'(75)

My argument is that, although small shopkeepers must be seen as part of the petty bourgeoisie, they form a contradictory location within exploitation relations in a way that other members of the petty bourgeoisie do not. This is because, as Marx and Engels point out, they exploit the poverty of the workers. However, their objective material interests and their cultural predisposition can also lead them to side with the working class in a struggle between labour and capital.

It may be useful, at this point, to give a *specific contemporary example of this*.

One concrete way in which small shopkeepers often side with the working class is in support of their struggles against workplace closures. As we saw above, the fortunes of small shopkeepers and the communities they serve are so interdependent that it is actually in the interests of small shopkeepers to support such struggles. This tendency was seen with particular clarity during the miner' strike of 1984-5. In The Enemy Within Raphael Samuel et al looked at the effects of this strike on mining communities. Their informants describe the reactions of several local shopkeepers to the strike, so we should now consider some of these accounts.

The first is of, what sounds like, a straightforward act of solidarity.

'The majority of shopkeepers have been great. For example, there's a guy over the road who sells bread, and every day he sends over four or five dozen bread cakes for pickets. He never takes money for them. We've been over and tried to pay him, cos we know what's happening to his business, but he will not take the money.'⁽⁷⁶⁾

Here is a similar account of the relationship between the miners and the shopkeepers.

'Most of the shops in the village are pretty good with you if you're a miner. There's a video shop round the corner from us. It gives videos for half price to try to help us any way they can.'⁽⁷⁷⁾

This miner goes on to say that there was also another dimension to this solidarity, as those shops that served policemen have subsequently lost business. Due to the role of the police in the dispute, the attitude of local shopkeepers towards the police became a major issue. A shopworker also points out that shops that have served police from outside the area have had their windows broken.⁽⁷⁸⁾ Despite the presence of an element of coercion, though, in some cases, the fact remains that it was in the interests of shops in those communities to support the strike. This identification with the working class does not just occur in times of struggle. As Willmott and Young note in Family and Kinship in East London, shopkeepers and publicans in that area were,

'...in many ways more akin to the working-class people they serve than to the professional men and administrators with whom they are classified.'⁽⁷⁹⁾

It is not, of course, going to be argued here that all shopkeepers will feel such empathy with the working class. The owners of larger retail outlets can more properly be located in the bourgeoisie proper due to their status as large employers (and thus exploiters of labour power.) This point is made by Vigne and Howkins in their discussion of the role of the small shopkeeper before 1918. They say that,

'Shopkeepers do not in any sense represent a unified stratum or class but are rather to be seen in the very specific context of the area in which they work and particularly in the spread of their trade.'(80)

Vigne and Howkins go on to discuss the variations in their circumstances,

'For some were owners of property and capital and employed staff while others had assets which were scarcely more and sometimes less than a working man.'(81)

Having established the historical context and discussed the class position of the small shopkeeper, we should now go on to consider the implications of the contradictory class location of small shopkeepers for social relationships in working class communities in more detail. In order to do this, we should first review the literature that deals specifically with the social position of small shopkeepers beginning with Vigne and Howkins' study.

The Petty Bourgeois Chameleon

The difference in circumstances that Vigne and Howkins identify meant that some small shopkeepers felt uncertain about their class position, while others were able to identify firmly with either the middle-class or the working class. Vigne and Howkins feel that there are several reasons for the variety of class attitudes held by small shopkeepers. The first is the fact that shopkeeping was not usually a job that they performed all their lives. So shopkeepers tended to have had experience in another area of work, at an earlier or a later stage, or even at the same time as working in their shop. Vigne and Howkins found that, in at least 41 per cent of the shopkeeping families they interviewed, wives and mothers took an equal or greater share in shopkeeping than their husbands. They make the point that,

'As class membership is customarily and officially designated by the occupation of the male parent, the effect on class consciousness of female parents holding jobs of equal or superior status to their husbands' must have been significant.'⁽⁸²⁾

Vigne and Howkins conclude that small shopkeepers were more convinced of their status within the community, than of their class position.

They go on to examine the social position of small shopkeepers as their neighbours perceived it. They say that there are two main factors affecting their respondents' placing of shopkeepers,

'1. Their own individual social class and standing in the working class and community.

2. The type of community in which they lived, whether socially diverse or homogeneous.'(83)

Vigne and Howkins look at Salford, Bolton and Liverpool. They point out that Robert Roberts called Salford a self-contained community, and that this insularity shaped the residents' perception of class. Their respondents stressed the economic power that the Salford shopkeepers had through the granting or withholding of credit, and the fact that they were a bit better off than the rest of the community.(84) The Salford respondents tended to see shopkeepers as an elite, while the Bolton people did not feel that they ranked very high socially. This is partly due to the fact that all but one of the Bolton sample lived in close proximity to the local bourgeoisie, and they were aware of who the 'real' elite were in their town. Vigne and Howkins say that their Liverpool respondents displayed a more diverse set of attitudes to shopkeepers. One of these again stressed the influence of those who gave credit,

'They provided the tick whereby you lived. This is the kind of thing you see ... I mean even the clothes you wore were on tick - they were on credit, nothing bought for cash.'(85)

As in Bolton, though, the shopkeeper was not seen as being of any great social importance, due to the simple fact that richer people lived nearby.

The evidence presented by Vigne and Howkins about Salford does not contradict Robert Roberts' opinion that, in that particular district, small shopkeepers were perceived as belonging to the upper strata of the working class. In fact, it suggests that shopkeepers occupied a position equivalent to that of the skilled working class in their communities.

To the Salford people the shopkeepers may have appeared to be 'very, very wealthy,' and very important socially but, as one respondent put it, they 'was the only upper class that I knew.'⁽⁸⁶⁾ The Salford group of interviewees is very diverse, and includes very poor members of the 'rough' working class as well as white collar families. It does not, however, contain a family of the skilled working class, who would seem to have regarded shopkeepers as their social equals. The Bolton group, on the other hand, contained several men that did come from the skilled working class, and this is partly why they did not hold shopkeepers in such high regard. Finally, Vigne and Howkins say that there were two Liverpool respondents that did see shopkeepers as being important socially. They were both '...the children of carters and lived in one-class neighbourhoods of the urban village type.'⁽⁸⁷⁾ Again, this suggests that it was only the poor, unskilled working class that looked up to small shopkeepers, and they only did so if they lived in a self-contained community. In his discussion of the Oldham working class during the nineteenth century, John Foster draws similar conclusions. He also makes the point that,

'The small shopkeepers held a key position in the working community and seem to have been fairly closely associated with the 'labour aristocracy.' Many were themselves retired spinners and engineers (or members of their families) and judging by marriage patterns close links were maintained.'⁽⁸⁸⁾

It seems that, in many ways, small shopkeepers were social chameleons. They took on the character of the neighbourhood they inhabited. This is the point that

Cristopher P. Hosgood makes in his study of small shopkeepers during the period 1870-1914. He says that,

'It seems that they had the ability to assume the class identity of the community which they served.'(89)

Hosgood argues that small shopkeepers should be seen as integral members of working class communities, even though their position within these communities was ambiguous.

This ambiguity centred around the provision of credit to the community.

'Economically, by acting as the 'bankers of the poor', shopkeepers were able to exert much influence over the neighbourhood. However, they also recognized that in times of hardship they had a certain obligation to provide either a credit lifeline or preferential treatment to regular customers.'(90)

Hosgood points to the contradictory nature of the outlook of the small shopkeeper. While, on the one hand, they had a desire for personal independence, they also seem to be motivated by a sense of social duty. Hosgood seeks to counteract the view, expressed by Geoffrey Crossick and others, that small shopkeepers were embattled little men and women who did not interact with their community.

Small shopkeepers became particularly important to the life of the community during times of economic hardship, whether this was the result of economic depression or industrial conflict. Hosgood makes the point that I have made above about the ambiguity involved in the provision of credit during times of hardship. Some shopkeepers' motives for providing credit in such circumstances may not have been humanitarian or solidaristic

but instrumental, as they may only have done so in order to retain customers.(91) He goes on to give an example of the type of help that shopkeepers offered their neighbours in times of distress: the Leicester shoe industry lock-out of 1895 which put 23,000 shoehands out of work.(92) Hosgood shows how the hardship that the strikers were experiencing soon spread to the shopkeepers who depended on their custom. Some shopkeepers even attributed their bankruptcy to the dispute. He says that,

'To combat the distress affecting both shopkeepers and customers, domestic shopkeepers formed a number of ways and means' committees, which had the power to confer upon out-of-work families the right to a special tariff of prices. Shopkeepers and union leaders met to ensure that workers' strike pay could go as far as possible.'(93)

Neither was this an isolated example of this type of action. In 1904, during a time of recession, a number of bakers in Leicester distributed loaves to the unemployed.(94) Vigne and Howkins also point to examples of shopkeepers that participated in the common charitable effort of the district to feed poor neighbours.(95) So, historically, small shopkeepers have offered material support to their customers in times of economic hardship. Hosgood goes on to point out a further way in which shopkeepers played an important role in their communities by acting as treasurers of the poor.(96) They did this through the provision of food clubs and Christmas, or 'Goose' clubs. As he says, though, contemporary views of these clubs varied considerably.

Hosgood begins his analysis of shopkeepers' place within working class culture by acknowledging the importance of Ellen Ross's claim that working class culture was a

compound of male and female cultures, as husbands and wives inhabited separate worlds.(97) Hosgood argues that local shops should be seen as a 'social as well as economic nexus' that operated within the female world. As female leisure was integrated into their workplace, i.e. the domestic world, the local shop was an important site of sociability.(98) This function of the corner shop was facilitated by poor families' habit of making small, frequent purchases. Hosgood points to evidence, from the autobiographies of Robert Roberts and others, of the way that shops could become an important centre of local gossip. He also makes the point that shopkeepers were not passive onlookers in their communities, as this quote from the daughter of a Chatham greengrocer shows.

'We enjoyed the company. We enjoyed seeing people, and we learned to mix with everybody ...and you were never lonely, not when you could talk to anybody.'(99)

However, while shopkeepers were integrated into the female side of working class culture, they were largely absent from the male cultural world of friendly societies and working men's clubs.

Shopkeeping was seen by many workers as a means of escaping waged labour, but this escape was not always permanent, as Hosgood makes clear.

'By the end of the nineteenth century, the turnover rates of small traders were quite phenomenal. Of all general shopkeepers and greengrocers in business in 1882, only 28 per cent and 14 per cent respectively remained a decade later. Clearly, the majority of workers who embarked on a career in retailing were not permanently escaping their former occupations. Failure in business

returned them to the world dominated by the workshop and the factory, if indeed they had ever entirely left this world.'(100)

So, many small shopkeepers had a rather precarious foothold in the petit bourgeoisie. Nevertheless there were always those who were attracted by the ideal of independence that shopkeeping offered them, so the trade was never short of new recruits. Hosgood points out that, on occasion, shopkeepers actively defended the lifestyle of the working class, with regard to their drinking and shopping habits for example.(101) He argues that it was because shopkeepers were an integral part of working class communities that they defended working class values. Hosgood sets this view of small shopkeepers against John Benson's claim that shopkeeping was a divisive force in the working class because it engendered a spirit of individualism.(102) We should now turn to consider a contemporary study of small shopkeepers.

The most significant piece of sociological research into the social position of small shopkeepers in recent years has been conducted by *Frank Bechhofer and his* colleagues. This research has appeared in various forms. So what I will attempt to do below is to summarise the team's findings and their ongoing reflections on the subject, rather than look at each piece individually. The first thing I would like to point out is that their findings and conclusions bear a remarkable similarity to Hosgood's. Their starting point is that small shopkeepers are neither bourgeois nor proletarian but are members of the petit bourgeoisie. Bechhofer and Elliott also argue that,

'The petite bourgeoisie is like a chameleon, taking its colour from its environment. Thus,

the precise nature of relationships with manual workers, with peasants, with factory owners, capitalist farmers, with migrant labour or foreign employers varies widely.'(103)

They see small shopkeepers as a social anachronism in many respects, as their values and attitudes seem to belong to an earlier age. Finally, like Hosgood they found that the idea of independence was centrally important to small shopkeepers.(104)

The Bechhofer Study of small shopkeepers was conducted between 1967 and 1972. Their sample was drawn entirely from Edinburgh; 398 shopkeepers and their spouses were interviewed between August 1969 and July 1970.(105) Among other things, Bechhofer and his colleagues examined the consumption patterns of small shopkeepers. They found that over half of the sample owned their homes outright, and that consumer durables were usually bought for cash. As well as this, the vast majority of their sample had used 'personal savings', as opposed to any kind of credit facility, to get started in business.(106) They feel that the explanation for this is that small shopkeepers are governed by, what Max Weber termed, 'economic traditionalism' in all aspects of their business. This 'economic traditionalism' manifested itself in various ways. The shopkeepers in their sample were resistant to new ideas about how to run their business and, on the whole, they did not want to build up their business in any major way either.(107) In other words, their attitude was not that of the determined entrepreneur. So their outlook was distinct from that of the capitalist class. Bechhofer et al argue that their outlook is also quite distinct from that of the working and the middle class. I would agree

with this, and would add that this flows from their contradictory location within the class structure.

Part of the reason for the distinctiveness of this group is that they come to rely heavily on their own resources and those of their family, as the whole family is usually involved in running a small shop. Bechhofer and his colleagues found that, if they excluded help from the family, 44 per cent of their sample had no help at all.(108) As they say, this is one of the aspects of their work situation that makes this group anachronistic, 'for in few occupations today is the family a work unit.'(109) So this factor must be taken into account when considering their relationship to wider society. As Bechhofer and Elliot say,

'It means that husbands, wives and children are often bound together in the most basic task of earning a living. It also means that many small bourgeois employ only a few hands, so, unlike the owners of large modern enterprises, they cannot be viewed as extractors of large 'surpluses' from luckless workers. Relying so heavily on family effort they are engaged very frequently in a kind of self-exploitation rather than exploitation of proletarians.'(110)

They add that the result of having so few employees is that the relationships between them and the 'boss' are often highly personalised. Also 'labour' is often recruited through personal networks, so there may be a 'non-contractual' element in the relationship from the start.(111) Having considered the material basis for their beliefs and values, the team then went on to examine the political attitudes of small shopkeepers.

As I said at the beginning, there are remarkable similarities between the findings of this study and those of Hosgood. This suggests that there is a great deal of historical continuity in the social position of the small shopkeeper. There are two further points of continuity to be drawn out. The first is quite simply that the occupation is still characterised by relatively high 'mortality' rates. Bechhofer et al estimated that,

'...approximately 20 per cent of Edinburgh's shops were 'failures', and closed or changed hands at least once every six to twelve months.'(112)

This suggests that small shopkeeping still provides a fairly precarious foothold in the petit bourgeoisie, and may still often return many workers to the workplace they originally escaped from.

Secondly, Bechhofer et al see the relationship between the small shopkeeper and the working class community in very similar terms to Hosgood. They point out that,

'The nature of the occupation and especially its work situation is such that it offers occupational mobility without social mobility and herein lies one of its most intriguing aspects for the student of social stratification.'(113)

This means that a manual worker could acquire a shop and retain his/her old social network. This is further facilitated by the isolation of the small shopkeepers from their peers, and the lack of associational life within that occupation. This leads them to say that,

'There is certainly a small group (approximately 10 per cent of the sample) who come from manual backgrounds, who run shops in working class districts, and who live in those same areas. It

is entirely possible that some of them will share working-class culture in a great many respects.'(114)

The above quote comes from a 1974 paper, when the team's analysis of their findings had not been completed. In a later piece they point out that: although social origin has little effect on voting behaviour the location of the shop does make some difference. This means that, 'those whose shops are in clearly working class areas are rather more than twice as likely to say they will vote Labour.'(115) This returns us to our original point: as a result of their contradictory class location, small shopkeepers are petit bourgeois social chameleons. Having explored the secondary literature, we should now turn back to consider the implications of their social position for small shopkeepers before the Second World War.

Class And Contradiction

So far we have established that small shopkeepers in working class areas were quite often of working class origin even though, in the act of becoming shopkeepers, they joined the petit bourgeoisie. They were part of the communities that they served, and they enjoyed a position within their community similar to that of the labour aristocracy. However the ambiguity over their social position meant that small shopkeepers did not necessarily identify themselves with the working class. As Bechhofer et al point out, small shopkeeping offers occupational mobility without social mobility. This seems to

have given rise to two types of outlook: those shopkeepers that were happy to be an integral part of the local community, and those that sought to remove themselves from it.

Examples of the first type of shopkeeper were to be found all over Tyneside during the inter-war period. So how were these small shopkeepers perceived by the local working class? If we take the case of one such family in Byker that several respondents mentioned: the Cowans, it would appear that they were not seen to be significantly different from their neighbours. As one woman put it,

'He was just like us, but *he was a bit better off on account of he had his business...They were very nice people. In fact, when I had my last baby they bought the dress for the bairn.*'(116)

The author of the CDP's history of shopkeeping in Benwell in the west of Newcastle says that,

'The typical Benwell small shopkeeper of the early 19th century was *locally-oriented*, relating not to the wealthy middle classes of Old Benwell but to the local working class community. One of the most active founder members of the Cochrane Street Working Men's Club, for example, was Charlie Thompson who ran a barber's shop on Adelaide Terrace.'(117)

There were also shopkeepers who seemed to be doing their best to distance themselves from the local community. The Bramble family were a notable example of this type of shopkeeper in Benwell. They set up business in Adelaide Terrace in the 1880s

as boot and shoe manufacturers and general dealers. William Bramble was also an important landlord in Benwell. One resident said,

'He owned nearly half of the Terrace. He used to come along in his frock coat, gaiters and top hat, collecting the rent.'(118)

After their fortunes improved, the Brambles moved from Adelaide Terrace into Benwell Hall, a large house with its own grounds. This move was symbolic of the family's intended upward social mobility. However the author of the CDP's history of shopkeeping in Benwell feels that although the Brambles distanced themselves from small shopkeepers in the area, they never quite made it into the bourgeoisie proper.(119)

So it would seem that there were shopkeepers who actively sought upward social mobility as well as shopkeepers who were relatively content to *remain within their* communities. However, we cannot necessarily draw a hard and fast distinction between the two. Some shopkeepers may have remained within working class communities, and even played an active part in the life of those communities, but still yearned for social betterment. Robert Roberts' mother would seem to be a case in point here as, although she did become an integral part of her local community, she strongly objected to moving to the district in the first place. In fact, she only agreed to move into the Salford shop on condition that the family move on after two years.(120) So this suggests that, even the most 'integrated' small shopkeeper may feel a degree of ambivalence towards their community.

Let us now turn to the other question that was raised at the beginning of this discussion. What exactly is the relationship between small shopkeepers and their customers? However, now we also need to ask: how is this relationship conditioned by the contradictory class location of small shopkeepers? The argument that I wish to develop here is: that the contradictory class location of small shopkeepers gives rise to contradictory attitudes towards their working class customers. In answering this question we, again, seem to encounter the two attitudes I have described above. Firstly, there are those shopkeepers who would appear not only to have no empathy at all with their customers, but also take every opportunity they get to cheat them. Secondly, there are shopkeepers who appear to participate in the life of the local community and deal sympathetically and honestly with their customers.

Paul Johnson gives an example of each of these types of shopkeeper in his description of corner shop credit before 1939 and, taken together, they provide a further illustration of the type of attitudes I have described above. The first was written by Miss Llewelyn Davies in 1899 as part of a survey of life in a poor district.

'The kind of shops you notice are first of all small general shops, where the trade is almost entirely a 'booking' one. The terrible debt burden is round the necks of most of the people, and the object of the small shopkeeper is to fasten it securely there. Not only are high prices (that is, compared to the quality) charged, as is natural and inevitable, but the accounts are often falsified - the 1d. slipping into the 1s. column - and the customers are often so ignorant and helpless that such things escape

notice.'(121)

The second comes from Francie Nichol's description of the general dealer's shop that she ran in South Shields, on Tyneside, from 1935 until the war.

'...poor people make good customers. They can't always pay on the dot, but they're honest if you trust them. And they can never be bothered to shop around. If they know where they can get all they want handy then that's where they'll go. They like a place where they can come in drunk and know you'll give them the stuff they want even if they've forgotten what they came in for... They want a place they can come in with their curlers or in their slippers and dressin' gowns. They know you aren't goin' to diddle them by bamboozlin' their little bairns if they send them in with a message.'(122)

In fact, we have already seen how shopkeepers can display either of these attitudes towards their customers. As we saw, some shopkeepers did 'bamboozle' their customers while others, like Robert Roberts' family and Francie Nichol, appear to have dealt honestly with their customers. The question we now need to ask is: is there a clear distinction between these two types of shopkeeper, or can both of these attitudes be held simultaneously?

Engels points to some of the ways that certain small shopkeepers cheated their customers, and it is easy to find other nineteenth century accounts that do the same. Janet Blackman points out that local co-operative societies '...were set up primarily to serve the workers' families who had suffered at the hands of local well-established shopkeepers.'(123) She gives the example of Stocksbridge where people had,

'...complained of discriminatory pricing, of inferior stock sold as the best quality, for example tub-butter sold to the workers as fresh butter, and insults from the shopkeeper if comments were made about such trade practices.'(124)

It seems likely that this disdain for the industrial working class was the result of two things. Firstly, up until the middle of the nineteenth century many grocers had not had to deal with the labouring poor. As J.A. Rees points out, 'the grocer had been up to 1846 at any rate ... a minister of luxuries to the rich.'(125) So they may have resented the extension of their trade to embrace the growing urban proletariat. As well as this, not all the grocers of the mid-nineteenth century were, like the small shopkeepers of Benwell, of working class origin. As a result, they would not necessarily feel any empathy with their working class customers. It is not, perhaps, until later in the century that men like Robert Roberts' father began to dominate this type of trade.

It has been suggested, then, that the character of the small shopkeeper may have undergone a change during the nineteenth century, and that this may have resulted in a more sympathetic attitude towards their working class customers. This made them an integral part of the working class community. So although they profited from the community they also served it in other ways, as Robert Roberts' mother did. Such involvement in the life of the neighbourhood was not uncommon, though it was by no means universal. Even if there was a change in the social background of small shopkeepers, with more shopkeepers originating from the working class, this did not

always mean that they were content to remain an integral part of the communities that they came from, as the Benwell evidence shows. The exact nature of the relationship between the shopkeeper and the community was dependent upon the personal characteristics, and possibly the social background of, the shopkeeper. Despite their objective position as exploiters of their communities, local shopkeepers could be perceived as either friends or foes by their neighbours. In other words, the relationship that existed between shopkeeper and customers was contingent upon a number of factors, and this was a result of the ambiguity of their class position. However, I would argue that this should not lead us to make a simple distinction between 'good' and 'bad' shopkeepers, as the way that individual shopkeepers were perceived by their communities is not necessarily a good indication of the way that they conducted their business. This is because there are a number of difficulties involved in examining the behaviour of small shopkeepers towards their customers.

The first of these is suggested by Engels when he says that small shopkeepers may 'knowingly or unknowingly buy adulterated goods.'⁽¹²⁶⁾ In other words, it is difficult to tell whether some of the abuses of their position are intentional or not. In contrast to Robert Roberts' mother, Francie Nichol 'yearned' for the small shop that she eventually became the owner of and, as we saw above, she certainly displayed a sympathetic attitude towards her customers. However, after the outbreak of the Second World War, she was prosecuted for selling bags of flour that were underweight. She says that this was not

intentional, and offers a perfectly credible explanation of how the goods came to be underweight in the first place.(127) She says that,

'It was wrong for anybody to cheat poor people and my customers were certainly poor.'(128)

The problem with this type of evidence is that, although her depiction of herself as an innocent victim is quite possibly true, ultimately we only have her word for it. The second problem is that customers' perceptions are not necessarily reliable. This is because, as we shall see below, it may well be coloured by their feelings for a particular shopkeeper. A further consideration is the difference that the type of area that a shop was located in made to the power relationship between shopkeepers and customers. For example, it would have mattered whether an area was 'rough' or 'respectable.' Some shopkeepers in poorer working class areas continued to overcharge their customers for credit during the depression of the inter-war years, even though their customers may have been dependent upon them for their survival. However, shops in more affluent working class areas may not even have offered credit to their customers even at this time.

It would seem that, during the inter-war years, small shops in areas that housed the skilled working class did not usually offer credit. If we compare accounts of Byker and Heaton during this period, we can see that there was certainly a difference between these two areas. One of my respondents lived in Heaton during the 1930s, an area that, as David Byrne says, housed the 'respectable' working class during this period.(129) In fact, it was one of the strongholds of the 'labour aristocracy.' My informant told me that the

local food shops did not give credit, and they usually displayed a sign informing their customers that credit would not be granted.(130) She felt that it did not fit in with the ethos of the respectable working class to obtain groceries on 'tick.' In fact, she only knew of one woman that did manage to obtain credit from a local shop, and this led to a great deal of marital conflict when her husband found out!(131) However, this type of credit was freely available in Byker (an area that housed less skilled members of the working class) during the same period, as all the people I spoke to informed me. The point here is that: in those areas where no credit transactions took place, small shopkeepers were in a less powerful position within the community. In other areas, working class customers were largely dependent upon the honesty of the local shopkeeper.

There were a number of ways in which small shopkeepers could abuse their economic power within the neighbourhood. Some of these, such as the selling of adulterated goods, the use of false weights and measures and so on, are described by Engels. However, as we have seen, it may not always be clear whether such practices were deliberate or not. However, even if we just concentrate our attention on credit transactions, then the evidence is ambiguous. Obviously the first question that we need to answer is: did small shops charge interest? Paul Johnson makes the point that it can be difficult to calculate the cost of shop credit to the consumer as, '...interest was often charged indirectly by selling inferior goods at inflated prices to customers tied by their tick book to a particular shop.'(132) Some of my interviewees claimed that corner shops

never charged interest, while others cited specific cases where they did. One respondent described a small general dealers on Bensham Road that her mother worked in,

'The goods were top prices. When they bought goods it was itemised in the book and totalled up when they came to settle. Often it was more than they could afford, so it was carried forward to next week. Their books were never clear. My mother was told to add two shillings to their bill each day.'(133)

What is not always clear in such accounts is whether the customer knew they were being charged interest. If we return to the shop in Byker that was mentioned above (Cowans) respondents offered two conflicting accounts of the shop's trading practices.

One interviewee said that,

'We all shopped there because we didn't bother going very far for shopping. Well we didn't have money to go on the trams. Things were a wee bit dearer there, but we were glad of it, because we got tick all the week until pay-day.'(134)

This woman said that Cowans charged about a ha'penny more than other shops for the goods themselves, but that they did not charge interest. She did not feel exploited by the shop, even though it was a bit more expensive, as she felt that 'He knew we couldn't pay exorbitant prices.'(135) A male respondent painted an entirely different picture of the shop,

'They sold everything...owt you wanted, put it on the tick bill, and she'd put her extras on y' see...Say it was two shilling for a pound of bacon, y'

know just a rough idea, well it would
be three shilling if you got it on tick.'(136)

So this man felt that they had two different prices: one for cash customers, and one for those who bought on credit. How can we explain this discrepancy between the two accounts?

In this particular instance it could be due to the fact that the woman interviewee knew the family better than the man, and her attachment to them may have coloured her memory of the past. Alternatively, she may not have been aware of just how much extra she was being charged as a 'tick' customer. Of course, the male respondent's account could be wrong but it is, perhaps, more likely that the woman was unaware of how much extra she was being charged. It is also more characteristic of people to idealise the past, even in such a small way, than it is for them to imagine that they were being charged for something that they weren't. Another interviewee gave this account of corner shop credit during the inter-war period in Gateshead,

'My children were all well fed (for the period)
and this was probably due to the fact that the
corner shops would extend credit on a week to
week basis, but the prices were above those
charged in the larger stores such as Liptons,
Walter Willson's, Kemps etc.'(137)

This man also said that corner shops did not charge interest to 'tick' customers, although he concedes that they were more expensive than other shops. So it is impossible to generalise about this question. All we can say for certain is that some corner shops did charge interest, but it is not apparent whether their customers always knew this! Then, as

now, corner shops were more expensive than larger stores but the amount that the shopkeeper added on for credit customers (if any) probably varied greatly from shop to shop.

Another of my respondents offers a deeper insight into the ways that shopkeepers' could covertly charge for 'extras.' This is a practice that I shall call: 'creative pricing.' This woman, whom we shall call Mrs Wrigley, worked in a corner shop in a working class area on the banks of the Tyne during the Second World War. Most of the customers of this shop obtained their groceries on 'tick.' She says that all the customers (cash or credit) were actually being charged more than they realised.

'When the customers came in and they wanted cheese it was one and tuppence a pound but, when you looked on the chart at the back, he charged one and four. That allowed for your wastage, you know when you cut bits of cheese and you have spare. So the customer *paid for* the wastage, and the same with the bacon...'(138)

One particular incident that Mrs Wrigley described says a lot about the way that small shopkeepers used 'creative pricing' to maintain good relations with their customers.

'This lady come in and swore blind she had paid her bill. Well when you paid your bill it was written in the book. Of course it wasn't marked off in the book, and she was adamant she had paid it. It wasn't a lot. Anyway [the owner] said, 'Who did you pay?' and she says, 'Well I'm not sure now but I know I paid it.' So he says, 'Right o.k. we're not going to argue about it.' He said to me, 'When that lady comes back in I'll serve her.' So what he did was he put a ha'penny or a penny or tuppence a week onto her bill...So he got his money back by putting

the odd coppers on.'(139)

When we consider incidents like the ones described above, we have to view some of the more benign practices of small shopkeepers in a different light. Mrs Wrigley's family were customers of this particular shop before she worked in it. She told me that,

'My mother would give me a note and I would go round and get what she wanted, you know. That was put in the book and then you went at the weekend and paid it and they had all these rows of Tyne Mints, Black Bullets, Humbugs and what-have-you. You see when you paid your bill he always gave you, I should imagine it would be about a half-pound of, these boiled sweets. Like a token of goodwill. So everybody who paid their bill got the sweets from him.'(140)

So this practice literally sweetened the pill of payment! However, when it is seen in the context of the deceptions I have described above, it seems very likely that the customer would unwittingly have paid for the sweets through some form of 'creative pricing.'

Whatever the degree of exploitation actually involved, though, this system of credit was founded upon the illusion of mutual trust between the shopkeeper and the customer. It does also seem as if some shops conducted their business more honestly than others. One woman described working in a corner shop in Byker during the 20s and 30s like this.

'We had a large book called the 'tick' book The customer's name was on the top of the page, there was no address though, as the boss always knew everybody and trusted them. They ticked all week, ¼lb butter, ¼lb margarine, ¼lb tea, all of this went on the tick page. On Friday night or Saturday night

they came to pay, and pay one shilling off the back debt, then they got a lot more groceries back.'(141)

We have already seen that the shopkeeper could abuse this trust by covertly charging interest, just as the customer could by leaving an unpaid bill. On the whole, though, this system worked. Customers did not feel as if they were being taken advantage of, and shopkeepers usually got paid regularly. In fact, customers usually felt an obligation to pay their debts, even if a shop was no longer there. One elderly resident of Hebburn told this story of when he was a boy in the 1920s,

'The man in the corner shop had to close his shop, as it was going to get knocked down. He called every Monday for money owing. After a few weeks he saw the look in my eyes, handed me the twopence back, and said 'I won't be coming back, you've been a good customer, always speak when you see me.'(142)

Both the extent to which shopkeepers were viewed as part of the community, and the extent to which *they saw themselves as part of the community would seem to have* varied. As we saw above, many shopkeepers were of working class origin and this facilitated an identification with their customers. Mr Lewis, who was born in South Shields in 1928, described the owners of a corner shop in the street that he grew up in as 'a very ordinary couple.' I then asked him what exactly he meant by that, and whether he would describe them as working class?

'I think their outlook and their aspirations were still very much working class, even though they had a business as it were. I think he worked in the shipyards originally,

and I think he'd had an accident, got some compensation, and they'd been saving. So they got the shop. I think they just rented it, what they bought was the goods and the goodwill from the [previous owners.](143)

Mr Lewis points out that not only did this particular shop sell virtually everything that local people needed, but it was literally 'open all hours.'

'They sold everything. So you could get firewood, butter, shoelaces, candles, you name it you could get it there. They were open from early morning till late at night. Even when they were shut they were open. If you rattled the sneck, you know, they were there. Really it was our store-cupboard, we didn't keep anything at home because you could just pop in there.'(144)

This is what Booth meant when he said that poor people 'go to their shop as an ordinary housewife to her canisters...'(145) Such a facility, although profitable, must also have been quite troublesome to the shopkeeper and so was also, in a sense, a service to the community.

Mr Lewis certainly viewed the owners of this particular shop as part of the local community. He said that, although he and his friends did sometimes steal things,

'We wouldn't nick from him because he was part of the group. Part of the community. There was no thieving within the community.'(146)

So, as Hosgood says, small shopkeepers were integral members of working class communities, even though their position within those communities was ambiguous. Mr Lewis was quite certain that the owners of the shop he describes did not charge interest

on goods bought on credit. However he says that the goods they sold were a bit more expensive than they would have been in larger shops.(147) Although Mr Lewis's account of this shop is quite favourable, we still have to bear in mind the possibility that the owners were practicing some form of 'creative pricing' that he was not aware of. So we should now try to make some kind of assessment of the difficulties and contradictions involved in the relationship between the small shopkeeper and the community.

Our starting point must be that the relationship between small shopkeepers and their customers is based upon exploitation. However, when we consider some of the evidence I have presented above, it becomes difficult to explain this relationship purely in terms of naked self-interest or, as Marx would have it, in terms of the cash nexus. There are other attachments at work here. So how can they be adequately theorised? I would argue that it can best be explained in the way that we explained illegal moneylending in the previous chapter: in terms of the interpenetration of the instrumental and affectual spheres of action. We can certainly see evidence of some sort of affectual attachment on both sides of the counter. However, we can also see evidence of a certain amount of mistrust, particularly in the attitude shopkeepers had towards their customers. So we also have to consider the implications of the consistent use of deceit on the part of shopkeepers, most notably in the field of 'creative pricing.'

So far we have seen that both neighbourhood sharing and illegal moneylending during the inter-war period can be explained in terms of the interpenetration of rationalities. I have argued that neighbourhood sharing was, as Abrams suggests,

governed by the norm of reciprocity, and thus contained an instrumental element. Such neighbourhood sharing appears in three guises: as an exchange between equals, as a form of 'charity' (which can be seen as simply involving a highly delayed and generalised repayment), and as an exploitative use of the norm of reciprocity (e.g. illegal moneylending.) What all of these relationships have in common is that they take place between members of the same community.

I agree with Hosgood's assertion that small shopkeepers were an integral part of their communities, so I also see small shopkeepers and their customers as members of the same community. However, Hosgood notes the contradictory nature of the small shopkeepers outlook, and this is echoed in the research of Bechhofer et al. The latter found that small shopkeepers have an attitude that is distinct from that of the working and the middle class. I would argue that this distinctive attitude flows from their contradictory class location, and that this is the reason for the ambiguity in their behaviour towards their customers. This is why small shopkeepers can, almost at the same time, be both supporters and defrauders of the working class. So in explaining the particular version of the interpenetration of rationalities that this gives rise to, we need to introduce another concept, that of emotional labour. This term was originally used by Hochschild, who pointed out that it was most important when trying to make a sale.(148) It can be defined as: the deliberate promotion of affectual attachment as part of a business transaction through the management of appearances. As we shall see later, this is a feature of various types of working class credit. However, there is a paradox at the heart of relationships

that involve such an exploitation of emotions. The paradox is that quite often some sort of genuine affectual attachment coexists alongside the deliberate promotion or manipulation of such an attachment for 'business' reasons. This can be explained in terms of Hochschild's distinction between 'surface' and 'deep' acting. In the case of small shopkeepers, as we have seen, it can be quite difficult to actually distinguish the motives for any particular action. However, there are also cases where it is quite clear what is going on. For instance, one obvious example of emotional exploitation is the case of the woman who claimed she had not paid her bill and was subsequently made to repay it unwittingly. On the other hand, the actions of the shopkeeper who had his shop demolished and then wrote off the remainder of the money he was owed would seem to be the result of a genuine affectual tie.

It may be helpful at this point to locate the type of exploitation of emotion that I have described above within a more general theoretical framework. To be more specific, I feel that it can be usefully located within the work of Erving Goffman on the way individuals manage appearances during social encounters. So we should consider the actions of the small shopkeepers we have considered above as, what Goffman calls, 'performances.' Goffman uses the term 'performance' to refer to,

'...all the activity of an individual which occurs during a period marked by his continuous presence before a particular set of observers and which has some influence on the observers.(149)

Goffman distinguishes between sincere performances (in which the individual concerned believes in his own act) and cynical performances (in which the individual concerned is not taken in by their own act.) Cynical performers may delude their audiences for their own personal gain or, for what they consider to be, their own good.(150)

My argument here is that the majority of credit-givers that deal with the working class are involved in a type of performance that is, in some way, 'cynical.' As we have seen, this is a complex issue as it can often be difficult to determine the extent to which the 'performance' of small shopkeepers are cynical or sincere. Goffman says that performers tend to give an idealised impression of themselves. This means that,

'...when the individual presents himself before others, his performance will tend to incorporate and exemplify the officially accredited values of the society, more so, in fact than does his behaviour as a whole.'(151)

The behaviour of small shopkeepers should be seen as a somewhat idealised performance in which, as petty bourgeois chameleons, they attempt to make their behaviour acceptable to the community in which they live. This could take a number of forms: from the use of 'creative pricing' to the open expression of cultural values held by the community as a whole. This could be as much the result of a desire to 'fit in' as of a desire to increase profits. This is further complicated by the fact that many shopkeepers were themselves of proletarian origin, and thus may be more 'sincere' in their performance. As well as this, Goffman makes the point that an individual can come to believe in a performance that was originally cynical and vice versa. So there is a 'natural movement back and forth

between cynicism and sincerity.'(152) I would argue that this is particularly true of small shopkeepers due to their contradictory class location, which makes them both exploiters and supporters of the working class. We can now turn to consider small shopkeeping in the period after 1945.

Small Shopkeepers And The Community After 1945

The first point to consider in an analysis of the relationship between small shopkeepers and the community in the post-war period is, that the old pattern of receiving groceries on 'tick' continued into the 1950s and beyond in certain areas. The authors of *Coal Is Our Life* say that many of the women in Ashton continued to buy their groceries on 'tick' from the local shops.(153) One of my respondents, a miner's daughter born in 1956, also told me that her parents continued to receive credit from various local shops, including the butchers, until the early 1970s.(154) This is consistent with the argument that I have presented elsewhere, that there is a great deal of continuity between the inter-war years and the immediate post-war period. However, it would seem that alongside the gradual decline of corner shops per se in the post-war period there has also been a decline in the number of such shops that offer credit, as I indicated above.

The argument that I want to pursue below is: that the changing nature of working class communities has been a significant factor in the decline of the number of corner shops offering credit. The provision of small-scale credit in local shops is very much part

of the informal economy. Debts incurred in this manner would seem to have dubious legal status, even if they were to be pursued through the law courts. For example, the Consumer Credit Act of 1974 did not apply to most credit transactions of less than £30. When we also take into account the fact that, as the NCC claim, the complexity of the Act has made it difficult for creditors to ensure that they complied with its provisions, it does seem highly unlikely that many small shopkeepers would have felt confident of the legality of pursuing such debts.⁽¹⁵⁵⁾ In practice, though, this type of debt can often be so small as for it not to be worthwhile for small shopkeepers to pursue them in this manner. I would argue that, unlike some of the other types of credit we will consider here, corner shop credit has to be based upon some type of mutual trust or understanding between the shopkeeper and the community. So I see it as an indicator of the amount of trust that exists within a given community. This type of credit should be viewed in the same way as we would view neighbours obtaining credit for each other, an issue I explored in an earlier chapter.

In addition to questioning money advice workers about corner shop credit, I also asked several shopkeepers in Newcastle's east end if they offered 'tick' to their customers. One shopkeeper I interviewed, from Heaton, rarely granted credit and, on the occasions when he had done the debts were often not repaid. He said that not only had he not pursued any of his debtors through the small claims court, but that he had no intention of ever doing so. He gave two main reasons for his reluctance to pursue these debts through the legal system. The first was that some of these debts were only based upon a verbal

agreement, so he had no proof of the transaction actually occurring. The second was that, as a small trader, the demands on his time were already very great and he felt that he just did not have the time to pursue small sums of money through the legal system. He reasoned that, if he ever was to pursue one of his debtors through the courts he would have not only have to spend time in court but, if a court was to rule in his favour, then he would also have to spend time collecting the money that was owed to him.(156)

The Heaton shop I describe above displays a notice requesting customers not to ask for credit as refusal may offend. *This was also true of a grocers shop in the Byker Wall that I visited, and of a shop in the Walker area of Newcastle.* According to Ian Poole, shops in the Cowgate area also display such notices.(157) So most corner shops seem to be doing their best to actively discourage customers from seeking credit in the first place. This does not mean that it is impossible to obtain credit from these shops, as the testimony of the Heaton shopkeeper indicates, but that credit is only granted very rarely to customers that the shopkeeper has a 'special' relationship with. The Heaton shopkeeper currently allows two of his customers to have an 'account' with him, but he said that he had known them for sixteen years.(158) The owners of the corner shop in Walker said that they 'only gave credit occasionally, not as a regular thing.'(159) Finally, the Byker shopkeeper said that, despite the notice, people often asked for credit which they still would not grant. In this case, the shop was run by an Asian family, and one of the women in the family said that they only offered credit to one person who was a personal friend.(160) So, even in the case of shops displaying notices discouraging

customers from asking for credit, they will grant credit in exceptional circumstances. It is fairly obvious that these 'exceptional circumstances' are conditions in which the shopkeeper feels that they can trust the individuals concerned! This was particularly true of the family that ran the Byker shop. They said that on the occasions when they had granted credit for newspapers, the individuals concerned had run up a large bill and then disappeared! They were quite explicit about the fact that they did not know the people in the area enough to trust them.(161) Although he did not trust his customers, as a group, enough to extend credit to them the Heaton shopkeeper seemed to have made more 'exceptions.' However he said that this only amounted to ten individuals in his sixteen years of trading in the area.(162) The Walker shopkeeper, on the other hand, was less forthcoming on this subject.

There are also other factors that seem to have contributed towards the decline of corner shop credit. Some of these are suggested in the PSI's 1994 study of how low-income consumers makes ends meet. As we saw above, only 5 out of the 74 families interviewed reported that they ever put things 'on the slate' at their local shop.(163) If we consider the accounts of the individuals in this study who did use this type of credit, though, we can gain some idea of why it is so rare today. Firstly, we should note that 'trust' is again emphasised in the account of one of their respondents.

'I can go across to Joe and I can say to Joe, 'Can I have a few things to go on?' and he'll say 'Go ahead.' He lets me run up £10. The amount varies from person to person - he'll know who he can trust.'(164)

However, there is also another element present in these descriptions of contemporary corner shop credit that is largely absent in pre-war accounts: the element of embarrassment. The authors of the report go on to say that the woman quoted above was,

'...embarrassed at having to resort to doing this and would only do so if there was no-one else in the shop at the time.'(165)

The other respondents in the PSI study also seem to use corner shop credit as a last resort and, when they do, an element of shame or embarrassment always seems to be present.

I would suggest that this is because this type of credit has largely fallen into a state of disuse, and so it is no longer the norm (in any type of working class area) to use it. Corner shop credit may also have particularly negative associations, with the depression of the inter-war years for example, that people wish to avoid. The authors of the PSI study say that,

'In many ways putting things on the 'slate' was seen as an old-fashioned way of borrowing, with a stigma attached to it. It was clear evidence to your neighbours that you were unable to manage your money.'(166)

The perception of corner shop credit as an 'old-fashioned' form of credit also leads to the belief that it is no longer available. The authors of the PSI study say that,

'Jacqui 'thought that had gone years ago' and was surprised to hear that some still used it as a credit facility. One or two merely assumed it was not available where they lived.'(167)

It has been suggested earlier, by one of my informants, that this type of credit may have been sustained by some members of the pre-war generation who had grown accustomed to it. As that generation gradually died out, it seems, so has the custom of obtaining groceries on 'tick.' The other factor that has eroded this type of credit has also been discussed above: the demolition or closure of older shops. In such cases there is a physical discontinuity with the earlier period (i.e. the old shops are just quite simply no longer there!) If we take Byker, for example, it is hard to see how any of the old shops could have survived the redevelopment of that area. However, even where shops have physically survived into the post-war period they will, almost inevitably, be under new ownership. The post-war period has seen a large number of small shops come under Asian ownership, and this has also had an effect upon the relationship between the small shopkeeper and the community. So we should now try to make some assessment of the impact that ethnicity has had upon this relationship.

The Impact Of Ethnicity

Racial harassment is a constant feature of the lives of many black and Asian people living in Britain today. Nationally, the number of racially-motivated incidents has been steadily increasing since 1988.(168) Racial harassment is also part of the everyday experience of many black and Asian people living on Tyneside, where the number of

incidents has also increased in recent years.(169) The 1990 Newcastle City Council Action Plan for Racial Equality stated that,

'Racial harassment is experienced by many members of the minority ethnic communities in their daily life in Newcastle. It takes many forms: attacks on the person range from verbal abuse, serious physical attack endangering life; attacks on property ranging from depositing rubbish in gardens to lighted rags through letter boxes; and persistent interferences with daily life.(170)

This is the context in which we should consider the experience of Asian shopkeepers living in the area. This is not to say that Asian shopkeepers in the region live in a state of constant siege. Or that they never enjoy good relations with their white neighbours but that, particularly in certain areas, there is a climate of racism. A Newcastle City Council report on racial harassment found that, 'Perceived racial incidents were more likely in the Elswick, Wingrove and West City wards than elsewhere in the City.'(171) All of these areas are in the west end of Newcastle, and that part of the city has become notorious for racially-motivated incidents. Although it is not clear from the published information what proportion of incidents involved shopkeepers Mo O'Toole, the chair of the Racial Equality Sub-Committee at the time of this report, told me that some of the reported incidents certainly did do so.(172)

Although everyday racism often goes unreported, it has been highlighted by certain dramatic, and often tragic, events. One of these was the murder of the Asian pensioner Khoaz Miah in Newcastle's west end in 1993. This prompted the Evening

Chronicle to mount an investigation into racism in the west end in general. The resultant article gives some indication of the nature of this problem. So we shall now briefly consider this. The article quotes Superintendent David Swift, sub-divisional commander of Newcastle's west end police force as saying,

'My contacts with people of ethnic minority in the area say at some time they have all suffered racial abuse and harassment. Sadly it is a fact of life that there is an awful lot of ignorance in the community.(173)'

The paper's own investigations reveal the same sorry tale,

'Victims have told the Evening Chronicle they are abused daily by white bullies. They suffer name calling, assaults, stone throwing and attacks on their homes.(174)

While it may be true that this racial harassment is perpetrated by a minority of the people living in the area, as several people assert in the article, this does not diminish its consequences for the victims.

The Tyneside riots of 1991 were another event which highlighted the problem of racism in the area. Beatrix Campbell has been instrumental in bringing out this aspect of the riots, so let us now turn to her account of them. She begins her account of the disturbances with a description of the events in Ely, in Wales, where the 'riot season' began. Campbell shows that, despite public protestations to the contrary from the residents and the police, there was a very definite racial element in the disturbance in that area.(175) In fact the riot was sparked by a series of incidents with distinct racial

overtones centred around a local Asian grocer's shop. Neither was this an isolated incident, Beatrix Campbell points out that,

'Asian traders in the city were the regular victims of attacks that went way beyond the normal aggravation they would expect as shopkeepers providing services late at night.(176)

There was also a strong element of racism in the riots on Tyneside, most notably on the Meadow Well estate in North Tyneside. The outcome of the disturbances in that area was that the Asian traders were quite literally driven off the estate never to return. Beatrix Campbell points out that this was not simply an attack upon property per se, although the riot did provide some with an opportunity for looting, but a racially-motivated attack. She describes how one resident had to plead with the rioters to allow her to get an Asian family out of a shop before they firebombed it!(177) She was greeted with the reply 'They're all the same! You've got two minutes to get out!'(178) During the looting of the shops one of the rioters was heard to shout, 'Don't do that one, it's a white man's shop.'(179) This is obviously an extreme example of hostility towards Asian traders but, nevertheless, it is also indicative of, what appears to be, a fairly widely-felt resentment towards this group. As I have indicated above, it is hardly an isolated incident.

In order to properly investigate the impact of ethnicity upon the relationship between small shopkeepers and the local community a separate study would be needed. However this is an issue that we do need to take account of in considering the relationship between the small shopkeeper and the working class community. It should also be

pointed out that I felt that this was too sensitive an issue to raise with the shopkeepers I interviewed (of whom two out of the three I spoke to were Asian.) I did make several visits to the shop in Heaton, where I saw every indication of a good relationship between the local community and the Asian shopkeeper. So, as I said above, the dynamics of this relationship can obviously vary considerably. We should now try to come to some conclusions about the situation as a whole in the post-war period.

The Breakdown Of Trust

Although the Asian traders were specifically targeted during the riot, white shopkeepers on the Meadow Well estate have also been attacked. A 1994 article in the Evening Chronicle describes how a white shopkeeper was also forced to leave the estate. It says that,

'Veteran butcher Emily Hoult was driven out of business by a series of raids after more than 40 years. Thieves have forced 79-year-old Mrs Hoult to quit the shop she started back in 1953. 'It's the saddest day of my life,' said Mrs Hoult as she shut up for the final time.'(180)

Mrs Hoult closed her shop because her takings went down as a result of families moving away in the aftermath of the riots, and because of the number of robberies she had experienced. As her shop was situated on Avon Avenue, the street that all the Asian

traders were forced to leave, it was one of the few shops remaining in the area after the riots. So it became an, increasingly vulnerable, target. Mrs Hoult said that,

'Things just got too bad. No one's living around here any more and that makes it all the easier for the villains.'(181)

The significance of this incident is that it illustrates just how much altered the relationship between the shopkeeper and the community has become in recent years.

Taken together with the rest of the evidence from the post-war period, it shows us that, regardless of their colour, shopkeepers do not generally have the close relationship with their communities that they once enjoyed. So it seems that, in some respects, the racial element only exacerbates the tensions that may already exist in the relationship between the small shopkeeper and the community. The key element in this changed relationship is: the breakdown of trust.

I have already discussed the decline of trust within communities in an earlier chapter, where I used the work of Anthony Giddens to argue that it is one of the ways in which the consequences of modernity have become more radicalised. The change in the relationship between the shopkeeper and the community is a further instance of the erosion of locality as a source of ontological security, to borrow a phrase from Giddens.(182) As he says, trust can no longer be anchored in criteria outside the relationship itself.(183) So ties based upon locality (for example) can no longer offer a sufficient basis, in themselves, for trust. The other theme that emerges from our consideration of the post-war period as a whole is: the increasing domination of

instrumental rationality in the actions of individuals, as Max Weber pointed out. Not that this replaces a purely affectual orientation to action, but that it leads to less of an interpenetration between the instrumental and the affectual spheres in the later post-war period. Again this is something that is also true of the relationship between small shopkeepers and working class communities. As I pointed out in the first chapter, the basic direction of the change in social relations I have discerned can be described in terms of the movement from *Gemeinschaft* to *Gesellschaft*. So the movement from *Gemeinschaft*-like relations to *Gesellschaft*-like relations is the basic, underlying, movement in modern society. What we have seen so far is, that this tendency is present in the development of relationships within working class communities, and between those communities and small shopkeepers.

Conclusion

This chapter has dealt with the relationship between the small shopkeeper and the working class community, and the way that this has altered over time. We have seen that the working class has always made use of informal credit from corner shops in order to survive. Working class customers also expected their local shopkeepers to lend them money in times of hardship. There was an interdependent relationship between shopkeepers and customers in working class areas before the Second World War. Shopkeepers were an integral part of their communities during this period, and they often

offered unpaid services to those communities. However this did not prevent them from unscrupulously exploiting their neighbours when the opportunity arose.

The ambiguous, and sometimes contradictory, behaviour of small shopkeepers towards their customers flows from their contradictory class location. I have argued that class is best understood from a Marxist perspective, and that a Marxist conception of class should retain some notion of the objective existence of certain material realities, as class can exist without class consciousness. I have utilised Wright's second class map, which reflects relations of exploitation rather than domination, in order to explain the class position of small shopkeepers. We saw that small shopkeepers belonged to the petty bourgeoisie. Wright does not see this group as forming the principal contradictory location within contemporary capitalism, and I would not dispute this. I argue that small shopkeepers form a contradictory location within exploitation relations in a way that other members of the petty bourgeoisie do not. This is because, as Marx and Engels point out, they exploit the poverty of the workers. However, their objective material interests and their cultural predisposition can also lead them to side with the working class in a struggle between labour and capital.

I then moved on to consider substantive studies of small shopkeepers. I found that, in many ways, small shopkeepers are social chameleons who take on the character of the area they inhabit. This is the point that Hosgood makes in his study of small shopkeepers during the period 1870-1914. It is also the view expressed by Bechhofer and his colleagues in the most significant contemporary study of small shopkeepers. They

found that independence was centrally important to small shopkeepers and that their behaviour was governed by 'economic traditionalism.' This leads them to conclude that their outlook is distinct from that of the capitalist class, the middle class and the working class. I have argued that this is a result of their contradictory class location.

The contradictory class location of small shopkeepers gives rise to contradictory attitudes towards their working class customers. I argue that while some small shopkeepers were content to be an integral part of their community, others sought to remove themselves from it. In practice, they often held both of these attitudes simultaneously. In fact, most small shopkeepers seem to have displayed a degree of ambivalence towards their community. This ambivalence can also be seen in the way that they conducted their business. While some small shopkeepers took every opportunity they could to cheat their customers, others seem to have dealt honestly with their customers and participated in the life of the local community. However, once again, we found that it was difficult to draw a hard and fast distinction between these two types of shopkeeper. We also saw that the way that individual shopkeepers were perceived by their communities was not necessarily a good indication of the way that they actually dealt with their customers.

Although the relationship between small shopkeepers and their customers was based upon exploitation, it cannot be explained purely in terms of instrumental rationality. It is best explained in terms of the interpenetration of the instrumental and affectual spheres of action. I argue that the particular form of the interpenetration of

rationalities involved in this relationship is partly the result of, what Hochschild calls, 'emotional labour.' This type of behaviour can be located within the work of Goffman on the way that individuals manage appearances during social encounters. I argue that the majority of credit-givers that deal with the working class are involved in a type of 'performance' that is, in some way, 'cynical.' However it is usually difficult to determine the extent to which the 'performance' of small shopkeepers is, in Goffman's terms, 'cynical' or 'sincere.'

Finally, I looked at the relationship between the small shopkeeper and the community in the post-war period. We saw that the old pattern of obtaining groceries on 'tick' continued into the 1950s and beyond in certain areas. It was not until considerably later that this practice began to decline. I argue that: the changing nature of working class communities has been a significant factor in the decline of the number of corner shops offering credit. This is because corner shop credit has to be based upon some type of mutual trust or understanding *between the shopkeeper and the community*. So I see it as an indicator of the amount of trust that exists within a given community. It would seem that there has been a breakdown of trust within this relationship during the post-war period. The change in the relationship between the shopkeeper and the community is one example of the erosion of locality as a source of ontological security, to borrow a phrase from Giddens. It is part of the overall movement from *Gemeinschaft*-like relations to *Gesellschaft*-like relations which, as we have seen, is the basic, underlying, movement in contemporary society.

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Chapter Four

'Just Like One Of The Family.' The Role Of The Agent And The Established Firm Within Working Class Credit Before 1945.

Introduction

One consistent feature of the use of credit by the working class is, the fact that those companies that offer them credit tend to rely upon 'agents' or collectors, to mediate between themselves and their customers. Collectors are often from working class communities themselves, even if they are not from the areas that they operate within. There is often a close relationship between the agent and the customer. This is because most agents begin by offering their services to their immediate circle of family and friends and, if they do not already know a customer, then they will usually develop a close relationship with them over time. This process is facilitated by the fact that agents, or collectors, are often women, employed by a company on a part-time basis, selling to other women. So, a close personal relationship exists, or will usually develop, between agent and customer. This can be beneficial to the company involved, as such close personal ties can both create custom in the first instance, and ensure regular payment once a transaction has been entered into. On the other hand, the loyalties of the agent can often be divided between the company and the customer. So, in a situation where there is a conflict of interests between the two parties, the agent could potentially be on either side. The situation can be less ambiguous when an agent is a full-time employee for that firm,

but this still does not ensure the agent will side with their employer. Nevertheless, those companies that offered credit to the working class in the past used a network of local agents, and the same system continues to be used, often by many of the same firms, today. So some of the companies that traded in this way before the Second World War are still doing so today. A discussion of the history of these firms, then, will enable us to see how this method of trading originated, and how it works in practice.

A Durable Form Of Credit-Trading

In Retail Trading In Britain 1850-1950, Jefferys says that, in the years following the First World War, club or check trading provided an impetus to the growth of certain small-scale retailers. He points out that,

'This movement, which was more widespread in the North than in the South of England, flourished in the periods of heavy unemployment and for many families provided the only method of affording new clothes. Some multiple shop firms were prominent in this form of trading, for example the Provident Clothing and Supply Company Ltd., and other large firms, for example Great Universal Stores Ltd., operated the system by means of agents or collectors and mail order delivery rather than through fixed shops; but the majority of the retailers taking part in such schemes were small-scale retailers.'⁽¹⁾

This is undoubtedly an accurate description of the growth of small-scale retail credit in inter-war Britain. After 1945, however, many of the small-scale retailers trading on the

club or check system began to go into decline and have now become relatively scarce.

This has not been the case with the two major firms that Jefferys names above: the

Provident Clothing and Supply Company and Great Universal Stores Ltd.

Great Universal Stores was founded in 1900 as Universal Stores.(2) Today it is a large, successful, company that includes several subsidiary mail-order firms, most notable of which is Kays.(3) The other large mail order company that operated during the inter-war period and is still successful today is, Empire Stores Ltd. This company is considerably older than Great Universal Stores. Both Empire Stores and the Provident were created during the nineteenth century and, as such, they are good examples of the old, established, family firm. As well as being of a comparable age, though, reasonably coherent company histories exist for both of these firms, which is not the case with Great Universal. So these are the two companies that we are going to consider here.

The continued success of these two firms today is quite apparent. Most of their customers are drawn from working class communities, where they continue to operate by utilising a number of 'agents.' A number of studies have found that mail order and check-trading are forms of credit that are particularly associated with low-income consumers.

Janet Ford points out that,

'Research in the early 1980s showed that there were some forms of credit used predominantly or exclusively by those living in or on the margins of poverty - for example, tallymen, money-lenders and check-traders. In 1980, the NCC survey showed that 21 per cent of semi- and unskilled manual workers were using or had used check trading, compared to 8 per cent of

routine (non-professional/managerial) clerical workers.'⁽⁴⁾

The NCC report also called mail order a 'key source' of credit for those on low incomes.⁽⁵⁾ A 1989 Social Security Advisory Committee report pointed out that there are considerable differences in the types of credit used by people at different levels of income. It makes the point that,

'Credit cards, 'loans' (from banks or finance houses) and store credit all tend to be used more by richer than poorer people, who tend to use mail order companies. Check traders and so on do most of their business with low income customers, but supply only a small proportion of the credit available to that group.'⁽⁶⁾

It goes on to say that a survey of benefit claimants conducted in 1982 showed that mail order catalogues were their main source of credit.⁽⁷⁾

The most recent major survey of credit use in Great Britain, the 1992 PSI Report, found that, although all income groups bought by mail order to about the same extent, 'mail-order catalogues formed a high proportion of revolving credit in low-income households.'⁽⁸⁾ The PSI report also found that it was mainly those on low-incomes that made use of check-traders.⁽⁹⁾ Some of these reports do not actually name the companies involved, but the phrase 'check trader' is often used to denote the Provident Clothing and Supply Company, although there are also smaller companies that trade by this method. In the case of mail order companies, there are several that operate in this market, of which Empire Stores is only one, but it would seem to be the longest standing firm of this type.

This is the reason for considering the two firms together as indicative of the phenomenon of an 'established firm' operating within working class communities. As well as this, both of these companies are still trading on Tyneside today.

In Living On The Edge: A Study of the Living Standards of Families on Benefit in Tyne & Wear published by Tyneside Child Poverty Action Group in 1989, it was pointed out that the Provident Clothing and Supply Company was 'by far the largest cheque trading organisation operating in Tyne and Wear.'⁽¹⁰⁾ Twenty-six families in the sample had applied for a single payment from the DHSS for a household item and been refused. Sixteen of these families had then acquired the item through mail order catalogue credit. The other families just did without the item.⁽¹¹⁾ Two thirds of the families in their sample owed money to mail order companies.⁽¹²⁾

Both Empire Stores and the Provident have a number of common elements: they are established firms, and thus could be seen as 'traditional' forms of credit by the working class, and they both use a system of local agents. Gillian Parker has spelt out the implications of this latter fact,

'The weekly 'callers' from shopping check companies and small-scale moneylenders are often from well-established 'family' firms and this influences the way in which they are regarded by their customers. Women do business with the company that their mothers, and even grandmothers used and the callers come to be seen as family friends.'⁽¹³⁾

The personal relationships involved in this type of business transaction can mean that women feel an obligation to pay even when this will lead to severe financial difficulties.

Parker points out that another reason that women are reluctant to miss payments is, that it would cut them off from a source of credit that may be the only legal option available. The alternative being to go to an illegal moneylender.(14) So is this personalisation of a business transaction the reason for the continued success of the two companies cited above? There are other possible reasons, one is the fact that these companies have a captive market, as they are prepared to offer credit where other companies would refuse it. We also need to ask, though, what explanations do the companies themselves offer for their success? It is possible to answer this question by a survey of the literature the companies have produced about themselves. This involves a detour into the company history of both firms, but it is a necessary detour. We can now look at each of the two companies in turn, beginning with the oldest: Empire Stores.

The Story Of Empire Stores

Empire Stores was founded in 1831 by an Italian immigrant, Antonio Fattorini, when he opened a small jewellery and fancy goods shop in Leeds.(15) The official company history, authored by Patrick Beaver, says that the reason for the continued success of the company is '...the consistent following of a policy of making goods available to working people at a low profit and maintaining a high turnover by so doing.'(16) So how exactly was this achieved? Firstly, by the use of mail order, and here the company history offers a useful definition of mail order as,

'... a commercial retail enterprise carried on mainly by means of the mail, whereby customers order, from illustrated catalogues sent to them twice a year by post, general merchandise of every description and receive their orders by parcel post, rail or road. All goods are sent to the customer on an 'approval' basis and on a system of extended credit.'(17)

The advantage of this system, according to Beaver, is that it eliminates the middleman, as catalogues buy direct from the factory. This allows them to buy in vast quantities, or even take over the entire output of a manufacturer. Also, as they buy for a whole season, they can combat inflation by forward purchasing. The mail order system also economises in its' operating methods, as there are 'no idle shop assistants waiting for customers.'(18)

Beaver says that these are the reasons for the growing popularity of mail order and that, in 1981, 20 million people used the system and they made an estimated half million purchases daily.(19)

The company history also openly acknowledges the importance of 'the agent' to their continued success. It is worth noting here that the company appears to see all of its potential customers, and agents, as female. So, for example, if a customer becomes an agent '...she will receive 10 per cent of the total sum of her business.'(20) The central importance of the agent for the company is spelt out for us,

'As far as Empire Stores is concerned she will also be acting as a highly efficient means of credit control, for it takes a tough customer to bilk her neighbour.'(21)

Beaver goes on to say that,

'Today Empire Stores deals with some 400,000 part-time agents, each of whom serves an average of five customers and handles a turnover of £350 a year. Between them they send to the Bradford head office a total of over six million orders a year which altogether consist of more than 16 million items.'(22)

Antonio Fattorini began as a travelling packman, or pedlar, hence the title of the company history: A Pedlar's Legacy. Beaver, rather unsurprisingly, spends considerable time contrasting the humble origins of the firm with the large, modern, business that it later became. Thankfully, this need not concern us here. One feature of the company's development that is of interest, though, is the 'Watch Club.' By the mid-nineteenth century there were three Fattorini jeweller's shops. These shops were providing interest-free credit 'to customers of standing,' as Beaver puts it, which appears to mean, to customers who were not working class!(23) The Fattorinis aim was,

'...to introduce a system of credit which would enable working people with little or no credit worthiness to buy watches and clocks without risk of bad debt to the firm.'(24)

The method they devised to achieve this end was, a system of clubs that agreed to meet every week at a public house to pay 6d a head into a common fund for 50 weeks. When the club had accumulated £1.5s it was sent to one of the Fattorini shops to pay for a silver pocket watch. The shop gave a discount on the watch, which was put into the club's social fund. The watch was then raffled to the club members, and this went on until all the members had received their watches. Beaver says that,

'These watch clubs with their easily available interest-free credit, were a success from the beginning, and as the paying of the weekly subscription became an occasion for meeting friends and neighbours and having a glass of beer they developed into valued social institutions.'(25)

The clubs were self-policing, they had a committee that excluded bad payers, and they imposed fines on any members late with their subscription. All this was good for the firm. It enabled them to greatly expand their clientele with only minimal risk to profits.

By the end of the nineteenth century, there were about 1,000 Fattorini clubs spread throughout the country, so the system was obviously quite popular among certain groups of workers. The watch clubs are interesting in that they employed the same method of credit control as the contemporary mail order catalogue agent: social pressure. The only real difference would seem to be that watch clubs existed for men, and their activities were carried out in public in a male environment (the pub) while catalogue selling is now primarily directed at women, and takes place in the private sphere (the home.) The Fattorinis would seem to be the first company to hit on the idea of customers policing themselves, and once they found it, they stuck with it! This method has subsequently been employed by every firm trading in this way. When all the members of a watch club had received watches, the club would then go on to purchase a watch chain, or a set of cutlery in the same manner.(26) Many clubs were some distance from the organising shops, and this led to the introduction of club catalogues. So, the watch clubs began in the 1850s,

and by the 1890s they had become 'Watch, Clock & Jewellery Clubs,' and this was the beginning of the Fattorini mail order business.

The next phase in the company's development was the detachment of the mail order side of the business from the retail shops, which occurred in 1907 with the creation of the Northern Trading Company in Bradford. Beaver says that,

'Northern Trading agents were not only active in Bradford but all over the north of England, for in addition to advertising the firm had representatives to recruit new agents at pitheads, public houses and factory gates. In those days a husband was responsible for his wife's debts and the firm only accepted men as agents, although in practice it was usually the wives who did the work.'⁽²⁷⁾

With the establishment of Northern Trading the company greatly increased the amount of potential customers it would appeal to. The club system had only reached the labour aristocracy, but Northern Trading offered the whole of the working class (skilled and unskilled) the chance to purchase household goods on credit. Beaver refers to Round About a Pound a Week, by Maud Pember Reeves, to indicate the type of customer they sought. As Beaver says, the appeal of the 'weekly' system to families on about a pound a week was that they needed to know exactly what their weekly expenditure would be. So, the use of a system of weekly payments allowed women to budget more carefully, while the fact that an agent called to collect the payment meant that the money was paid on time.

The company changed its' name to Empire Stores Limited on 28th June 1910, when it was registered under this name with a nominal share capital of £100.(28) The company continued to grow in the following years, despite the First World War, and the depression. Beaver points out that the mail order industry tends to flourish during an economic recession,

'...for the newly unemployed were forced to resort to the 'weekly' to obtain many necessities such as clothes, bedding and other domestic items. In the 1920s and 1930s mail order demand rose to record heights...'(29)

Empire Stores took responsibility for bad debts, so it warned agents to be careful not to give too much credit to new customers *to begin with*. Beaver says that *bad debts only* amounted to six per cent of the company's transactions during the depression.(30) This seems somewhat improbable, particularly as Beaver is very vague as to when this was, he seems to mean that it stood at this level during the 1930s, but it is difficult to be certain from the context of the statement. It was only the rise of the Third Reich that could halt the unbridled success of Empire Stores, if Beaver is to be believed. The company was badly hit by wartime shortages and had to lose 'Many of its best-selling lines,' most of which never appeared in the catalogue again.(31) We must now consider what happened to the company in the period of post-war prosperity.

After the Second World War Joseph Fattorini became the head of the company and, with a marketing executive called Mick Wells, he set about remodelling the company. They sought to win over the 'new affluent working class' to mail order

shopping. This entailed a reorganisation of the firm to 'put it on a modern, efficient footing.'⁽³²⁾ A similar sort of post-war restructuring took place within the Provident Clothing & Supply Company, as we shall see. For both firms it was as much about changing the image of the company as it was about increased organisational efficiency. Beaver points out that, as workers became more affluent, mail order companies had to face up to the fact that their industry had a reputation for selling poor quality goods. This was because, in the past, they had 'catered mainly to a class of custom that was attracted by the cheapness and availability of credit.'⁽³³⁾ Mail order catalogues had to compete with high street shops in the post-war period, and this forced them to begin to trade in branded goods. This would convince people 'that mail order was no longer a low-class trade.'⁽³⁴⁾ The result of this move, says Beaver, was that, by 1960, there were virtually no nationally advertised goods that could not be obtained through a catalogue.⁽³⁵⁾

The company continued to grow during the 1950s and 60s, and the catalogue expanded to accommodate the increased demand for 'luxury' goods and consumer durables. Ever-conscious of its image, and seeking to expand into the newly-created youth market, the catalogue also offered,

'...an extensive range of clothing for the teenager, and tape recorders, record players and long-playing records all especially selected by teams appointed to keep up with youthful demand.'⁽³⁶⁾

This was a far cry from the pre-war catalogues that sold clothing to the unemployed during the depression. Now the firm's catalogues presented a bright, modern, 'fun' image of a company that was 'Moving with the times,' as Beaver puts it. He says that,

'In 1966 the catalogue contained 17,500 items (one of which was motor car insurance), turnover was more than £12 million, while net profits topped the million mark for the first time...'(37)

Empire Stores had truly 'never had it so good.'

The company histories of both Empire Stores, and the Provident make much out of their move into 'The computer age.' The installation of computer systems would appear to be a source of great pride to both firms. In the case of Empire Stores, an IBM computer was installed in 1968 to take over the majority of the firm's clerical work.(38) All the organisational improvements that the company introduced, though, still did not tackle the ongoing problem of the company's image. Beaver says that, during the early 1970s,

'...it became increasingly apparent that the company's public image was not securing the confidence and support that was needed for the planned programme of expansion..'(39)

Again, it would appear that the company was still finding it hard to shake off its association with the dark days of the depression, despite all its efforts. So they still needed an improved public image, and they turned to market research to provide it for them. As a result, they changed the way that they recruited agents.

Up until this point, the company had used its full-time representatives to recruit agents by 'cold canvassing.' By the early 70s, though every other mail order company was using postage-paid coupons to advertise for agents. So, in 1975, Empire Stores also adopted this approach.(40) This posed the problem of how were creditworthy agents to be identified? In the past, the expertise of the full-time representative was relied upon to assess credit risk, literally on the doorstep. Beaver says that this did not turn out to be a problem as, 'advertising produces perfectly satisfactory agents and does not increase the number of bad debts.'(41) The company subsequently adopted 'a system of judging creditworthiness on a statistical evaluation of prospective agents.'(42) This was found to be more reliable than the personal evaluation of the sales representative. The company does still continue to 'cold canvas' for agents, but more than half of their agents are now recruited through advertising. This means that the type of people that can become agents can now be more strictly controlled, as it is no longer left up to an individual to make the decision because *the process has become bureaucratized. The company switched from the use of personal judgement to evaluation through a points-scoring system in 1978.*(43) In theoretical terms, this is a move towards what Weber called bureaucratic 'management.' Weber said that, 'The reduction of modern office management to rules is deeply embedded in its very nature.'(44) This means that transactions are no longer decided upon individually, but by the use of a set of fixed principles. We need to note, however, that the use of personal evaluation and personal contact, was still maintained along with this rationalisation of recruitment procedures.

Catalogue selling, then, has successfully combined modern, bureaucratic, procedures with the more personal techniques that have traditionally been employed in the field. We have also seen that mail order continues to be widely used among those on low incomes and benefits today. Before accepting Beaver's explanation for the continued success of companies like Empire Stores (i.e. that it provides high quality goods at an affordable price) we should also consider an alternative view. There is not a great deal of secondary literature on mail order companies, but Sally Baldwin's 1973 article on the availability of credit in Glasgow: 'Credit and class distinction' does offer us a quite different view to Beaver's. She says that,

'In Scotland, door-to-door tallymen are not all that common, their place being usurped, perhaps, by mail order shopping...Mail order firms do not charge an identifiable interest rate, but obviously the notional price is inflated to include a financial charge. Their prices tend to be expensive, brand names are conspicuously absent and a number of firms sell clothes that are of a degree of shoddiness.'⁽⁴⁵⁾

Baldwin also makes the point that catalogue companies, as well as using an agent, can also deal directly with the customer. This is undoubtedly true and, for some, this method may have its advantages, and indeed mail order generally may be very helpful to certain people, such as those unable to travel to shops.

However, this still does not really explain the success of mail order companies in the post-war period. This seems to have been due to several factors which we will discuss in detail later. However, for the moment, it is worth making two points about the

continued success of mail order in recent years. Firstly this form of trading has expanded so as to encompass more upmarket merchandise. So the mail-order market has become more segmented than it formerly was. Secondly, it is the single most accessible form of commercial credit, as we shall see below. Virtually anybody can obtain this type of credit no matter what their financial circumstances are. As the 1992 PSI Report found,

'A quarter of catalogues (24 per cent) were used by people with no other source of credit. They therefore formed a sector of the market distinct from other forms of credit.'⁽⁴⁶⁾

We can now turn to examine the history of the Provident in order to bring out the similarities between it and Empire Stores that have been mentioned in passing already.

The Story Of 'The Provi'

The Provident Clothing & Supply Company was founded, in Bradford, in 1880, by a former Methodist insurance collector, Joshua Waddilove.⁽⁴⁷⁾ Waddilove had seen poverty first-hand while collecting insurance, and this prompted him to begin supplying Checks to the poor of Bradford, as a charitable gesture. He used Checks that could be redeemed at local shops, rather than money, so as to prevent the recipient spending it on drink!⁽⁴⁸⁾ Word of Joshua's charitable deeds spread and he found that he was inundated with requests for Checks from women who were willing to pay for them in weekly instalments. Joshua was then compelled to hire helpers to collect the weekly payments.

He then arranged for the shops that he dealt with to give him a discount as payment for the extra business that he brought to them, and thus created the trading system that Provident still uses today.(49)

The company history, as we might expect, documents the rise of the company in some detail pointing out that,

'By 1910 there were more than 3,000 Agents of what had become to be known as 'the good old Provident' or 'the poor man's banker.' There were 85 offices from Aberdeen to Llanelly and turnover was near £1,000,000.(50)

It goes on to describe the firm in 1980,

'Today, firmly integrated in a society which has accepted the necessity for credit, Provident has some 15,000 Agents working out of 519 Branch, offices and a turnover of £80,000,000.(51)

The figures speak for themselves, the exploitation of poverty can be a lucrative business.

The Provident, like Empire Stores, has grown from 'humble beginnings' to become a successful, modern company. So what is the explanation that the firm itself offers for this?

The Provident describes its own post-war history as a period 'When the giant awoke.' What is meant by this is, that the company had been a 'sleeping giant' until 1962 when the company changed hands and, somewhat later than Empire Stores, began its post-war facelift. In 1962 the company was bought by Ralph Yablon, a former Bradford solicitor, while Gordon Waddilove (the grandson of the company's founder) remained as

Chairman.(52) Up until this point, Checks had to be paid off within 20 weeks. The company now abolished the 20 week limit, and introduced Vouchers on a 50 or 100 week basis in order to cope with the increased demand for consumer durables.(53) There was also a drive to extend and increase the range of shops in which Provident Checks could be used. The company consciously set out to change its public image. The new management wanted Provident to have a contemporary image,

'But customers, and, especially many potential customers, still retained an impression of Provident as a firm through which you just bought coal or shoes.'(54)

Again, like Empire Stores, Provident was a firm bound up with its past. Both firms had enjoyed considerable success during the depression years, but after the war they wanted to shake off the coal dust and ditch the 'cloth cap' image so as to appeal to a new generation of workers, most of whom were more affluent than their parents were.

The company brought in (the inevitable) marketing consultant to prepare a report, and then acted upon its recommendations. This led to the creation of a newspaper, a marketing magazine and television advertising (you can't get any more modern than that, can you?) The Provident also began to expand into new areas. In 1967 foreign holidays became available on credit through Key Tours and, in the same year, the company began to offer its customers a motor insurance scheme.(55) As the company history puts it 'The giant had got himself a new suit of clothes.' Like Empire Stores, Provident also improved their administrative machinery. They installed a new 'super-efficient' computer centre at

Bradford Head Office which increases the amount of control the central office can have over the localities. There was a similar process of bureaucratisation in the Provident to that which took place in Empire Stores, with the Collection Book changing to meet the needs of the computer.(56) As with Empire Stores, though, the tightening up of the central administrative machinery did not mean the abandonment of a system of local agents using personal evaluation as a means of credit control. As I indicated in the Introduction, restricted access to mainstream credit has been one of the factors that has sustained the types of credit we are concerned with here. The role of the agent in 'cultivating' customers would seem to be the other factor that has helped to keep them alive. So we can now move on to consider the role that the agent played during the inter-war period in more detail.

The Role Of The Agent

Firstly, I wish to clarify what I mean by the term 'agent.' In the discussion that follows I will use this term to refer to any individual who is acting on behalf of any organisation that offers 'doorstep' credit to individual consumers. 'Doorstep' credit is usually described as 'weekly-collected credit' by the industry itself.(57) This is because loans are usually paid in weekly instalments and,

'The instalments are usually collected personally by someone who calls on the customer each week or month.'(58)

So the agent acts as the interface between the consumer and the organisation. As the agents of mail order companies fulfil the same function, if there is an agent involved in a transaction, I would also see mail order credit as a type of 'doorstep' credit. It should be pointed out that this definition has been made deliberately wide in order to encompass all the different types of credit 'agents' that deal with the working class. As well as looking at agents of mail order companies and check trading companies, we will also consider those credit drapers that dealt with the working class directly. The reason for this is, that the relationship between the customer and the person offering them credit is of crucial importance in any type of credit that is collected by agents who regularly visit customers in their own home.

The importance of the close personal relationship that usually developed between the agent of a credit company and their customers *has been acknowledged by various commentators*. It was also a feature of the way that the working class used other financial institutions. Paul Johnson points out that, while the weekly call of the insurance agent imposed a discipline for saving upon working class housewives, it also had a social function.(59) Melanie Tebbutt says that the weekly call of the tallyman, or Scotch draper, had the same dual purpose. She quotes an ex-tallyman who says,

'In my days as a traveller the key used to be under the mat or in the potted plant. And I used to let myself in with the key and open the sideboard drawer, and there was the money. This is the way it is done...it is complete confidence.'(60)

As we will see, this sort of trust between the customer and the collector was not at all uncommon. Tebbutt goes on to bring out the commercial advantages of such a 'friendly' relationship.

'Such intimacy had considerable advantages to the credit trader since it reduced the likelihood of bad debt, and was a more effective guarantee of repayment than legal remedies. His regular appearance with new goods also helped keep the customer indebted.'(61)

Tebbutt also points to the negative side of this relationship.

'The tallyman had always had unpleasant associations of 'unhappy women' being lured to buy 'unsuitable finery' they could not afford, and of being 'dunned' and threatened with exposure when they could not meet the payments.'(62)

She says that the growth of new housing estates, which lacked the extensive social networks of the old districts, made women even more vulnerable to 'sharp practices.' 'Dumping,' in particular was particularly prevalent in the suburbs.

'Dumping' does seem to have been quite common during the inter-war period. A contemporary account is given in a 1928 article in The Retail Credit World headed, 'Unfair Methods In Our Trade.'

'Let us first take the method of forcing goods in houses on approval, in the hope that the occupant will be weak enough to keep the goods, and to commence paying for them when the trader concerned practically refuses to remove the goods.'(63)

The author of this article then goes on to bemoan the fact that some firms allow anyone (even working class people) to become their part-time agent in a district!

'Generally speaking, they are people of the worst type, often living in slum districts of our great cities and towns, men and women devoid of prestige, personality or dignity, and destitute of any kind of business ability.'(64)

This article triggered a reply from Wilfred Lawson of Newcastle Upon Tyne. He titles his article rather unambiguously: 'The 'Part-Time Agent' System. Not an unfair method in our trade.' Mr Lawson says that he himself uses this method of trading, and then goes on to make *the case for it*.

'Every credit trader has amongst his own customers numerous potential agents, and as he can make the choice himself - good agents. Why look further? Your customers may have occasionally introduced a friend to your traveller, but could and would do much more, with a definite promise of reward.'(65)

However, even he adds a note of caution, advising that new agents should be given limited responsibilities to start with. This alerts us to an important distinction, which we will explore further below, the difference between a full and part-time agent.

For the credit agent, their customers were indeed a valuable source of information. In a contemporary manual for credit traders, Edward C. Warren is explicit about the advantages that a would-be credit trader could gain from exploiting this source properly. He says that,

'Full investigation into the financial standing of the family of each new customer is readily made by personal inquiry, on the spot, from existing

customers. These, again, seem always able to provide tracing information about the removal and new address of any customers leaving the district. Collectors, by reason of their frequent calls, learn the life-history and habits of their customers and gain advance knowledge of impending marriages, births, and suchlike, so that potential orders for goods are quickly booked.'(66)

The importance of this type of information-gathering is also stressed in an article that appeared in The Credit World in 1930 entitled: 'Hints by a collector-supervisor for collectors.'

'Keep your ears open for gossip regarding impending marriages and make a note of the dates. There are usually some nice orders to be picked up at these times. Similarly, regarding funerals: if you hear of a death in the family, go along and tactfully suggest that in the event of any mourning being required etc. etc.'(67)

As we will see below, collectors do make a point of gathering this type of personal information about their customers. After all, for the credit trader, both birth and death can lead to 'some nice orders.'

Another source of information about potential customers, in the days before credit referencing, was other credit traders. In 1929 The Credit World published a speech given to the Newcastle-Upon-Tyne Credit Traders Association by Mr Forgie which traced the history of the Association.

'Just seventy-six years ago today ten travelling drapers met and founded this society. They were better known as Scotch Drapers in those days... The first meeting was held in the Cordwainers' Hall at the corner of Nelson Street and Clayton

Street.'(68)

Apparently the members passed a motion,

'...which required members to send in a list of bad payers so that they could be listed and issued in printed form for the guidance of the society.'(69)

The Newcastle Association was undoubtedly very successful. In 1931 The Credit World reported that this list, which was known as The Newcastle Protection Register, was receiving 500 to 600 names per week, '...and the total at present was 46,414!'(70)

In addition to co-operation between credit traders engaged in the same type of business, there was also co-operation between traders involved in different types of credit.

A 1929 article in The Credit World describes, 'How Credit Traders and Hire-Purchase Traders Can Help One Another.' It claims that,

'A considerable number of co-operative arrangements already exist between credit traders and hire-purchase traders, and one of the best-known hire-purchase houses in the furniture trade is associated with one of the largest credit trading concerns. Very little has been said about these connections by the parties concerned...'(71)

The author then goes on to explain how this co-operation worked.

'The credit trader introduces customers to the hire-purchase trader in return for a commission *on the business done with them*. The 'introduction' is sometimes made without the customer's knowledge. The credit trader and the hire-purchase trader also exchange information regarding unsatisfactory customers, to their mutual advantage.'(72)

It is also worth noting that hire-purchase traders would also use local insurance agents in the same manner. Warren says that,

'One method of eliciting this pre-business information is to enlist the help of local insurance company collectors, whose business is so intimately associated with the lives of people in their district. They are supplied with questionnaires to be completed to give the number and ages of the members of a family and their history, the amount of rent paid weekly, the income and employment of those at work and the period of residence at their present address. All such knowledge comes easily to the insurance collector on his weekly round and is imparted to the dealer for a nominal sum.'(73)

Warren does not stop there. He goes on to suggest that enterprising dealers carry this a stage further,

'...by suggesting that the insurance official obtains early information about forthcoming marriages and anticipated domestic events, so that they may be the first on the scene at the appropriate time with the right goods and the knowledge of how far it is safe to offer terms of payment.'(74)

As we will see, there was a final link in this chain which enabled insurance agents to exchange information with agents of 'doorstep' credit companies. So there was a free flow of information, not only between different credit companies but between all commercial concerns that dealt with the working class upon a regular basis.

Once credit agents had found a 'good' customer, their next concern was to keep them on their books in order to prevent them from straying to rival companies. One way

of doing this was to make sure an account was constantly kept open. So, on the whole, although collectors wanted to be paid regularly they did not necessarily want a customer to 'settle up' completely. A 1928 article in The Retail Credit World asks, 'Are paid-up customers a problem?' The author is concerned that credit traders may lose custom to shops as a result of improvements in the public transport system. The collector must, therefore, keep in touch with customers when their accounts are getting low. As one trader puts it, 'It is better to deal with the devil you know than with the devil you don't.'⁽⁷⁵⁾ So the article advises that 'The vital time for re-selling is when the account is getting low.'⁽⁷⁶⁾ It describes the collector as the 'vital link' between the credit-trader and his customers. They quote a credit-trader who says, 'Train your collectors to look upon paid-up accounts as a financial loss to themselves.'⁽⁷⁷⁾ He suggests that, if a collector is paid commission, they might also be fined for every settled account.

The article emphasises 'The Human Element,' as keeping in touch with customers can yield dividends. As the author puts it, 'Personality Does Count!'⁽⁷⁸⁾ The author of this article then goes on to show just how much personality does count.

'As an amusing example of how far personality counts in retaining customers on the books, this trader mentioned that on his first round with one traveller who had had the round for many years, he was introduced as the new owner of the business to one old lady who said she did not care who the proprietor of the business was, for as long as Mr ___ (naming the traveller) had charge of her account she knew she would be well looked after.'⁽⁷⁹⁾

This anecdote perfectly illustrates one of the fundamental qualities of the relationship between the agent and the customer: the agent's customers are often loyal to the agent as an individual, rather than to the company.

A salesman writing in The Credit World in 1930 displays a perfect understanding of how much his relationship with his customers 'counted.'

'Some customers are embarrassingly hospitable. Of course it is rather nice to be on friendly terms with customers, and you may be sure that the man who is popular enough to be asked to take a cup of tea is the man who is going to book the orders.'(80)

This friendly relationship is usually sustained through a certain amount of deliberate manipulation and role-playing on the part of the salesperson. For example, credit agents may feign interest in things that interest their customers in order to gain their trust. So, as we saw with small shopkeepers in the previous chapter, their relationship with their customers may involve, what Goffman would term, a 'performance.' Sometimes agents find their own feelings coming into conflict with their business interests, which could present them with a personal dilemma. The salesman quoted above was often so worried about the standards of hygiene in some of the houses he visited that he refused a cup of tea. Of course, to refuse hospitality in this way was to risk losing business with that particular customer.

However outwardly friendly the relationship between the agent and the customer was, inwardly a lot of agents still seem to have retained a certain amount of disapproval

of their customers. So, for example, as in the above case, an agent may simply have disapproved of their customers' standards of hygiene. Or, as was often the case, the disapproval may have been political. As we will see below, certain types of agents disapproved of their customers taking industrial action. They may also have been inwardly critical of their customers' management of their finances. Collectors sometimes displayed an attitude of paternalistic amusement towards their working class customers. It is worth pointing out that the article about the salesman that refused cups of tea appeared in a regular column in The Credit World entitled 'Funny Customers.' The paper published a number of these 'humorous' anecdotes from credit salesmen. Another appeared under the heading 'Humours of Selling on Tick.' This piece describes a collector in a working class area who was asked to obtain a fur for a female customer when, 'her neighbour (and rival)' acquired one. The author claims that, 'she was not only envious but asked him to beat it for her.'(81)

Mail order companies also recognised the importance of a good agent. A recent BBC2 programme on mail order pointed out that,

'Good agents were vital to the mail order industry, and finding women who were reliable was crucial to the success of any company... There was often fierce competition within the industry and it was quite common for one company to poach another's top agent.'(82)

The programme-makers interviewed Hazel May Paget, a Gratton agent from 1928 to 1993, who was headhunted by a rival firm. She says that one day, out of the blue, she received a visit from a representative of a rival mail order catalogue.

'He says, 'They've sent me to see if I could get hold of you. "Cause they'd been informed that if they could get me as an agent they would be set up, you see, have a good agent.'(83)

Unfortunately, for the rival company's representative, Hazel could not be tempted away from Grattons, even with the added inducement of a company car! One method of sustaining this type of loyalty to a firm was to hold presentation ceremonies for long-serving agents. Hazel Paget was presented with various 'gifts' from the company, including a gold sovereign and a television, and she proudly displays framed photographs of the presentation ceremonies on her wall.

Agents of mail order companies worked part-time. They were usually women, and they usually sold to their own communities. This meant that *their relationship to their customers* had a different character to that of the full-time collector. As we have seen, a number of credit firms, including the Provident, employed part-time agents. As well as part-time and full-time agents, though, there was a third type of collector that dealt with the working class: owner-collectors. These were dealers who owned a locally-based credit firm that had either very few employees or none at all. This resulted in the owners of the business being compelled to participate personally in the collection of payments. So, in terms of their class position, these owner-collectors were in a similar situation to that of

the small shopkeepers we considered in the previous chapter (i.e. they were petit bourgeois.) I would also argue that they held a similarly ambiguous evaluation of the working class to small shopkeepers.

Many of the small credit firms that existed during the inter-war period went into decline and eventually disappeared during the post-war period. However, two owner collectors were interviewed as part of the 1994 PSI study of doorstep lenders by Karen Rowlingson that I quoted above. Her comments are equally applicable to the earlier period.

'People became owners of small moneylending businesses because they were entrepreneurs who were interested in the credit industry or in sales. The owner-collectors were the least like their customers in terms of social class but this difference did not cause much friction as there was some acceptance and respect between them and their customers.'(84)

Like small shopkeepers, they dealt with the working class as consumers rather than producers. So they also occupied a contradictory class location. The significance of this was, that they had the potential to side with the working class in struggles to protect working class living standards as it was in their interests to defend them.

For example, the annual general meeting of the Check Traders Association held in Liverpool on February 26 1931 noted the effects of the slump on their trade. The President,

'...referred to the bad trade and general depression which had characterised 1930. Check traders, in common with others throughout the

country, but more especially in the Midlands and the North, had had to contend with difficulty upon difficulty, and the utmost care had to be exercised in the conduct of their business.'(85)

While the President of the Check Traders Association is obviously more concerned with the effects of the depression upon the credit trade than the hardships inflicted upon the working class, a 1931 article in The Credit World comes close to an expression of sympathy, even if not solidarity.

'In the industrial areas there are many credit men who are already feeling acutely the cut in the 'dole.' The difference between what the unemployed were receiving in the past and that which they are now being paid was the amount that they could afford to pay the traveller after providing for their daily necessities. As innumerable credit men know to their cost that narrow margin has entirely disappeared.'(86)

A note of caution is necessary here. I am not arguing that credit traders would invariably support working class struggles. I am not even suggesting that they would always be sympathetic towards the working class. What I would say, however, is that in a similar way to small shopkeepers, the attitude of some credit traders towards their customers was highly ambiguous. This was largely a result of their frequent contact with them, which could lead to a certain amount of empathy and understanding of working class lives. As well as this, in the case of doorstep credit traders the issue of the contradictory class location of the traders is less significant than it was with small shopkeepers. This is because, of all the types of credit agent that offer this type of credit,

only owner-collectors can be said to belong to the petit bourgeoisie. These owner-collectors only constitute a minority of the doorstep credit agents that deal with the working class. Many agents (particularly part-time agents) are themselves from the working class. So class fractionalisation is a more important issue than contradictory class location in doorstep credit. Having established the basic contours of the relationship between the agent and the customer, we are now in a position to consider the workings of this relationship on Tyneside.

The Role Of The Agent On Tyneside Before 1945

I should begin by pointing out that, in the case of this particular type of credit, there is a great deal of continuity between the pre-war and the post-war periods. There have, of course, been major changes in the way that the working class has used credit since 1945. However, if we *confine our attention to the use of 'doorstep' credit, certain* features of this type of credit have remained unchanged. Most importantly for us, the relationship between the customer and the agent is still of primary importance in this type of credit, and the dynamics of this relationship are still the same. This is not, for example, something we could claim for the relationship between small shopkeepers and their customers. So this chapter needs to be read in the light of this remarkable continuity.

As we have seen, this continuity even extends to some of the firms that provided credit for the working class. Some of the firms that began trading long before the Second

World War (like the Provident and Empire Stores) are still trading today. However, while the role of the agent has remained the same there has been a dramatic change in the number and the type of companies that use agents to trade locally. The basic change during the post-war period has been that there are far fewer companies trading in this manner. The biggest single decline has been in the number of credit drapers. So, this section will examine the situation on Tyneside before 1945 in order to place the role of doorstep credit agents within a historical context. Due to the age of potential informants, I found that there was an understandable lack of credit agents who began trading before 1945 among my respondents. So we will have to wait until the post-war section for a more detailed discussion of the role of the agent. However, it should be remembered that much of the material specifically relating to the role of the agent after 1945 also applies to the following section.

During the inter war period on Tyneside there were a number of credit businesses that employed agents. As well as representatives of mail order catalogues and credit drapers, there were also 'ticket' agents. 'Ticket' agents acted for credit firms that had an arrangement with a particular shop (or a number of shops) that would accept their vouchers. Lady Florence Bell describes this system in her study of working class life in Middlesbrough at the turn of the century: At The Works.

'The difficulty of paying for anything for which more than a very small sum of ready-money is needed explains the eagerness with which the housewives of this town embrace any system by which they are able to buy in small instalments. Most of the women buy their clothes ready made,

and pay for them and for their boots on the £1 ticket system. I do not know whether this obtains in other parts of the country. These £1 tickets are sold by men who buy them for cash down at certain shops in the town, getting the tickets for 18s. or even less; and the women, who buy these from them in their turn, pay 21s., payable in instalments of not less than 1.s weekly, and usually 2s. 6d. for the first week. These tickets are available either for one shop or two, sometimes 10s. goes to a boot-shop and 10s. to a draper. The advantage of this system over that of buying from the 'tallymen' or hawkers, is that, although in each case the woman has to make a weekly payment, in the case of the £1 ticket she goes to the shop in the town and can get the goods that she sees at the prices marked in the windows, whereas by the other system she is at the mercy of the tallyman, who may palm off on her at a given price something which is usually sold far below it. She has, besides, to buy the thing unseen from a sample shown her.'(87)

Bell's description of the operation of the ticket system in Middlesbrough is also relevant to Tyneside. This is because this system was commonly used throughout the north of England before the Second World War. This is apparent from an article that appeared in The Drapers' Record a year before the publication of At The Works. The article, entitled 'Growth of the Ticket System,' expressed concern over the growth of 'this unhealthy method of business' in the north of the country. The author points out that the system had certain disadvantages for retailers, who may not always have been as willing to sell goods at the marked prices as Bell suggests. Drapers complained that,

'...customers purchasing goods on the ticket

system are growing more astute and are exercising great caution in their purchases in order to secure goods at cash prices. In a large number of cases customers succeed in buying goods from the assistants at the lowest charge and then produce their ticket, when it is obvious that the price cannot be altered. It is also thought that the 'ticket man,' in order to secure customers, puts them up to various moves for the purpose of taking advantage of the retailers. Many drapers regard the whole system as a pernicious one that is calculated to interfere with the successful pursuit of the trade.'(88)

Tebbut describes the general development of this type of credit during the period.

However, she only distinguishes between shop-run schemes, 'and those of large financial organisations such as the Provident.'(89) We need a more detailed explanation in order to appreciate the types of credit used by the Tyneside working class during the period. There were three distinct types of ticket agent on Tyneside by the end of the inter war period.

Firstly, there was the private agent that had set up business with a small amount of capital (a 'Penny Capitalist' ticket agent!) Secondly, there were the small agencies in the centre of Newcastle that dealt with the city centre shops. Thirdly, there were the agents of the Provident. Each of these ticket agents had agreements with particular shops which would accept their vouchers.

All over Tyneside there were shops that would accept tickets of one sort or another. The biggest and most important of these was Shephard's and Parrish's. Parrish's of Byker and Shephard's of Gateshead were large department stores, both located in working class areas, that operated largely on credit. Shephard's was founded by Mr

Emerson Shephard, who was a cobbler by trade. He came into some capital and opened his first shop in Swinburne Street, Gateshead, in 1906, selling shoes. Then, in 1924, he moved to West Street, Gateshead, and began selling drapery as well.⁽⁹⁰⁾ The store closed in 1980.⁽⁹¹⁾ J.T. Parrish's was established in 1879, at 10 Oswald Terrace Byker,⁽⁹²⁾ it moved to 116 Shields Road in 1881,⁽⁹³⁾ and it closed in 1984.⁽⁹⁴⁾ The importance of these stores was that they offered the facility to buy a variety of goods on credit locally. Both had their own currency, which was obtained by taking out a ticket with an agent of that particular shop. The tickets were sold in multiples of a pound, and the interest charged on them was a shilling to the pound. Shephard's and Parrish's began by using the first type of agents (i.e. self-employed), and these smaller agents may initially only have had dealings with one of these stores. More often, though, they had agreements with several shops. The disadvantage for the customer of dealing with a small ticket agent was, that when they purchased a ticket they had to have it made out to only one of the shops which that particular agent dealt with.

Shephard's and Parrish's mainly served the local communities of Gateshead and Byker respectively, but they also attracted customers from other parts of Tyneside. People from the West End of Newcastle, though, tended to use shops in the centre of the city, particularly those in the Westgate Road area, which in many ways were similar to Shephard's and Parrish's. Trams from the West End of Newcastle stopped at the bottom of Westgate Road, and the shops that would accept 'tickets' tended to be located in this area.⁽⁹⁵⁾ These shops included: Wenger's, 101 Westgate Road (est. 1934), J. McAdam &

Sons, at 212A Westgate Road (est. 1925) and Woolf's nearby at 57 Westmorland Road (est. 1911.)(96) There were also shops like Blaylock's (est. 1923) on New Bridge Street, that served the same clientele.(97) All these shops sold clothing, some of them sold other goods as well and they seem to have run mainly on credit. The shops in the Westgate Road area depended on ticket agents to bring in customers. There were several small companies, located in Newcastle city centre, that dealt with these shops.(98) An example of this type of agency was T. Archer Lee in Worswick Chambers (est. 1937.)(99)

The largest credit agency on Tyneside was, of course, The Provident Clothing & Supply Company Limited. *As we have seen, the Provident system was, and is,* extensively used on Tyneside. The Provident first began trading in Newcastle as The Provident Clothing Club at 362½ Westgate Road in 1893, but it does not seem to have had very much impact until much later.(100) One informant told me that the Provident did not appear in Byker until 1937, long after Parrish's money was already an established part of life.(101) When the 'Provi' (as it was commonly known) became established on Tyneside, it meant that customers of both Shephard's and Parrish's had an alternative way to pay that also offered them more choice, as both shops would accept Provident orders. The Provident system had two major advantages over dealing with a private agent or a smaller company. A Provident order could be used in more shops and in a more flexible manner than 'tickets' from other companies. All the shops described above accepted Provident orders, and a single Provident order could be spent in several different shops.(102)

All the respondents I spoke to that had used the Provident at this time agreed that it was the best form of credit available to them. As one woman put it,

'You paid the same to Provident as you did to these little agents, but when Provident came onto the scene it was ideal. That's how I brought my family up, with the help of Provident...I relied on Provident.(103)

Another respondent described the advantages of Provident orders for her,

'The glory of them was that you could take them to 20, 30, 40 or even more shops, and they had collectors.'(104)

So the Provident provided a more flexible form of credit than other firms, but at the same rate of interest: a shilling in the pound. The advantage of the Provident order was that it enabled a customer to shop around, rather than be tied to one store. This enabled Provident customers to shop wherever the most competitive prices were to be found. As one of my respondents put it, 'You could use it just like as if you had money in your purse.'(105) The crucial difference was, of course, that money was less expensive.

As I pointed out above, we also need to consider the relationship of tallymen, or scotch drapers, to the working class. There were several firms of credit drapers trading on Tyneside during this period. However, as I was only able to conduct interviews with two retired credit drapers, we will confine ourselves to a brief history of their firms. We have already encountered one of these, Mr Burton, in an earlier chapter. Mr Burton was employed by the Newcastle clothing firm of Locherby's. We will consider his account of his own experiences as a credit traveller in a later section as he did not begin working for

Locherby's until 1947. However, a further extract from his Rotary Club Address provides us with a brief history of the firm.

'Earliest recollections go back to the early 1800s, when the business originated with a Mr Teesdale, an uncle of the four Locherby brothers. They began trading as Locherby Bros. and had their business in Blakett Street, Newcastle on Tyne. In 1902 Mr William J. Locherby purchased the property at 25 Ridley Place, and the business has been conducted there ever since. The colliery villages of south-east Northumberland and Blyth valley were the main source of the business, although journeys were also established in County Durham. The brothers and their staff travelled door-to-door, and such business was commonly known as Scotch drapery.'(106)

The other credit draper that I interviewed, Jim Macrae, eventually took over a business which his father had set up in 1914. This firm was W.D. Macrae's, and was originally run from a warehouse at 65A Blakett Street in Newcastle.(107) So Macrae's was operating in *direct competition with Locherby's*. *Jim Macrae was born in 1916, and* joined his father's firm in 1932. In his autobiography Mr Macrae says that,

'At the age of 16 I started work for my father. Until I was 20, I was father's assistant on his credit rounds, but then took over the Tyneside connection which included Jarrow, Hebburn, South Shields etc. This was a scattered area which I had to travel by bus and train. We were general drapers selling clothing for the whole family as well as household goods.'(108)

According to Mr Macrae, when his father began trading he sold suits and other items of clothing, bedding and work clothing, such as pit boots and socks. This was the same trade that Locherby's were engaged in. Mr Burton says that his firm sold,

'Carpets, blankets, sheets, curtains, clothing, underwear, socks, you name it we sold it!'(109)

The reason that these firms offered such a wide range of goods was that much of their business was conducted in fairly remote villages. So, particularly before the development of regular public transport, they had a captive market. Both firms also covered quite a wide geographical area. While Locherby's tended to concentrate their attentions on the Blyth valley area, they also did some trading in County Durham, as Mr Burton points out. As well as the South Tyneside route, which Mr Macrae describes, Macrae's also traded in County Durham, and the firm eventually moved to Durham city. The majority of the trade of both firms came from supplying made-to-measure suits for miners.

Mr Macrae went on to describe his method of trading in colliery districts.

'We used to try to get recommendations for new customers, and we always could find out from the insurance men what sort of payers they were, because we all worked together. We all collected in the same houses. In the colliery villages you went on a Friday night to collect the money, and we were all following each other in and out. There was ourselves and the insurance man and the grocer and all this sort of thing. And the woman of the house she used to sit there with the money that the men had brought in, dishing it out.(110)

The credit drapery trade involved weekly collection, just as the 'ticket' trade did.

However, there was no identifiable interest charge in the case of credit drapery. The trader just charged inflated prices to begin with. Mr Macrae said,

'We didn't used to charge any interest. We incorporated that in the price. But people like Shephard's and Bevan's and that sort of thing they used to put a shilling to the pound on, you see, and so do the Provident.'(111)

As we have seen, this was the standard rate of interest that such firms charged at the time. However it is interesting to note that, despite Mr Macrae's apparent pride in not charging interest, when I asked him *how much he added onto the price he became somewhat vague* and said something to the effect of it was 'around' a shilling in the pound! We should now turn to consider the relationship between the credit draper and their customers.

Another passage from Mr Burton's Rotary Club Address gives us an insight into how the travellers perceived this relationship.

'This method of trading took *the traveller into the very heart of the mining family. He was a trusted and respected friend indeed.*'(112)

The importance of the bond between the customer and the agent for the firm is illustrated by the following incident, which was related to me by Mr Burton. He said that one of the firm's travellers, who was known as 'Old John' by the time Mr Burton joined the firm, had established a round in the colliery village of Cambois (in the Blyth area.) When 'Old John' went off to war, in 1914, he was not expected to return. So his 'journeys' were sold off.

Mr Burton then went on to describe what happened when 'Old John' did, in fact, come home from The First World War.

'So he returned to Ridley Place, went to see old man Locherby, and he said, 'I want me job back.' He said, 'John I haven't got any work for you.' 'Leave that to me,' John said, 'Give me a few patterns.' And off he went to Cambois. He got into the club at Cambois, the working man's club there, and he measured something like eighteen suits the first day he was out there. And that Cambois journey was one of our biggest journeys...He recreated that, simply on his friendship and standing.'(113)

Mr Macrae told me that he often received gifts from his customers.

'Of course the miners were great people in their gardens, you know. They were great leek growers and onion growers and that sort of thing. We often would get a leek given to us, and when the coal was short we used to often get a lump of coal put in the back of the car...There was that real friendly relationship. It was grand, and you were always welcome for a cup of tea with all of these people.'(114)

I then invited him to explore this theme further by asking him if he thought that he got on well with all of his customers?

'Oh yes, we did particularly. In fact I think all credit traders had to because they depended upon them. And you were hoping, when the family got married, you were going to get them as customers also, you see. And it did happen, there's no doubt about it. We had great family connections.'(115)

So his reply reveals the instrumental motivation behind the 'real friendly relationship' that he created with his customers. This prompted me to attempt to probe a bit deeper. So I asked him to what extent his relationship with his customers was calculated? He continued,

'You see, there weren't as many motor cars in those days and people depended upon us going to them. Nowadays they would get in their car and go to a main centre, wouldn't they? We promoted it more than most.'(116)

At first it might seem from his reply that he has simply changed the subject. However an alternative interpretation is, what he is doing here is offering a rationalization for his behaviour. This is a very similar explanation to that offered by other lenders of this type and it can be summarised as: alright I might be exploiting the people I dealt with, both financially and emotionally, but I was also providing them with a vital service, so it was justified.

This is not to argue that Mr Macrae's actions were totally instrumentally motivated. It is apparent from some of his remarks I quoted above that he enjoyed the 'friendly relationship' he had with his customers. He seems to have held a number of contradictory attitudes towards his customers simultaneously. The affectual component of his feelings towards his customers is apparent from certain unprompted remarks that he made during the course of the interview. For example, here is his view of the miners that he dealt with.

'They were nice people. They were great people.
They were ... rough and honest, but we liked

them.'(117)

So how can we best characterise such an attitude?

I feel that Karen Rowlingson's description of owner-collectors, in the PSI report on weekly-collected credit, comes close to describing the attitude of both Mr Macrae and Mr Burton towards their customers. Karen Rowlingson distinguishes between two types of owner-collectors: entrepreneurs and paternalists. She says that paternalists,

'...came from a higher social class. The social distance between borrower and lender led to a form of detached mutual respect. For the lender this respect bordered on paternalism and for the borrower, this respect bordered on deference.'(118)

As well as this mutual respect, though, there is also another element present in the relationship. As I argued in the previous chapter, the majority of credit-givers that deal with the working class are involved in a type of performance that is, in some way, 'cynical.' We also saw that this was a complex issue as it can often be difficult to determine the extent to which a 'performance' is cynical or sincere. The actions of Mr Macrae and Mr Burton can be seen as forms of, what Hochschild has called, emotional labour. This raises the question: how can we square attitudes of mutual respect with the use of emotional manipulation? At this point I would also like to add a further dimension to the discussion. The distinction between practical and discursive consciousness can provide a key to understanding the attitude of collectors to their customers. It is the operation of this distinction that accounts for this discrepancy.

Giddens says that the distinction between practical and discursive consciousness is central to structuration theory. He points out that this distinction is not a rigid and impermeable one. He says that,

'What agents know about what they do, and why they do it - their knowledgeability as agents - is largely carried in practical consciousness. Practical consciousness consists of all the things which actors know tacitly about how to 'go on' in the contexts of social life without being able to give them discursive expression.'(119)

Giddens relates practical consciousness to routinization. He stresses the importance of activities that are carried out habitually in creating a sense of ontological security in the individual.

'The repetitiveness of activities which are undertaken in like manner day after day is the material grounding of what I call the recursive nature of social life. (By its recursive nature I mean that the structured properties of social activity - via the duality of structure - are constantly recreated out of the very resources which constitute them.) Routinization is vital to the psychological mechanisms whereby a sense of trust or ontological security is sustained in the daily activities of social life.(120)

Routinization is enacted through the medium of practical consciousness.

My argument here is that the actions of both customers and agents can be understood as manifestations of practical consciousness. In terms of the customers of doorstep agencies, the element of routinization is very important. They become accustomed to the same collectors calling at the same time every week. So they feel that

they are dealing with someone they can 'rely on.' When the particular collector that an individual has become accustomed to dealing with leaves the firm (for whatever reason) and a new collector takes over, there is still a link with the firm itself. The particular type of credit used by an individual becomes a means of sustaining that individual's sense of ontological security. As Giddens says elsewhere, 'Routine is psychologically relaxing...'(121) It must be remembered that this is part of the experience of doorstep credit for both customer and collector. For the collector, though, there is another aspect to the routinization of their activities through the medium of practical consciousness. It places them at a distance from the consequences of their actions.

Giddens says that,

'Human agents always know what they are doing on the level of discursive consciousness under some description. However, what they do may be quite unfamiliar under other descriptions, and they may know little of the ramified consequences of the activities in which they engage.'(122)

Both Mr Burton and Mr Macrae explicitly told me that 'we didn't used to charge any interest.' In the case of Mr Macrae, as we saw, he was quite proud of the fact that this was what differentiated him from other firms trading with the working class. Mr Burton's answer was a bit more complicated, and it took me longer to establish that he also charged an inflated price '...in order to take care of the customer who was a slow payer.'(123) This euphemistic explanation of his action is quite revealing. I would argue that, by incorporating the interest into the price they charged, these two traders were able

to change the meaning that their actions had in their own minds at the level of discursive consciousness. This facilitated the creation of a particular self-image, that of service-providers. In other words, through a degree of self-deception, they were able to redefine their actions as socially beneficial to the communities they served.

In terms of the customer, as I have argued, familiarity with the collector and the firm can become a source of ontological security. I was not able to interview any of these two traders' ex-customers. However, the same principle applies to all types of doorstep credit. If we now turn to consider other doorstep credit firms during the inter-war period, this should become apparent. One of the features of this type of credit is the fact that it can become a 'family tradition.' This is precisely the point that Karen Rowlingson makes in the 1994 PSI study of this type of credit. A fifth of the customers in her study had begun using doorstep credit because they had seen others in their families use it.(124) So this meant that they had a personal link with a particular firm as they were known by the individual agents of that firm. As we will see from looking at the following account, this pattern of use was already established by the inter-war period.

Mrs Wrigley was born in Howdon in 1925. She told me that her mother dealt with Walkers of North Shields, a credit drapers, largely due to a family connection.

'Me mother dealt there from being married,
through me grandmother, like me father's
mother, 'cause she had dealt there all her
life. And, as the sons got married, all
their wives dealt there. And sometimes it
was a man came, and sometimes it was a woman
came, and sometimes it was Mr Walker himself

who came!'(125)

The fact that the owner and his sons used to participate in the actual collection of money, and visit customers homes, does seem to have created a favourable impression of the firm amongst some of its customers. As Mrs Wrigley recounts,

'It was a family business, like a father and about four sons, I think. It was a very personal touch because you might be shopping and one of the sons would come in and he would come across and he would say, 'Hello there, how are you?' Like when I got married and me husband wanted a suit, he used to go to Burtons and Jacksons, and I says to him, 'Well try Walkers, they might be a little bit dearer, but try it.' We came down, and on the way down, one of the sons was coming up and of course he says, 'Oh hello there, is this your husband?' Because he knew I'd got married like. And I introduced them and then me husband said, 'Who did you say he was?' I says, 'Its Jack Walker.' 'Belong to the shop?' he says. I says 'Yes.' He says, 'Oh, no airs and graces about them!' He was very impressed, you see. He says, 'Its their business?' I says 'Yes.' He says, 'How did he know you?' I says, 'Well, when he was younger he would sometimes do the collecting. If the collector was off or ill or anything he would turn up.'... He came in and he was quite at home coming into your house. He just came in and had a bit chat and got your money and what-have-you. He just didn't have any airs and graces at all. It was a family-run firm and they were just all the same.'(126)

This perceived friendliness on the part of the owners was one of the reasons that Mrs Wrigley continued to use the shop. She also felt that the goods, although expensive, were of good quality. The above passage is interesting as it indicates the type of effect

that personal contact with the owners of a firm can have upon the customers. (Of course, if the personal characteristics of the owners were different, it could have had a detrimental effect upon the firm!) As Mrs Wrigley is describing a similar type of firm to the two credit drapers I have discussed above, it seems likely that meeting the owners of those firms had a similar impression on their customers. So the lesson here is: good agent/customer relationships can boost business and this effect can sometimes be heightened by the involvement of an owner with 'no airs and graces.'

Her mother also used a part-time ticket agent who dealt with other shops. Mrs Wrigley said that,

'A lady used to come to the house, more of a friend really than a The majority of them were, weren't they? It was just like an ordinary woman who got these clubs and you paid her....She was an agent for Bell Marsh's in Wallsend, Bell Bros. in North Shields and Howard's Stores in North Shields, and you could get a ticket for whatever one you asked for.'(127)

So there was usually an affectual element present in the relationship between the customer and the agent, as we have seen. For the agent, this could be a useful means of creating and sustaining business. For the customer this tended to mean loyalty to particular firms but, of course, customers were not purely guided by personal loyalty. Mrs Wrigley pointed out that, as her mother had two sources of credit, i.e. Walkers and the part-time ticket agent, she was able to use them to the best advantage for herself. So, if she wanted curtains for example, she would get them through the ticket agent as she was

not overly concerned about the quality. She was more likely to go to Walkers, on the other hand, for items of clothing which she felt needed to be good quality.

As I said above, Parrish's of Byker and Shephard's of Gateshead were important sources of credit for the Tyneside working class during this period. If we consider the accounts of two respondents of using the latter store at this time, we can see how customers' attitudes are shaped by a combination of economic necessity and the personal characteristics of the agents they deal with. Mrs Rowntree was born in 1917. She was the daughter of a time-served engineer who worked in the shipyards, and she strongly asserted that her father was both skilled and 'respectable.' As we might expect her father did not, on the whole, approve of credit. However the family did get credit from her uncle, who was an agent for Shephard's. The fact that there was a family connection with the firm made it an acceptable form of credit to her father. She said that,

'I don't think that he would have allowed my mother to seek credit from an outside agency any more than he would have allowed her to go to the pawnshop.'⁽¹²⁸⁾

So, in this case, the fact that the agent was a relative helped to make the use of this type of credit acceptable in the first place.

In the case of Mrs Samuel, the other respondent whose parents used Shephard's, the personal characteristics of their agent did not influence their decision to become customers, as they knew nothing about him beforehand. However the religious and cultural affinity between them seems to have helped in cementing the relationship. Mrs

Samuel's father had a skilled job, he was a winding engineer in various mines in the Northumberland and Durham area. He was also a Methodist, a teetotaler, and a union treasurer. In other words, he epitomised the 'respectable' working class. Between 1925 and 1930, he worked at Wardley colliery in County Durham. So he was there during the General Strike of 1926. It was the hardship caused by this strike that led to the family becoming involved with Shephard's. As Mrs Samuel told me,

'So there was something that she must have wanted and there was another lady in another street who said, 'Well, get a ticket for Shephard's.' My mother didn't know what a ticket was. So Mrs Diamond [the neighbour] said I'll send Mr Carr [the agent] round. So she got a ticket for 30s. You paid so much a week, and we were good payers. If the ticket was paid he'd say, 'Mrs White will you have another one?' 'No, I'll not bother,' she'd say. 'Oh yes, you must have one,' he'd say. And she had nothing in mind, but he would write her a ticket for 30s. And she'd think of something to buy with it. But he came for years, Mr Carr. He was a very nice man.'(129)

As well as being 'a very nice man,' Mr Carr was also a Methodist, something Mrs Samuel told me several times. As we can see from the above quote, he also seemed to know how to keep his foot firmly wedged in any door he wished to keep open! From what Mrs Samuel told me, it was the combination of his 'niceness' and Methodism that ensured the family's continued relationship with Mr Carr.

The interpenetration of personal attachment and economic motivation in the mind of the customer can be clearly seen in the next phase of the family's credit history. In

1938, the family were living in Pelaw, a colliery village in Gateshead. They went to Chapel with a woman who owned a small drapers' shop and credit business in that village. Mrs Samuel said that they then began trading with this woman, 'Because we knew her and she was just starting up.'(130) So the family took out a ticket with her. However, as she did not carry much stock in her own shop, she was also an agent for a larger drapers in High Bridge, Newcastle: Ralph Robsons. So the family began going to Ralph Robsons to buy clothing. In 1939, they moved to Stanley in County Durham. The remainder of their debt to Ralph Robson's of Newcastle was then transferred to that shops' agent in Stanley, who Mrs Samuel's mother was also friendly with. By this time, Mrs Samuel's father was earning enough for the family not to need credit to purchase items of clothing. However, they made some further purchases *from Ralph Robson's in order to* help this woman to build up her business.(131)

For collectors too, part-time work as an agent for a credit firm can become a 'family tradition.' In the case of one family that I interviewed, the women had been part-time credit agents for three generations! Mrs Thompson began trading as a part-time ticket agent in Benwell and Scotswood in the west end of Newcastle in 1933. Then, in 1937, her daughter, Mrs Hill, took over from her. Mrs Hill's daughter, Mrs Joll, was a collector for the Provident from 1972 to 1991. I was able to interview both Mrs Hill and Mrs Joll about both their own and Mrs Thompson's experiences. Mrs Thompson's husband was a skilled worker in Vickers in the west end of Newcastle. She began the ticket business to earn some extra money for the family. Running a ticket agency also

gave the agent the opportunity to buy clothes from the businesses they dealt with at a discount. So this was one of the attractions it held for Mrs Thompson. She dealt with a number of shops, most of which were in Newcastle city centre. These included: Roland Blaylock's on New Bridge Street, Woolf's on Westmorland Road and Goldsberg's on Clayton Street. She was also an agent for Shephard's of Gateshead.(132)

There do seem to have been a lot of drawbacks to being a part-time ticket agent at this time. The main one being that the agent was responsible to the shops they dealt with for their customers' debts. So the agent would receive a bill for the goods that their customers had purchased at the end of the month even when the customer had not paid the agent. Mrs Hill said that,

'Me mother used to get very worried about people who were just playing on her and getting these things from her. She was really worried to death about it, in case she didn't have the money to pay her bills. And I said it wasn't worth carrying on like that, because some of them don't care whether they pay or not you know. I've met these sort of people.'(133)

It is worth noting that her daughter (Mrs Joll) agreed with her on this point. So she also felt that some of her customers had no intention of paying. Mrs Hill's account of being a ticket agent emphasises the difficulties involved. She felt that the main advantage of being an agent was that the whole family could obtain discount on the clothing they bought from the shops they dealt with.

However it seems that customers often saw ticket agents in quite a different light. Agents for Shephard's or Parrish's kept the shilling in the pound interest that the shop charged the customer, and also received 9½% interest on top of that. So they stood to make 14½% profit on every pound.(134) It was obviously a potentially profitable business if you had the right customers. As Mrs Rowntree told me,

'People were decked with jewellery, gold, furs and all the rest of it if they were running an agency.'(135)

This may have been something of an exaggeration, and we would also need to know what other sources of income such agents may have had. On the other hand, this would appear to be a fairly common perception of this type of ticket agent, as we can see from looking at some evidence from local autobiographies.

Joe Hind was born in 1923 in Battlefield, just south of the parish of Shieldfield, not far from Newcastle city centre. In his autobiography, A Shieldfield Childhood, he describes the regular visit of the ticket man to the family home, and his account provides an interesting counterpoint to Mrs Hill's.

'Most folk in Shieldfield had a ticket man, and my mother was no exception. I remember he was called Mr Morton, and every Friday night my mother would put aside Morton's money. Doling out tickets was a prosperous business, and if the interest of a shilling in the pound does not sound much by today's standards, most of the ticket men flourished. It wasn't long before Mr Morton, who started his rounds on a bike, was calling on us in a smart motor car. '(136)

Mrs Hill told me that she was aware that some of her customers sold their tickets for less than their face value to obtain ready cash when they were hard up. However, as she pointed out, she was still responsible to the shop for the amount on the ticket.(137)

The ticket agent was in a similar position to the corner shopkeeper that offered groceries on credit. They had to be able to trust their customers to repay the debt. It also seems likely that the area an agent traded in was very important. It must be remembered that Mrs Thompson and Mrs Hill were trading in quite poor parts of the west end of Newcastle during the depression years. Little wonder that they ended up with a lot of bad debt!

Thomas Callaghan's autobiography, A Lang Way To The Panshop, is quite revealing on this subject.

Thomas Callaghan was born in 1924 in Mill Lane, in the west end of Newcastle, and grew up in Benwell village (also in the west end.) He says that,

'During my childhood in the late 1920's, and the 30's, quite a fair section of the working classes, had no alternative when seeking a change of clothing, footwear, or household goods, but to resort to a visit to one of the many secondhand shops that could be found in most parts of Newcastle; or perhaps pay a visit to Paddy's Market, on a Saturday morning, down on the quayside....'(138)

Apart from underlining the obvious poverty that many families lived in, this points to the existence of a hierarchy of consumption among the working class during this period. So there may have been families who were too poor to even make regular use of a ticket man. Or, on those occasions when they did take out a ticket, they found themselves

amongst those unfortunates who were forced to part with it for less money than it was worth. This provides a useful context for Callaghan's description of ticket men in Benwell.

Callaghan says that the family that he shared a landing with when he was a boy had a ticket man from the Provident who would call every Saturday lunch-time. The family would send their youngest boy out to deal with him,

'...and he would shout out in this high pitched tone, 'Me muffer not in you.' And the poor little fat ticket man would fiercely retort, 'Your mother is in.' 'Me muffer not in, you.' 'Your mother is in - so don't give me that.' 'Me muffer not in, you.' *This usually went on for about ten minutes without a pause, both participants becoming irritable; until finally the man went away in distress muttering to himself...Then one particular Saturday, my father had gone out to him and gave him ten seconds to vanish; the fat man disappeared in four.*'(139)

Callaghan says that when their own ticket man from another company called, his family would send his brother out to try get rid of him. This went on until their neighbour decided to intervene in order to repay the favour that Callaghan's father had performed for him.

'Then once, our next door neighbour came out on to the landing, pretending to be in a furious mood: 'Stop bloody arguin' with the kid, if yer want to argue, al come doon th' stairs with yer.' And off went our ticket-man in a hurry!'(140)

Such tactics could only be a short-term solution to the problem of obtaining credit.

It is clear from talking to Mrs Hill and other credit traders that they would not go on granting credit to a family that did not meet their repayments. When we add to this the threat of physical violence to the collector if they returned to a house, then it is apparent that these families would not be able to ask for more credit from the same creditors. They would also be likely to meet with difficulties if they applied to another creditor given the flow of information between credit companies and others dealing with *the working class* that I described above. Both the credit drapers I interviewed (*Mr Macrae and Mr Burton*) belonged to the Newcastle Credit Traders Association. In fact they were both, at one time or another, Presidents of that Association. They also belonged to the National Association of Credit Traders. So any bad payers they dealt with would be blacklisted through one of these organisations.

It is clear from Mrs Hill's account that she encountered the same sort of difficulties as the collectors described by Callaghan (but without the threat of physical violence.) She says that,

'You could go for your money once, and you could go half-a-dozen times, 'cause we as children they used to send us for the money. You would be lucky if you got 3d. or 6d. off the debt. They didn't care whether they paid or not, you know? But you had all that lying out, 'cause all these bills had to be paid. It wasn't like the Provi. With them you don't have the responsibility, but you have when you're on your own.(141)

Mrs Hill was typical of a lot of part-time agents, as she belonged to the respectable working class but a lot of her customers did not. When I asked her about her customers she told me that they tended to be poorer and less respectable than her own family. An indicator of their lack of respectability for her was that they used the pawnshop, while their poverty was indicated by the fact that many of their children did not have shoes on their feet.(142) She collected in various parts of the west end including Scotswood and, an area which no longer exists that she called, 'The Tanyards' which housed miners. It was the people that lived in the latter area, in particular, that she felt were less respectable.

Mrs Hill's attitude towards her customers is highly ambiguous. On the one hand, as we have seen, she was *highly critical of those customers who didn't pay regularly (or at all!)* She says that they didn't care whether they paid or not. On the other hand, she told me that she got on 'wonderfully' with her customers.

'No-one was better than another. The kettle was always on for a cup of tea, if you had time to sit and talk to them all. They used to like you calling, but they hadn't the money to pay you for it all, you know?'(143)

Obviously she did tend to get on better with, what she called, 'good payers,' but we can also see a degree of sympathy for her customers' plight in the above quote. This is partly to be explained by the fact that, like Mr Burton and Mr Macrae, she was brought into close contact with the people she dealt with and, as a result, was made aware of their lifestyle. However there is a difference between Mrs Hill and these traders: Mrs Hill was

herself from a working class family. Her own father was unemployed for several years after the General Strike of 1926. In other words, although she was respectable and considered herself to be a 'bit better' than the people she dealt with, her experience was not that far removed from theirs.

So I would argue that, to some extent, this type of agent/customer relationship has a similar effect to that of the contradictory class location of small shopkeepers. In this case, though, we are not dealing with a question of class location, as both part-time agents and customers belong to the working class, but class fractionalisation. So the effect of such relationships is contradictory. On the one hand it only serves to exacerbate existing divisions within the working class, thus contributing towards class fractionalisation. On the other hand, it tends to bring two disparate sections of the class together thus contributing towards class integration.

The reasons for individual customers choosing to use the Provident, rather than a ticket agent like Mrs Thompson, were quite straightforward. To begin with, it should be pointed out, the personality of the collector was not particularly important in drawing customers to the Provident. This was because the Provident was the most economically rational form of credit available to the Tyneside working class at that time. It simply made sense to use an agent of the Provident rather than one of the smaller ticket companies, as the Provident gave the customer access to more shops, and consequently, better prices. So this was the factor that drew the two women I quoted above, whom we shall call Mrs Perkin and Mrs Rowntree, to the Provident. Both women stressed the

economic advantages of the Provident over the other firms that they could have dealt with at that time.

However, once they actually started dealing with the firm, their relationship with their agent became an important factor in their continued use of that type of credit. Both Mrs Perkin and Mrs Rowntree told me that they liked their collectors. Mrs Rowntree said that,

'The fellow that I dealt with, he was a proper gentleman. He knew he was sure of his money. He didn't have to come back twice. If I, for arguments sake, went away on holiday, which was rare, he'd say, 'Don't worry, I don't mind. If you can afford it you'll make it up, and if you can't, it doesn't matter.'"(144)

A third woman, who dealt with the Provident from about 1938 until 1975, Mrs Mason, told me that she 'enjoyed' visits from all the collectors that she had dealt with.(145) She emphasised the social aspect that the weekly transactions had for her.

Another respondent, who used the Provident from 1943 to 1964, felt that one of the advantages of having collectors who knew their customers was that collectors were in a position to decide how much credit their customers could afford.

'They used to come and they used to say, 'Now are you sure you can manage a £20 ticket?' because they knew you had 2 or 3 bairns, 'Why don't you just have £10?' And you used to say 'Go on then.' You would just take what they said like. But I mean I never ever got refused one. I used to get £10 at a time, and I used to get all sorts with that. You got a personal touch with them. You wouldn't miss the Provi either because they were more like a friend

than what things are now, you know what I mean?
They had that personal touch because they came
to your house and you were friendly, and you got
a cup of tea. You never missed them... Where
nowadays its... well I never get these plastic
cards. I've never got into that way of modern
living.(146)

So this particular woman had not adjusted to the more impersonal methods of credit that developed during the post-war period. She felt more comfortable with familiar methods of credit. It is also worth noting here that this respondent was quite explicit about the fact that this type of relationship between the customer and the agent continued after the war. So, according to her, the dynamics of the agent/customer relationship did not alter in the immediate post-war period. This is consistent with the other evidence from that period, as we will see in the following chapter.

Conclusion

This chapter has dealt with the relationship between agents of established credit firms and their customers before 1945. We have seen that one consistent feature of the use of credit by the working class is, that those companies that offer them credit tend to rely upon agents, or collectors, to mediate between themselves and their customers. Some of the companies that traded in this way before the Second World War are still doing so today. I use the term 'agent' to refer to any individual, acting on behalf of any organisation that offers 'doorstep' credit to individual consumers, whose task it is to

collect the regular instalments involved in this type of credit. So the agent acts as the interface between the consumer and the organisation. For the credit agent, information-gathering is a crucial part of the job. They need information on prospective customers, as well as personal details of their existing customers, which can help to create more business. In the inter-war period, credit traders tended to use other credit traders, or insurance agents that dealt in the same district, as a source of information. One of the fundamental qualities of the relationship between the agent and the customer is: that an agent's customers are usually loyal to the agent as an individual rather than to the company. The importance of the close personal relationship that usually developed between the agent of a credit company and their customers has been acknowledged by various commentators. *This close relationship continued to be a significant part of this type of trading after 1945, and it is this remarkable continuity that we will go on to explore in the following chapter.*

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Chapter Five

'Still One Of The Family.' The Role Of The Agent And The Established Firm Within Working Class Credit After 1945.

The first point to consider in an analysis of the role of the agent and the established credit firm in the post-war period is that, as I have indicated above, many of the old firms continued trading in the same way after 1945. We can find evidence for this in several of the immediate post-war studies. The authors of Coal Is Our Life say that many families continued to use credit drapers, partly because it was a method of purchase that they were accustomed to.(1) Richard Hoggart also felt that familiarity was important in maintaining the older forms of credit during this period.

'The clubs, or check-trading, tend to become a habit and the house-to-house agents are adept at persuading clients to 'keep the account open' continuously, so that in many cases more money is leaking away weekly in this way than can really be spared.'(2)

In The People Of Ship Street Madeline Kerr says that most families used 'cheques' to buy clothing much as they did during the inter-war years. There was also an indication that the next generation were going to carry on this tradition. As she says,

'Immediately children leave school they follow the Mum's example and buy on cheques.'(3)

However, in the long term, quite a large section of the working class did turn away from these 'traditional' types of credit. Melanie Tebbutt points out that,

'...the family of the more affluent worker, who is often a home buyer, can afford to be more

financially prudent than in the past, and adopt a longer-term style of budgeting. As a study of large families in London concluded, what seemed like thrift among the better-off families was often the effect of having more money. In the early 1960s nearly half the affluent workers in Luton had Post Office Savings accounts and nearly two-thirds accounts with savings banks or the Trustee Savings Banks. Their new patterns of purchase were encouraged by the expansion of large cash stores like Marks and Spencers and British Home Stores, and a general appreciation of the choice available from such sources also led many established credit customers to become tired of buying in separate credit shops and accounts with checks which appeared to identify the possessor as different and inferior. As a result the 'cream' of traditional customers who had remained through habit have gradually fallen away, one credit draper estimating that they formed a mere 15 per cent of his accounts by the early 1980s.'⁽⁴⁾

Although by the 1960s the more affluent sections of the working class had begun to make more use of banks and building societies, their shift away from the old patterns of saving and borrowing was very gradual. In his 1975 article on the clearing banks and the 'new working class' Peter Wilmott points out that a large proportion of the working class still clung to the old methods of credit, even in conditions of relative prosperity.⁽⁵⁾ As he says though, there were signs that this was beginning to change in the mid-1970s as, by this time, the majority of employers and some workers favoured the payment of wages by non-cash means.⁽⁶⁾ He advises the banks to make themselves more accessible to working class customers, and this was precisely what they began to do at around this

time. Berthoud and Kempson, the authors of the 1992 PSI report, point out that there was a particularly rapid expansion in the number of people with cheque accounts during the 1970s.(7)

What has happened during the post-war period is that the old doorstep credit firms have been gradually usurped by other forms of consumer credit. This is due to both the expansion of existing forms of credit and the creation of new ones. In June 1966, the first credit card in Britain was issued by Barclaycard. The 1994 PSI study of credit card use estimated that there are about 30 million credit cards in circulation at the present time.(8) Much of the growth in credit card use took place over the 1980s. The authors of the PSI study say that,

'Our national survey showed that credit cards were the most widely available credit facility. Almost 40 per cent of British households held a credit card - four times as many as there were when the National Consumer Council conducted its survey of credit in 1979.'(9)

The NCC survey mentioned above made a comparison of the three major credit surveys which immediately preceded it and found that, since 1969, there had been considerable expansion in mail order, hire purchase and credit cards.(10) The end result of all these changes is: that the more prosperous sections of the working class have now turned away from traditional forms of working class credit. However, as I have already indicated, the less affluent sections of the working class are still excluded from the mainstream credit

market. This has led to the situation which I described in the previous chapter with regard to restricted access to credit.

So, when we consider the contemporary research on doorstep credit, we must remember that this is the context in which it occurs. The working class is now quite clearly divided between those who have access to mainstream credit and those who do not. This is an important change that has taken place gradually during the latter post-war period. It means that, although in some ways very little seems to have changed in the relationship between the working class and doorstep creditors, there have been great changes around that core relationship. There have been several pieces of research that have dealt with doorstep credit as part of a more general survey of credit-use which we could consider here. However I feel that it would be more useful to focus on the two major surveys which deal with this area in depth: Gillian Parker's research into indebtedness amongst Birmingham Money Advice Centre clients, and the PSI research that has been quoted above. *Let us now consider each of these in turn.*

Parker's research appeared in 1980 and dealt with Money Advice Centre (MAC) clients in Birmingham. She points out that,

'Almost all MAC clients fall within the 'lower' categories of the Registrar-General's classification of occupations and, as such, constitute a very selective sub-group of the total population of debtors. As a corollary to this their incomes are low - most falling below the average for manual workers.'⁽¹¹⁾

This has implications for the type of credit available to them.

'Out of the possibilities of credit card, monthly account, option account, budget account, credit-sale, conditional sale, hire-purchase, shopping check or voucher, mail order catalogues and the 'club', the clients of the MAC are likely to have used or be using only the last four or five.'(12)

The element of continuity with the pre-war era can be seen in the following quote from the same report.

'Despite the decline of hire purchase and the rise of the personal loan, check trading companies have retained their hold on their traditionally working class market. Much of their success must be due to the personal way in which they conduct their business. Most of the 'callers' who visit MAC clients are from well-established 'family' firms and this often influences the way in which they are regarded by their customers. Women often do business with the same company used by their mothers or even grandmothers, and the callers come to be seen as family friends. Inevitably this personalisation of what is a business transaction makes it very difficult for customers who become financially distressed.'(13)

Such a close personal relationship created a problem for MAC clients as they would almost invariably be advised to reduce their payments to all their creditors. However they would often strongly resist the suggestion that they reduce payments to their doorstep collector. This was because they felt that they would be 'letting down' a friend. MAC clients will even give the weekly payments to the doorstep collector priority over rent and

fuel bills.(14) As we will see below, this is precisely the point that money advice workers on Tyneside made to me.

Parker goes on to make an explicit comparison with the pre-war period, quoting Maud Pember Reeves to illustrate that little has changed in 66 years. She points out that,

'...when some 80 per cent of manual workers are still paid in cash and most of these on a weekly basis, and little more than half of the population have bank accounts, there can be little doubt that a weekly caller taking cash represents a much more convenient way of paying for credit.'(15)

Most of the clients in her sample seem to have been using the Provident and, as she says, Provident agents are encouraged to call at a fixed time every week. So this method of credit still fits in easily with a weekly pattern of budgeting. A final parallel with the pre-war period is that the MAC clients,

'...bought checks and sold them at less than their face value to friends, neighbours, relatives, even shopkeepers to raise cash.'(16)

Karen Rowlingson's study Moneylenders And Their Customers was published in 1994 by the PSI. Her research dealt with the activities of firms, like the Provident, that provide small unsecured loans which are repaid in weekly instalments.(17) We have already considered some of her findings above, but we shall now go on to consider them in more detail. As we will see, although it was published 14 years after Parker's study, there are still a lot of similarities in the findings of the two reports. Rowlingson begins

her study with an informative summary of the contemporary situation which is worth quoting at length in order to provide a context for what follows.

'There are currently about 12000 licensed moneylending companies in Britain, 800 of which are members of the Consumer Credit Association of the United Kingdom. The companies range dramatically in size from the six giants, the largest of which employs over 8,000 agents to the 400 or so very small companies with only one or two collectors. Most companies deal mainly in cash loans but some also sell goods and vouchers on credit. APRs vary most according to the length of loan. With loans of the same length, there is some difference between companies' rates of charge. With APRs varying from 100 to 500 per cent, credit from a moneylender is far more expensive than credit from mainstream lenders...

There are about 27,000 people who lend and collect from door-to-door each week. These divide into two types. The majority work as self-employed agents for moneylending companies. Most of these are women. The remaining collectors run their own companies and sometimes employ one or two other collectors apart from themselves...

There are about 3 million customers of moneylending companies in the UK.'(18)

She goes on to identify some of the firms that she is concerned with by name, the most important being the Provident.

'The moneylending industry in Britain today is a big business. In 1993, the weekly collected credit arm of the Provident Financial Services group of companies, which is the largest company in the sector, had a turnover of £249 million and pre-tax profits of £55.1 million.

...Today the Provident businesses have about 9,000 agents - well over two-thirds of whom are women. Those agents deal with about 1.1 million customers...London Scottish, Morses, Shopcheck and S&U stores are also major national companies as is Greenwoods, which is one of the Provident businesses mentioned above. S&U stores is the one large company which is not a member of the CCA.'(19)

The Consumer Credit Association of the United Kingdom (CCA) is the main trade association for weekly collected credit companies. Rowlingson says that although, in the past, many of these companies sold trading checks they now deal mainly in cash loans.

'The trading check now seems to be a thing of the past, replaced in part by vouchers from major chain stores which are exactly the same as the gift vouchers they sell themselves.'(20)

The advantage of these vouchers is that they can be used in the shop without anyone knowing how they were acquired.

The PSI researchers selected six companies. These companies were chosen to reflect the different types of company in the industry. They then selected eight collectors and thirty-one customers from these companies.(21) The aim of their study was to investigate and understand the nature of the relationship between customers and collectors. As this is also the purpose of this chapter, the study's findings are of obvious relevance to this discussion. The study looks at this relationship from a number of different perspectives. The first is from that of the company itself. The researchers asked the question: what sort of people made good agents from the point of view of the

company? Companies tended to adopt one of two different attitudes to this problem. As

Rowlingson says,

'Some were looking for people from the same social class background as their customers. Others were looking for people with slightly more upwardly-aspiring and achieving backgrounds.'(22)

Rowlingson says that,

'It was not uncommon for agents who were from slightly different backgrounds from their customers to be scathing of customers who seemed to have no intention of working or were working and claiming benefits at the same time. One agent said that these people often criticised her for her relatively affluent lifestyle.'(23)

As we have seen with Mrs Hill and Mrs Joll above, agents can hold quite contradictory opinions of their customers. So the feelings of agents towards their customers, and vice versa, can be highly ambiguous. The following quote (from an agent) tells us a lot about the way they see their customers.

'I wouldn't come to a company like this, me, I'd go to the bank. I've bought things off [the company] but I pay cash. I wouldn't dream of paying these interest rates. I mean I'm selling it to everybody else, but would you go to a company like this?'(24)

Rowlingson concludes that there are two main types of agents: 'one of us' and 'entrepreneurs.'

'one of us - these moneylenders were from a very similar background to their customers. They were generally women in their 30s or

40s. They found it easy to empathise with their customers. entrepreneurs - these moneylenders came from a slightly higher social class or had moved away from their working class roots. Some of these were judgmental about their customers' poor money management or lack of work ethic. They were more detached from their customers than other agents.'(25)

Whatever the agent's attitude towards their customers they still had to establish a relationship with them in order to do business. Rowlingson found that managers disliked recruiting new agents for several reasons. Firstly because of all the difficulties involved in finding reliable agents but also because of the problem that business was usually slow while new agents established relationships with their customers. Rowlingson points out that,

'This seems to reflect the element of trust which was at the heart of the relationship between lender and borrower. Customers only started to borrow once they got to know and could judge how far they could trust the lender.'(26)

Rowlingson's study demonstrates the continuing importance of the personal relationship between the agent and the customer. The best way to sell loans to customers was to be on friendly terms with them, and this was also the best way to recover repayments. Sometimes customers felt indebted to the agent, and this could help ensure repayment. (27) As we saw with debts to small shopkeepers the amount owed will, in all probability, not be large enough for it to be worth taking a defaulting customer to court.

This means that collectors try to conceal their anger from their customers in the hope that they can recover the money at a later date. It should be apparent by now that the evidence presented in the PSI study demonstrates the continuing significance of the interpenetration of rationalities in the operation of doorstep credit. However, there are three related theoretical issues that we also need to address that I have chosen to call the three 'Rs.' These are: rationalisation, routinisation and reflexivity. So let us now look at each of these in turn beginning with rationalization.

Gerth and Mills say that, 'The principle of rationalization is the most general element in Weber's philosophy of history.'⁽²⁸⁾ What Weber means by rationalization is the 'disenchantment of the world,' or the debunking of magic. He felt that thought was becoming progressively more systematic in character. Rationality denotes systematicity, consistency and method. As Derek Sayer says, 'Rationality amounts to the calculated application of rules.'⁽²⁹⁾ It is rationalization, not capitalism per se, that Weber sees as lying at the root of the modern world order. The antithesis of rationalization is 'traditionalism.' Pre-modern rulers worked through personal trustees, table companions or court servants and commissions of authority were not precisely delimited in their scope and ad hoc rather than permanent. So this was a personalised mode of administration as it was based upon loyalty to a particular individual. Weber says that, 'Modern loyalty is devoted to impersonal and functional purposes.'⁽³⁰⁾ Bureaucracy rests on the fact that officials will carry out their orders unquestioningly, and Weber feels that, 'this discipline increasingly becomes the basis of all order.'⁽³¹⁾ He feels that it is a feature of modernity

that people become accustomed to obeying rules and regulations. The essence of all such bureaucratic discipline is the 'exact execution of the received order.'⁽³²⁾ Weber says that, 'The 'objective' discharge of business primarily means a discharge of business according to calculable rules and 'without regard for persons.'⁽³³⁾

We have seen that this thesis is, in part, contradicted by the importance of personal loyalty to a particular agent rather than the credit company itself, and this idea will be further explored below. I indicated earlier that, despite their adoption of bureaucratic procedures in the 1970s, personal evaluation still played a significant role in the way mail order companies selected prospective agents. If we now turn to consider the evidence in the PSI study of other doorstep lenders, we will see that personal evaluation is even more important to those firms. The first point to consider in connection with this subject is, that most forms of mainstream consumer credit are now highly bureaucratised. Applying for credit will now usually involve filling in a form and, on the basis of this, a potential customer will be given a credit score. The decision to lend will be based upon whether an applicant's credit score has reached the pass mark set by that particular company. However, as Rowlingson says, 'Becoming a customer of a moneylender is a much less formal process than it is for other customer credit.'⁽³⁴⁾

Although they may use application forms and credit reference agencies on occasion, moneylenders tend to be more interested in a customer's personal characteristics. 'These personal characteristics include honesty, trustworthiness and

reliability.'⁽³⁵⁾ Rowlingson is quite clear about what their usual methods of recruiting customers are.

'Most managers and collectors agreed that the best way of recruiting good customers was through personal recommendation. As one manager said, 'We try to be very careful who we take on. We tend only to take on relatives of people on the books or friends. But if friends recommend it, the person recommending has to guarantee it to start off with.'⁽³⁶⁾

In other words, business is not usually carried out 'without regard for persons.'

Once an agent has actually recruited a customer, routinization plays a large part in maintaining the relationship between them. Rowlingson found that, when people first became customers of doorstep credit companies, it was usually because they had identified a need and then decided to borrow in order to fulfil it. In fact 17 of the 31 customers in her sample had become customers in that way. However, after they had been customers for a certain period, it just became a habit to borrow from that lender.⁽³⁷⁾ So a lot of customers were simply borrowing a set amount every 20 weeks and then deciding what to spend it on. Some people could not remember what their last loan was for!

While routinisation plays a part in sustaining the relationship between lender and borrower, another concept that Giddens attaches importance to is important in the termination of that relationship: reflexivity. Giddens sees reflexivity as an integral part of modernity.

'It is introduced into the very basis of system reproduction, such that thought and action are constantly refracted back upon

one another. The routinisation of daily life has no intrinsic connections with the past at all, save in so far as what 'was done before' happens to coincide with what can be defended in a principled way in the light of incoming knowledge. To sanction a practice because it is traditional will not do; tradition can be justified, but only in the light of knowledge which is not itself authenticated by tradition.'(38)

Doorstep credit is a traditional form of working class credit. I would argue that increased reflexivity, along with improved access to credit, has played an important role in drawing many people away from this traditional form of credit. Again this is an issue that we will explore in more detail below, but there is some indication of this in the PSI research.

In the 1980 NCC report Consumers And Credit the authors say,

'The majority of respondents reported that they had 'never thought of comparing' credit facilities and that in fact their typical behaviour was to go to the same shop, consult the same mail order agent or obtain the usual Provident or clothing club cheque when they needed something.'(39)

This illustrates the importance of the routinisation of transactions for customers of credit companies. The authors point out that people feel safer and life is simpler when they repeat the same pattern of behaviour. During the post-war period, this pattern has been disrupted for many people. This is due to the increased number of credit alternatives that have become available to members of the working class with a regular income. However, it does not matter what is available if people are not aware of the alternatives. This is

where the reflexivity of modern life plays a role, as people became aware of what is available to them through advertising and the media.

Rowlingson points out that only current customers of doorstep credit firms were interviewed for Moneylenders And Their Customers. So we have to look elsewhere in order to find accounts of individuals who had stopped using this type of credit. In fact, we can find such accounts in Hard Times? the PSI study of how poor families make ends meet. If improved access to other forms of credit drew some people away from this type of credit, less fortunate members of the working class were still left with little alternative, as the following quote emphasises. *The authors of Hard Times? interviewed a woman with £76 a week disposable income who was paying £150 interest on a £200 loan she had taken out for Christmas. She told them,*

'It's disgusting isn't it? But they always come around at the right time, when you need money, and you've got no choice. I mean Christmas, there was nothing I could do.(40)

The tendency to weigh up the alternatives can be seen in the following quote.

'If I had got a loan [from a more reputable company] it would have been cheaper because this one works out to be 30 per cent interest ...a friend in the same predicament told me.'(41)

I am not arguing that people did not previously weigh up the alternatives available to them and choose from them. My point is simply that: in conditions of late modernity people are much less inclined to continue doing the 'usual' thing just because it is the

usual. As Giddens says, they need some other justification. This is a point we shall return to when we consider the evidence I have gathered for Tyneside.

Finally, we should consider the role of mail order in the post-war period. Many of the respondents interviewed for Moneylenders And Their Customers had either used mail order in the past or were still doing so. Rowlingson says that,

'Catalogues were used because they were convenient, gave a wide choice of goods and had no interest added to the price. Where the mail order agent was a friend, catalogues had all the advantages of weekly doorstep collection.'(42)

Again, there was also an indication that *an increased awareness of alternatives was having an impact upon people's use of this type of credit.*(43)

Over half of the respondents interviewed for Hard Times? were currently paying for goods they had bought from a mail order catalogue. One of the attractions of this type of credit, as I said above is that, where an agent is involved in the transaction, it operates in exactly the same way as other forms of doorstep credit. This is exactly the point that the respondents in the PSI study who are dealing with an agent of a mail order company make. Because they are dealing with local agents, they are less likely to miss payments, and the agent is 'more like a friend.'(44) The BBC2 programme on mail order that was cited above made an important point about mail order in the post-war period.

'Over the past 20 years changes in society have led to the decline of the agent system. With greater numbers of women out at work and more people moving away from their communities, running an efficient agency

has become increasingly difficult.'(45)

Don Garnett from Grattan Catalogues says that,

'In the 1960s, an agent had about sixteen customers on average. Now its considerably less than that. You get about three people purchasing from a catalogue. So its changed in its nature, and the agents now are really using it as a means of shopping for their family and perhaps the next-door neighbour.'(46)

This returns us to an issue I have addressed in previous chapters which is also taken from the work of Anthony Giddens: the breakdown of trust. My argument is, that the decline of the agent system is symptomatic of the decline of trust within working class communities.

The other major change in the nature of mail order in the post-war period is, that the market has become more segmented than it formerly was. This point is made by Janet Ford in The Indebted Society: Credit And Default In The 1980s.

'Mail order itself is now changing and moving up-market with special catalogues aimed at the more 'discerning.' Clothkits, ByMail (both selling clothes), Harrods, and recently Marks and Spencer, selling furniture direct through a mail order catalogue targeted to 250,000 of its charge-card customers, are just a few of the many moving in that direction.'(47)

This expansion in the type of customers that deal by mail order has resulted in a growth in this type of trade.

'The amount of new credit granted by mail order firms has grown rapidly as has the amount of credit owed to them. In 1978 £513m was outstanding. By 1985 this had risen to

approximately £980m.'(48)

Having outlined the general situation in the post-war period, we are now in a position to consider the relationship between the agent and the customer on Tyneside during this period.

The Role Of The Agent On Tyneside After 1945

As I indicated above, there is a great deal of continuity between the pre-war and the post-war periods. The first thing to point out is, that the agent's customers are still often loyal to the agent as an individual, rather than to the company. Here is how one woman began collecting for the Provident in 1954,

'My mother was in hospital and my husband was working in a factory, and I had two children that I couldn't get minded. So I went up and I says 'Could I be a Provident agent?' and then you had to find your own customers, they didn't give you any. Now they do, but then you didn't get a customer. So I was running a Kays catalogue and I was collecting about £8 a week, and they says, 'You're not allowed to start the Provident if you've got a catalogue', and I says 'Well I promise you if you give me 20 weeks, as each customer finishes their account, I'll put them onto Provident, or drop them, and in 20 weeks I'll have got rid of the catalogue,' which I did.(49)

This story illustrates this point perfectly, as this woman was able to take all her customers with her from one firm to another. So the customer is usually loyal to the agent rather than the company.

Most women begin by dealing with their friends and relations, and then expand from there, as did the interviewee quoted above. She said that,

'...half of them was neighbours and relations and then I started picking up, getting friends from them. I would go and look up old friends and they would tell me about some of their friends. I never ever did a cold canvas knocking at doors....Then you found your friends' children were coming up. In the end, I was onto grandchildren!'(50)

As the following account shows, people were often quite willing to take on credit commitments just to 'help out' their friends or relatives. Mr Anderson, a retired shipyard worker now living in Byker, told me that, during the 1940s and 1950s,

'I used to join things, like clubs, if anybody started to run a club and they wanted to get it off the ground I would join just to help.'(51)

Mr Anderson was earning enough money to be able to pay cash for the goods that he acquired through various doorstep credit firms. However he became involved in this type of trading as a result of his 'philanthropic' outlook. This is apparent from the following example of the type of credit he became involved in 'just to help.'

'I used to often get something out of a catalogue because me sister ran it. So I used to order something, and then I used to send her the money, and mostly I used

to just send her the full whack.'(52)

These two cases illustrate the point that there is often an existing bond between an agent and a customer, in which case the loyalty of the customer is ensured. Where it does not already exist, though, a personal relationship has to be established.

In the case of full-time agents of a company this relationship has to be built up over time. All the collectors, full or part-time, that I spoke to emphasised that they were 'one of the family.' In the case of part-time women collectors, though, they were quite likely to literally be one of the family to begin with. Full-time male collectors had to work harder to build up a relationship as they would not usually have an existing connection with their customers. Mr Parkin was a 'ticket man' for the Newcastle firm of McAdams during the early 1950s. He said that he used to try and establish a common interest, particularly with the husband, as this would oil the wheels of business. So he would ask the man which club he went to because, as he puts it, *'There were very very few working class men not interested in clubs.'*(53)

A knowledge of the family meant more business for the full-time collector. Their attitude to their customers is more instrumental than that of the part-time collector. Like the woman mentioned above, Mr Parkin also dealt with several generations of the same family. He said that,

'As soon as I got to know they'd started work
I'd say 'Look do you fancy a little one, just
5 bob or 10 bob a week,' or something like that.
Then you had them on the books and, of course,
once they were on the books then you had them
right through till they got married, and then

you would start on their children...'(54)

Although this is just what the part-time woman did, in effect, the attitude of the two collectors is quite different. For the full-time agent knowledge of a family leads to more business. For the part-time agent the social interaction that goes with the job has an entirely different meaning. It can be one of the reasons that they continue to do the job.

For the firms involved, the advantage of using part-time women collectors was the same as the advantage of using Watch Clubs for the Fattorini's in the nineteenth century. Collecting was a social occasion! Thus all the women that acted as agents described their collecting round as involving endless cups of tea with their customers. This meant that the social element was important to both customer and agent, in just the same way as paying their weekly subscription was an occasion to socialise over a drink for Watch Club members. So what happened when this cosy, social, relationship came under threat from the customer's unwillingness, or inability, to pay?

Mrs Joll (see above) was a Provident agent from 1972 to 1991. Mrs Joll said that, in difficult cases, section managers would visit the person and threaten them with court action.(55) She feels that more recently, however, many people have become aware that this is usually just a hollow threat, as it can cost the Provident more than the debt is worth to prosecute, so they are unlikely to be worried by this. What is interesting, though, is that the Provident sends a full-time worker to deal with this type of problem. There are two possible reasons for this. Firstly, the fact that someone with more authority and power than the agent has intervened is presumably meant to impress upon the erring customer

the seriousness of their transgression. Secondly, it has the advantage, for the firm, of minimising the damage to the still potentially valuable customer/agent relationship. We will return to the difference between full and part-time collectors later. Having established the basic continuities in the relationship between agent and customer, we should now move on to consider the changes that have taken place in credit trading on Tyneside during the post-war period.

The fundamental change in doorstep credit trading in the post-war period on Tyneside has been the gradual disappearance of most of the smaller firms that traded in this manner. This is apparent from a search through the local directories as well as from what my respondents told me. Between the 1960s and the 1980s many of these firms began to experience difficulties and eventually closed down. We have already seen that Shephard's of Gateshead and Parrish's of Byker closed in 1980 and 1984 respectively. A lot of other firms were forced into closure before then. Mrs Moss, another former collector with McAdams told me that McAdams was taken over by another credit firm, Beavans, in the early 1970s and, in the process, a lot of bad debt was written off.⁽⁵⁶⁾ Beavans, of Shields Road Newcastle, was itself taken over by Great Universal Stores in about 1980, according to the current manageress of that shop. It is now a catalogue bargain shop and only offers credit through a finance company on large consumer durables.⁽⁵⁷⁾ The businesses of the two credit drapers that I interviewed no longer exist. Mr Burton ceased credit trading in 1975. He then opened an ordinary retailers in Blyth, in order to be nearer to his old customers, but was forced to close that in 1988. Mr Macrae

opened a shop in Durham in 1947 but that closed in 1967. We could continue to trace the decline of countless other credit firms during the period, but this is not necessary for our purposes. It is more useful to consider the factors that led to the decline of this type of business.

Mr Macrae did not experience any great decline in custom during the 1960s .I asked him whether he had lost customers to department stores and new types of credit during the 1960s? His reply was that,

'They were always a competition, but I think the trust that we had with our customers was to our great advantage. I think that's where we succeeded, because of the trust. And all the credit traders were the same...Some of the modern ones we lost, because when they got married some of the younger ones had different ideas. By and large, the families went on, and on our books you would find lots of people with the same names. They were just families you see. It was quite normal to go into a house and have three accounts in the house and collect money from everybody. There was a bit of tailing off, but it didn't affect us tremendously.'(58)

In fact, Mr Macrae only stopped trading because Durham County Council placed a compulsory purchase order on his shop to make way for a new road development.

There seem to have been several factors that contributed towards the weakening of the relationship between the customer and the credit draper, and the subsequent decline of

that type of trading. Mr Macrae acknowledges that he probably got out of the credit business at the right time. Credit drapers financed their own credit, they did not borrow from a financial institution. He said that, as prices went up, the business became increasingly difficult to fund independently.(59) Two comments that Mr Parkin made also suggest reasons for the decline in the credit drapery trade. Firstly, he told me that the areas he traded in had become increasingly dangerous by the end of his working life.(60) Secondly, he felt that he was catering for men's reluctance to go shopping.(61) So one factor that would have contributed to the decline of this type of business is, the cultural shift in men's attitudes that allows them to take a greater interest in their appearance, and thus feel more comfortable shopping for clothes.

Changing patterns of consumption also figure largely in Mr Burton's explanation of the decline of his business. Mr Burton dates the decline of his type of credit trading from the formation of the National Coal Board in 1947. His explanation runs as follows: after the mines were nationalised, wages improved and this gave the young men increased spending power. So they no longer needed (or wished) to deal with a credit draper who carried a limited amount of stock. Now they could shop in the larger retail centres and take advantage of the greater choice that offered them. This also fitted in with young people's heightened interest in fashion. The ultimate result of this was the end of the credit trade as he practised it.(62)

We should now consider the break with the established credit firm from the point of view of the customer. We can get a good idea of why individuals may have stopped

trading with established companies if we look at the accounts of two people that broke with their traditional firm. The first account comes from Mr Barker who was born in 1943 in South Shields. His father was a fitters' labourer in the shipyards and, in 1954, they moved to Jarrow. Mr Barker describes the importance of Shephard's of Gateshead to people living in Jarrow at that time.

'Shephard's was part of the community within Jarrow because ninety per cent of the people did shop at Shephard's. It was easy to access.'(63)

His father used Shephard's which he paid for by means of Provident checks. It was his aunt who dealt with the Provident agent though. She held the payment cards for about five family members, and she would pay the collector for them. So Shephard's and the Provident were the traditional means of credit within Mr Barker's family. He initially continued this tradition when he started work in 1958.

'When I started work, you found it easier to stick with the Provident because you didn't have the cash when you first started. So if you bought a pair of shoes for £20 it would cost you a pound a week to pay it off.'(64)

So at this time he simply did not have enough money to pay cash for all of his immediate needs.

There was a significant difference between Mr Barker's attitude to credit and that of his father. Mr Barker's father did not see the Provident as a form of credit! Mr Barker said that he used to try to make his father aware of the alternative sources of credit that he

could have used. He points out that his father could have bought items on hire purchase if he had wanted to, but he refused to do this.

'He would rather stay with the Provident because it was hidden. He wasn't seen getting it...His belief was that, if you can't pay for it, don't get it. I said, 'Well what about the Provident?' He says, 'Well that's not the same.'(65)

This is obviously a somewhat bizarre consequence of the ideology of respectability. For Mr Barker's father, it meant that he did not see the Provident as a form of credit, which meant that he did not have to feel shame about buying on credit. It was also conveniently conducted well out of sight of the neighbours, particularly in his case as the collector did not call at his house. As Giddens says,

'Human agents always know what they are doing on the level of discursive consciousness under some description. However, what they do may be quite unfamiliar under other descriptions, and they may know *little of the ramified consequences* of the activities in which they engage.'(66)

So what made Mr Barker break with the Provident, given that firm's embeddedness within his family?

When Mr Barker was 21, in 1964, his father died. As a result of this, for personal reasons, he left his old neighbourhood and moved to Gateshead. This was the point at which he broke with the Provident. He says that,

'So at that particular time I paid cash, because I had no other option. But again, I mean, I was earning a lot more money than I used to. I was earning about £37-8

pounds a week in 1965, which was a fair amount of money, and that allowed me to come out of the trap of the Provident. Which I would never use again mind.'(67)

What emerges from this account is the crucial importance of economic factors in creating the break with the traditional firm. However, as is suggested in Mr Burton's account, economic factors are not sufficient in themselves. Both parents and children in the colliery districts that Mr Burton traded in experienced an increase in their level of wages. However, it was initially only the children that had the motivation to reject this type of credit. Similarly with Mr Barker, his father was in a position to stop trading with the Provident if he wished. He did not do so because it was a form of credit he had become accustomed to. We should also note that, in the above quote, Mr Barker begins by saying that he was compelled to start paying cash. This was because, in moving to Gateshead, he had removed himself from his family network, and consequently from the family credit arrangements.

The second account of the break with the established credit firm comes from Mrs Robinson. Mrs Robinson was a miner's daughter who was born in 1934 in the west end of Newcastle. She had a number of jobs, including nursing and cleaning, before getting married in 1955. Her husband worked in a foundry as a moulder. Unfortunately, in 1962, he was made redundant. Mrs Robinson used half of her husband's redundancy money to pay for all the items of clothing that the family urgently needed. Up until this point, Mrs

Robinson had bought everything (on credit) from a ticket firm called J.R. Scott & Sons.

Now she found that having the money in her hand made all the difference. As she says,

'I went into shops and I was asking 'How much off for cash?' And I mean I was amazed at how much I was saving by saying that. I did it in one shop, and when it worked, I did it in others. Because I didn't realise actually when you've got cash you can get things cheaper...'(68)

She even went to the same wholesaler that she had been taking her tickets to and bought a coat for a third of the price she had been paying as a credit customer! After this experience, Mrs Robinson never used a doorstep credit firm again. One of the interesting things about Mrs Robinson's account is, that she stopped using 'traditional' credit as soon as she became aware of how much she had been exploited by it. It is notable that her behaviour was in no way facilitated by increased prosperity. After his redundancy, both her and her husband continued to experience spells of intermittent employment and a great deal of poverty. Despite this, Mrs Robinson managed not to return to the old types of credit again. She managed this by a number of ingenious means, but basically through selling any valuables they had acquired.

These two accounts indicate the type of factors that could lead individuals to break with 'traditional' forms of credit during the 1950s and 1960s. Many people would have made the discovery that Mrs Robinson made, that it was cheaper to pay cash. A lot of people were also being drawn away from their communities, and consequently their old credit networks. However, while some people, mainly the younger generation, were

moving away from the old types of credit the older generation still maintained them. Mrs Blackwell was born in South Shields in 1956. Her father was a miner, and they lived on a newly-built council estate in South Shields. In her parents' case, the move to a new estate did not disrupt their old patterns of credit use. Mrs Blackwell said that her parents had used Provident orders for as long as she could remember, and they had a collector that used to call regularly for payments. Her parents continued to use the Provident throughout the 1960s, and only stopped using it in 1970. They managed to maintain a fairly traditional pattern of credit use throughout this period: the Provident, some hire-purchase, and credit from the local shops.(69) So why did they not make use of alternative sources of credit?

The basic reason that they did not try new (and cheaper) sources of credit during the 1960s was, that they had no knowledge of them. This will become apparent if we consider the circumstances which led them to eventually break with the Provident in 1970. In that year, Mrs Blackwell's older sister started work and the family found that they no longer had as much need for credit. So the basic economic necessity for credit was removed. However, this still does not explain why they continued to use the Provident until 1970, particularly when Mrs Blackwell's father's wages were being paid into a bank account. Mrs Blackwell told me that two things happened as a result of her sister starting work. Firstly, the family had more money coming into the house and secondly, she brought a greater knowledge of financial institutions into the family.

'She was more aware of what you could do and what you couldn't do for credit. She was the

one who got them to go down to the local bank (Barclays) where me dad's salary was paid in and they got a bank loan to buy a new car... And it was a big surprise for me mam, because me mam never realised how easy it was to get credit.'(70)

Her parents got this bank loan in 1972 but, until then, even though they had a bank account, it did not occur to them that their bank could be a source of credit.

The following account, from Mrs Hughes, shows us that, up until the 1970s, the old credit firms were still very much embedded within working class communities. Mrs Hughes was born in 1947 and married her first husband in 1964. Her husband worked as a panel beater, and they lived in Forest Hall in North Tyneside. Her description of the type of credit she used after she was married emphasises the importance of affectual rationality in the relationship between the agent and the customer.

'You would get a ticket and you would go to a wholesaler and buy something and, after that, a guy would come round once a week. I mean, you had a really good relationship with these people, if you paid you did I don't know what it was like if you didn't pay. They were great friends. You used to wait for them coming for a cup of tea, and they'd run you to whatever wholesalers....And they'd always want you to have more and more all the time. They were always happy for you to do that.'(71)

In fact, Mrs Hughes does go on to offer some indication of what it was like if customers did not pay.

'They [the collectors] used to talk about the Ridges (which is now classed as the Meadow Well) and they used to tell us of some horrific

experiences they had with people: not wanting to pay, taking their car tyres off, and being punched on the nose. They were all friends when they came to our house anyway. A lot of them came years after we stopped getting tickets. We still actually kept in touch in some way or another. So it was actually quite nice.'(72)

So one of the fundamental conditions for the formation of a 'close' relationship between the agent and the customer is that the customer is a 'good payer.' The situation Mrs Hughes describes is still not so very different from that of the inter-war years. As we saw from Thomas Callaghan's autobiography, even in 'the good old days', ticket men could still receive rough treatment from their customers, particularly in *poorer districts*.

Mrs Hughes, however, lived in a highly 'respectable' area and, as she worked in retailing, the couple had two incomes coming into the household. She was also aware of the fact that she could have got a bank loan if she had wanted to. However she still continued to use ticket agents. Here is her explanation of why she used this type of credit.

'Because they'd come knocking on your door touting for it. We only got Howard's because one of the friends of ours [herself and her mother] over the way she always had this Howard's club and she used to go on and on about it. She sent this guy across who was really a nice guy this Thomas, in fact I'm still in touch with him today...So we decided we would and, if I was going to have some, me mam might as well too, and we could go into town together and get it.'(73)

It should be noted that Mrs Hughes did not weigh up the comparative rates of interest of different types of credit, and then choose this firm. She told me that she had 'no idea' of

the rate of interest that she was being charged. As she says, 'I never thought about it, especially with something I wanted particularly.'(74)

Mrs Hughes also used the Provident for a while. So I also asked her why she became a customer of that firm?

'Oh, that was a girl who had just started working for the Provident and she wanted some customers. We knew her, so we got a Provident out.'(75)

So we can see from Mrs Hughes' account that the old firms were still trading in the same way as they had been during the inter-war period up until the 1970s. The first company she mentioned, Howard's Stores in North Shields, was a store that Mrs Wrigley's mother used to use before the Second World War (see above). Her account of why she began trading with those firms is also remarkably similar to Mrs Samuel's family's pattern of credit use (see above.)

Mrs Hughes stressed the fact that she really enjoyed using this type of credit. It seems that there were two elements to this enjoyment: the joy of having a spending spree (or the 'splurge' factor), and the pleasure of having regular callers coming to your house. Mrs Hughes stopped using Howard's Stores in the early 1970s. The importance of the 'social' factor can be seen in her explanation of this.

'Thomas left the company, the guy who collected, and we didn't like the next fellow. So we just didn't bother getting any more. It was that simple.'(76)

An individual's attitude towards credit was formed by several factors. Chief amongst these was both their own and their families previous experience of credit use. Mrs Johnson was born in 1924 in Shieldfield in Newcastle. Her father was an unskilled railway worker and her husband was a printer. After she was married she lived on the Pendower council estate in the west end of Newcastle. She told me that, during the 1950s, a lot of people on that estate used the Provident and Shephard's of Gateshead to buy clothing and other items. Mrs Johnson used both of these companies up until the late 1960s. In contrast to Mrs Hughes, she stopped using this type of credit as soon as she was able to. As she says, 'Things got a little bit better and you stopped using it.'⁽⁷⁷⁾ When I asked her why she simply said, 'There's no substitute for cash.'⁽⁷⁸⁾ After she broke with the 'traditional' forms of credit (i.e. from the late 1960s onwards) Mrs Johnson never used credit again. So she has never had hire-purchase, bank loans or credit cards. Part of the reason for this is her family's credit history. When Mrs Johnson was a little girl, the family had bought some furniture on hire-purchase and it had been repossessed. As a result of this, and the general poverty she had experienced as a child, she was very careful with her money. As she told me,

'You still hesitate about buying anything, you know, even down to a few sweets. When you're brought up the way I was brought up, you think twice. If you've had the worry of seeing your mother worrying about how she's going to pay for things [bought on credit] you have a lifetime of fear of not being able to manage. It leaves a terrible impression on you.'⁽⁷⁹⁾

Mrs Johnson's account indicates just how important cultural predisposition can be in determining patterns of credit use. Like Mrs Hughes, she was aware of the fact that she would have been able to get a bank loan, a credit card or other forms of credit during the 1960s. However she chose not to make use of new forms of credit or continue with the 'traditional' types.

The final account of the break with the established firm comes from Mrs Mason who was born in Newcastle in 1917. She began using the *Provident after she was married*, in 1940, and continued her relationship with the firm until 1975.(80) Her husband was a painter and decorator and the couple lived on the Cowgate council estate, in Newcastle, where Mrs Mason still lives. The *Provident* was the only source of credit that Mrs Mason used during her married life. She told me that she was 'very friendly' with all her collectors and that, 'I got on famously with the Provi.'(81) She furnished her whole house through the *Provident*, and Shephard's and Parrish's were the main shops that she went to with her Vouchers.

Mrs Mason said that her husband did not approve of her use of the *Provident*, but he could never openly object to it, as it was his fault that she had to resort to credit. She felt that she would not have had to use the *Provident* if her husband had given her more money. If he had objected, she says,

'I would have told him to mind his own damn business. I'd have said, 'Tip up more and I wouldn't need to do it.'(82)

When I asked her if he was aware of her use of the firm she replied that,

'He had an idea, but he daren't say nothing. I'd have fettled him if he had. Because, I mean, if he didn't give me the money to get things, well how did he expect as to get them otherwise?...He knew they came but he didn't know why nor what for, nor how much I gave them or what have you.'(83)

So this is another reason that women continued to use established credit firms like the Provident: the unequal distribution of income within the household which created a need for some form of credit. However this still does not explain why Mrs Mason used this particular type of credit.

Mrs Mason also felt that she could have gone to a bank or obtained items on hire-purchase if she had wanted to. So I asked her why she didn't use another form of credit instead? She replied,

'I like the Provi. That's all there was to it. If I take to a person, well that's it. I'd do anything to help them.'(84)

This was why she would advise her collectors about lending money to her neighbours. She would tell them who would be able to repay their loans and who was having financial difficulties. Her account stresses the importance of affectual rationality in her continued relationship with the firm.

'You see I liked them, that was the main thing. I got on alright with them and they got on alright with me. They seemed to like me. One or two of them invited as to their houses for lunch and things like that.'(85)

If she had disliked an individual collector she would have simply ended her relationship with the firm. However, as it happened, she was never allocated a collector she did not get on with. She only stopped using the Provident after she began to work full-time. Three things happened as a result of this. There was more money coming into the household, Mrs Mason was in control of this additional money as she earned it, and it became increasingly difficult for her to be at home for collectors. *The result was that she stopped using the Provident.*

So, we should now attempt to summarise the evidence we have considered so far. The doorstep credit firms we are considering here became successful, in the first instance, by offering credit trading to social groups that had previously been excluded from it. This process began with the Watch Clubs that offered credit to the labour aristocracy in the nineteenth century, and was extended to include *the rest of the working class during the inter-war period*. After the Second World War, these companies remained embedded within working class communities due to their continued use of the system of agents. It seems that because people were approached by their friend, neighbour, or relative to take out an order, or buy something from a catalogue, this made it impossible to say 'no.' In fact this turned a business transaction into an affectually motivated act. These established firms were the 'traditional' method of credit for many working class people. So people felt comfortable using them precisely because they were accustomed to them. As Giddens says, the routinization of social practices creates a sense of ontological security. The established firms' position as the 'traditional' source of credit for the working class, and

their concomitant embeddedness in the social networks of working class communities is what kept such firms in business at a time when they were experiencing stiff competition from alternative sources of credit.

This was a state of affairs that could not last forever. We have identified a number of factors that contributed towards the decline of this type of credit. These include: increased prosperity, changes in patterns of consumption, increased knowledge of new forms of credit, the increase in the employment of women, and the disruption of working class neighbourhoods. All of these factors taken together led to the decline of the 'traditional' credit firms during the 1970s. The underlying changes in the post-war period that caused this decline can be summarised as: greater economic prosperity, and a higher degree of reflexivity in the way people lived their lives. However this is still not the whole story. We also need to ask why some firms survived and others did not?

In the case of credit drapers, like Mr Burton and Mr Macrae, there are some fairly solid reasons for the decline of their business. They conducted a lot of their trade in relatively remote colliery villages. So improvements in public transport would be one factor that would damage their business. When we add to this the increased disposable income of young people and the attraction of the fashionable boutiques in urban centres, the credit draper's days were obviously numbered. However this does not explain the closure of shops like Shephard's and Parrish's, though, which still had the advantage of being close to their customers, and could carry a wide range of stock to keep pace with demand. In fact those two stores lasted right through the 1970s.

If we consider all the evidence I have presented so far, what seems to have happened was that the more affluent members of the working class turned away from 'traditional' forms of credit during the 1970s (for all the reasons I have already outlined.) This change damaged the smaller firms most, as they did not have the flexibility of the larger national companies, like Provident and Shopacheck. For example, many people bought Parrish's money through the Provident. From what my respondents told me, Parrish's seems to have been badly hit by the redevelopment of Byker in the 1970s. As I pointed out in an earlier chapter, this resulted in the homes of 3,000 people being demolished, many of whom had no choice but to leave the area. *This seriously* undermined the social networks that sustained Parrish's. If we add to this the fact that many of the people who remained in Byker would have been more able to pay cash and had access to other forms of credit, we can begin to see why that store closed.

The Provident, on the other hand, has the ability to follow its' customers wherever they move to. So, if individuals still wish to continue trading with them, the link with the firm can be maintained. Furthermore, the Provident cannot be damaged by the closure of a single shop, as all the company has to do is simply make an agreement with another shop. The most recent Provident publicity leaflet to be distributed on Tyneside lists 25 different retail outlets that accept Provident Shopping Vouchers. These include: Argos, B&Q, Comet, Top Man, and What Everyone Wants. This illustrates the firm's ability to keep pace with changing patterns of consumption. As it says in the leaflet,

'You can buy practically anything with
Shopping Vouchers - clothes, shoes,

electrical and household goods - even gifts for your family and friends.'(86)

There is another way in which the Provident has a greater degree of flexibility than other firms: it will actually take customers to shops that accept their vouchers! The Provident organises bus trips to shops that they deal with. The company seems to have begun this practice sometime after the Second World War, and it is still continuing today. Mrs Wilson worked for the Provident between 1954 and 1990, and went on many of these bus trips with her customers. She says that,

'They would take a bus-load [of customers] to one shop one night but, when you got there, there would be a bus-load from Jarrow, or somewhere else too. People just went round and bought what they liked, and then you went and found your agent, and your agent got you the checks. Shephard's was the biggest bus trip we ever had from this area.'(87)

Bus trips were organised by the local Provident office to various large retail outlets (usually clothing stores.) Although they were not paid any extra to do it, agents were expected to drum up support for these trips and to accompany their customers. The bus would then make several designated stops along the way to pick up customers. During the 1950s and 1960s, trips were held during the day and in the evening. Daytime trips picked up customers at 10.00 in the morning and returned them at 3.00 in the afternoon so women could collect their children from school. Obviously, if trips were held in the evening, the shop would open (sometimes until midnight) just for Provident customers.

Mrs Wilson says that the bus trips had the atmosphere of an outing. It was mainly women that went on them, and they were quite often used for bulk food shopping. The outings seem to have generated an atmosphere of frantic consumption.

'People would buy £200 worth of toys. They'd buy anything. You took them and they bought anything.'(88)

Mr Miller was a section manager for the Provident from 1988-89 in a mining district. He gave a similar account of the shopping trips as orgies of consumerism. Mr Miller told me that, by this time, they were usually held quite near to Christmas and only in the evening. Customers would be allocated about £100 of Vouchers each and they'd be taken to a store to spend it. He says that, 'They'd have a certain length of time in the shop and run round and spend like crazy.'(89) There was a great deal of pressure on agents to get their customers to go on these trips. The Provident management expected coaches to be filled, and a lot of money to be spent. If this seems like the irresponsible promotion of reckless consumerism amongst people that can ill afford it, then some of the firm's other practices will appear even worse!

This is the real key to the success of the Provident: complete and utter ruthlessness in business and an almost total disregard for the welfare of their customers. In 1972 the Provident began to lend money, before that they had only dealt in Vouchers. Several Provident agents have expressed their concern over the large amounts of money they were given to lend, this can be up to £1000 at a time. For the agent there are several problems attached to this. Firstly, the agent often receives the money a day or two in

advance, and they have to look after the cash until they distribute it, but if it is lost or stolen the agent is responsible. Secondly, they then have to do their round with £1000 or so in cash. Then, they are expected to unload this cash onto any customer that will take it. The general feeling was that the Provident was pushing people that could not afford it into debt. This was the reason that Mrs Joll (see above) gave for leaving the Provident,

'Management were pushing you all the time. They wanted more and more, and I felt as if they were pushing people into debt, and my conscience...I was thinking to myself, 'I'm getting these people into debt.'(90)

Mrs Joll felt bad about going into poor households with large sums of money to lend. She knew the people borrowing from her could not afford to pay the loan back, but there was pressure from the management to lend as much as possible. As she says,

'The management wanted you to say to the customers, 'So you want £100, why don't you take £150?' The section manager, he's left now, do you know what he said before he went? He said that this company was bordering on loansharks.'(91)

So, this particular agent became profoundly unhappy about her role within the communities she dealt with, and this was what led her to cease collecting. She was also acutely worried about her own personal safety as collectors were attacked on occasion. Collectors make a fairly obvious target as they are known to the people in the area that they collect in. Mr Miller pointed out that, apart from being told to bank regularly, the Provident does not offer agents any guidance on personal security. As we will see below,

Mr Miller also became profoundly uneasy about some of the company's practices and this prompted him to leave the firm. So such discontent was not confined to part-time agents.

Mrs Wilson told me that what happened during the 1960s was, that the Provident gradually increased the interest rate on their Vouchers. The interest rate went from a shilling in the pound in 1962 to 25p. in the pound, which is the current rate on vouchers.(92) Cash loans earn a higher rate of interest. After they introduced cash loans the Provident began to move more and more of its business over to that type of loan. So now there are very few checks sold, most of their business is in cash. *The exact amount of interest on cash loans varies according to the amount borrowed and the period it is borrowed over.* Mr Miller told me that the interest on £100 in cash was £50. Mrs Wilson told me that the interest on £1000 was £800. However the Provident does not just exploit their customers. *The company also relies on the intensive intellectual and emotional labour provided by part-time agents.*

I asked Mrs Joll whether she thought that it was worth it for the agent to perform such potentially difficult work? She replied that it was but, 'You put a lot of hours in book-keeping and going to the office.'(93) At the time she was employed by the Provident, the commission for agents was 8p. in the pound for Vouchers and 7½p. for cash loans. (94) This meant that if a customer took a £100 voucher the agent would receive £8. It is difficult to calculate whether this was a reasonable recompense, at this time, for an agent or not. It does not seem a very generous rate of pay if we consider the amount of time that would then be spent collecting that loan back, keeping records of the

repayments, and then delivering the money to the local office. It would seem that the financial rewards of being an agent are not necessarily the primary benefits for the person involved. Mrs Wilson told me that, 'I loved it, I would still have been working, but I got thrown out at 65.'⁽⁹⁵⁾ Her husband said that she acted as an 'agony aunt' as she heard all her customers' troubles. Attachment to their customers, and the opportunity to socialise with them regularly seems to be the main reason that a lot of agents continue to do their job. So we can see the operation of the interpenetration of rationalities here. Affectual rationality can not only create custom in the first instance, it can provide a very real motivation for the agent to continue doing their job.

As I have pointed out, the affectual element in the relationship between agent and customer usually works to the benefit of the firm. However there can also be a negative aspect to this for the companies involved, particularly with part-time agents: the agent can become the customer's personal debt counsellor. Mrs Wilson used to invite her customers over on Wednesdays (traditionally the agent's day off!) if they needed help with their finances. Mrs Joll also helped her customers in this way. She said that,

'There was one customer, 'Eeh,' she says,
'I don't know which way to turn.' I says,
'I know, you're just getting in a bigger
hole, you're borrowing money to pay your
Provi.' She would say, 'Give me a £200 loan
this week, but just keep me payment money
out of it.' So all she got was £130 out of
the £200...I couldn't see anybody going on
like that...I says to her, 'Listen, don't
get any more loans. Put a stop to it, and
reduce your payment down to a fiver a week
or a couple of pounds even, and save your

money up to pay your own gas bills, or get standing orders, because she was working, to come out of your bank account to pay your bills.'(96)

Mrs Wilson and Mrs Joll would both give out this type of advice to their customers. This kind of advice can benefit the customer greatly, but it often runs counter to the interests of the company. So this is a case where affectual rationality can actually set limits on instrumental rationality in a very real way. We should now turn to briefly consider the impact that the intervention of a professional advice worker can have on the relationship between the agent and the customer.

The Advice Worker

It should be remembered that the Provident is now largely dependent on customers with limited access to other forms of credit due to their low level of income. So many of their customers experience financial difficulties at some point. Nowadays a third party is likely to be involved in the relationship between the agent and the customer: the professional debt counsellor. The basic task that the debt counsellor performs for their client is, to prioritise their creditors for them and draw up a schedule of repayments based upon what that person can actually afford. This usually necessitates dealing with the creditors on the client's behalf. Firms like the Provident are a low priority for the debt

counsellor as their primary concern is that their client pays their fuel bills and keeps a roof over their head. Graham Dixon, the manager of Newcastle CAB, said that,

'When the client is dealing with a company, and the company actually sends a collector to the door, there is always that problem that the client will hand the collector more than we have agreed to pay them. So we have to tell the clients not to do that. The major problem with the Provi, or with a catalogue, is that the agent could well be your cousin, your sister, your aunty, or whatever else. So its incredibly hard to say to your sister or aunty 'I can't pay you because of the [advice] bureau.'(97)

Ian Poole, the manager of Cowgate CAB, also experienced difficulties in persuading clients to reduce payments to their Provident collector due to the close relationship between customer and agent.

'They do swap Christmas cards, they're known by an affectionate term, maybe a nickname. So that's how pally it gets. That, again, is very good marketing. It works very well. I think in some cases people who know the first name of a collector will feel personally liable to that individual rather than liable to the Provident. So there's an additional guilt that you don't have to Nat-West Bank as account number 006 or whatever it is.(98)

The feeling that the money is owed to an individual, rather than to an organisation, leads to problems in getting clients to prioritise their debts.

'If, in going through someone's budgeting, we find there's a Provident and a Nat West and whatever else there, it will often be the case that they will say, 'I'd rather

you didn't touch that one [the debt to the Provident], I don't really want to have to say to the collector that I can only pay 45p. a week.'(99)

However he has one course of action he can follow in such situations: he can break the link between the agent and the customer. If his client agrees, he will contact the Provident and ask that the account be taken away from that agent and dealt with directly by either the local office or the head office in Bradford. If a customer falls behind with their payments, the Provident also has a standard procedure which involves interfering in the agent/customer relationship. The object of the exercise for the Provident, though, is to protect that relationship. This usually involves sending a full-time employee to visit the defaulting individual. The first person that is sent to deal with such problems is the Section Manager.

The Section Manager

Section managers are the people that directly oversee the part-time agents in the Provident hierarchy. As such, they cannot be classified as agents because they are not directly responsible for collecting money from customers. Their job is to police the agents. Mr Miller was the only section manager that I interviewed, but his account gives us a good idea of the function that they perform. Mr Miller was a section manager in a

mining community from 1988-9 and he was responsible for managing twelve part-time agents.

Mr Miller was responsible for interviewing prospective customers, approving loans of over £300. and pursuing arrears. He said that he had to make forty arrears visits every week. The Provident has a standard procedure for pursuing arrears which Mr Miller described to me.

'The first stage was, the collector would fill out an arrears form saying why this person had missed. Every week actually they were supposed to fill out arrears forms for those who missed. This was like a sheet with a name and address on, how much they'd borrowed, the reason they'd given for non-payment, and what the agent had asked them to do. That was like, a couple of weeks missed, that was stage one. Then it went to stage two which was like four weeks, six weeks missed. Then stage three, four and so on. ...Well I'd be out at stage two, three I'd start knocking on the door. I would knock on the door and say 'Can I talk to you about your payments to Provident?' If I was able to get into the house and sit down, which wasn't that often, I'd say 'Why haven't you paid?'...I had this standard procedure it was like the four 'P's or something. You know you're indoctrinated with all this stuff: 'Past, Present, Prospects, Payment!'(100)

He then had to negotiate a rate of weekly repayment with that customer. In practice, the Provident can be satisfied with very small weekly repayments as long as the payments are regular.

Section managers tended to be predominantly male. Mr Miller said that there was only one female section manager in his area, and, in the Northern region as a whole, there were only half-a-dozen women section managers. He felt that this may have had something to do with the perception that men would be more able to collect arrears. There was always the possibility of violence during an arrears visit. This is probably more likely to be directed towards section managers than agents, not just because of their gender but also because of the fact that they do not have an established relationship with the people they visit. They were much more likely to be seen as 'outsiders.' Mr Miller said that,

'In places like Glasgow, Easterhouse and Castlemilk they have to employ six-foot-four guys, you know, ex-forces people to do the kind of job I was doing there. There were regular stories of crowbars over the head and things like that. They were getting their cars dismantled in front of them while they had to stand and watch. It is quite a dangerous job.(101)

Mr Miller himself was also threatened on occasion by irate customers. His own attitude towards arrears collection probably helped here, as he was not particularly concerned about collecting repayments.

The agents in Mr Miller's area were mainly miners' wives. Here is his description of the agents he worked with.

'They were all quite respectable, reasonably well off, most of them, at least 75 per cent of them, were owner-occupiers. They are respected in their own communities.'(102)

Mr Miller said that the Provident would also take collectors from council estates, but not estates with a very bad reputation. In other words, collectors had to be on the right side of the 'rough'/'respectable' divide.

'We looked for people who lived in those areas. The manager of the branches would go out and visit prospective agents in their homes. A lot of these did live on council estates. None of them lived in the very worst areas.'(103)

If the Provident decided they needed to recruit new agents in a particular area, they would first ask existing agents if they could recommend anyone suitable. If they did, that person would then be visited by the regional manager. Finally, they would carry out a credit check on that person in order to determine whether they had any County Court judgements for debt against them. Mr Miller said that his agents mainly dealt with people from the more deprived parts of their own communities.

This account of the social status of agents suggests that they come from the 'respectable' working class which also fits in with the other information I have gathered about Provident agents. This is perfectly illustrated by the case of two further Provident agents I interviewed who have not been discussed so far. This is because, after only a brief discussion, they decided they did not want to answer any more questions. I feel that this was because, unlike the other agents, they were still working for the Provident. These two agents lived in Heaton in the east end of Newcastle, were married to skilled manual workers, and collected in the west end of Newcastle.(104) In other words, they lived in a

very respectable working class area and collected in a much more deprived part of the city, and this is typical of Provident agents generally.

The Full-Time Agent

We should now turn to consider the relationship between the full-time agent of a firm and their customers in order to determine whether the different status of the agent has a significant impact on their relationship with their customers. As I have argued above, the full-time collector tends to adopt a more instrumental approach to their customers, and we saw this in Mr Parkin's attitude towards his customers. On the surface, though, Mrs Moss had a different approach. She seems to have taken a responsible approach towards her customers and, like the part-time collectors, she also became involved in offering them financial advice.

'When I came to undertake the job I discovered that one of the handicaps I had was that I wasn't prepared to sell people goods which were more than they could afford to pay for. The climate at John McAdams was: sell, sell, sell, which meant of course that we had a good deal of bad debt...One of the other handicaps was that, you couldn't work on a Friday during the day because there was no money. You waited till Friday tea time, till the men came home from work with their wages. And then you had to calculate whether the lady could afford to get a pair of shoes for her children, although she already owed you money, without putting herself too much further into debt. Towards Christmas time, of course, one was expected

to sell Christmas hampers and Christmas gifts of all shapes and sizes. And, as I said before, I wasn't very good at selling people things they couldn't afford.'(105)

Every so often her supervisor would go out and sell items to Mrs Moss's customers. One Christmas he sold a lot of expensive toys to a family that she knew couldn't afford to pay for them until next Christmas! Understandably she felt that this was highly irresponsible.

However, most of the other travellers did not share her outlook.

'And of course some travellers made quite a bit of commission, because they did sell much harder than I did. You know, every customer they went to, 'Do you want something else? Are you sure you don't need anything else? Do you want a bedding bale, or a towel bale?' I hadn't the heart to offer some people towels when they were looking for their last sixpence to give me what they could.'(106)

Obviously one of the problems with this account is that Mrs Moss is offering a somewhat idealised image of herself. So is this indicative of a difference in attitude between herself and the other collectors? This is a difficult question to answer, as we only have her own account of her actions. She may have appeared quite different from her customers' viewpoint. However, even if we accept her own version of events, she also claims that she had a particular ability to collect repayments where others had failed that would have found favour with the management. So, in this respect, Mrs Moss was an effective credit agent from the firm's point of view. As well as this, her own attitude to the job was important in conditioning her behaviour. She told me that she always regarded it as a

temporary job, and not one that she wanted to make a career out of and, as a result, she only held the job for a year.

I feel that Mr Parkin's attitude was more typical of 'career-oriented' credit agents as he did, in fact, make a career in the credit business. He was highly aware of the importance of his relationship with his customers in commercial terms. As he puts it,

'As a salesman-collector the first thing you had to sell was yourself! If customers didn't like you, they'd never buy anything off you. As time passed by you were just accepted, in the majority of cases, as one of the family.'(107)

This is not to say that 'career-oriented' agents were careless about who they offered credit to. The full-time agent was put in a difficult position, as Mrs Moss suggests. Mr Parkin agrees that *there was great pressure to open new accounts and make sales from* McAdams. The agents would receive commission on new accounts and sales, but they also had to collect the money. He said that,

'Nine times out of ten the traveller will not sell if they know they're not going to get the money.'(108)

The management expected their agents to sell as much credit as possible, but the agent would also be blamed for bad debt! This put the full-time agents in an impossible position, which they had to resolve for themselves. Mr Parkin was also opposed to some of the individual sales that management wanted him to make, but this was because he knew he was likely to be blamed if those accounts fell into arrears. So, from the point of view of the credit company, the full-time agent fulfils essentially the same function as a

part-time agent. However there is a potential difference in the way they perceive their customers. They are more removed from them, and this can result in them being less sympathetic.

Mr Parkin did not sympathise with those of his customers who took industrial action. He told me that,

'Quite a few years ago the miners went on a big strike, it lasted about ten weeks, I forget which one it was...I always remember the boss coming up to me and saying, 'I want you to do all the Blyth miners while they're on strike.' I says 'Why?' He says, 'Because I know you don't believe in strikes.' That's when I got the name 'The Townie.' They would say, 'Here's that bloody townie!' So what I done was I went round every one of them and I says, 'I sympathise with you being on strike, but you must understand I've still got to make a living.' And I think practically 100% arranged to pay something while they were on strike.'(109)

In fact, from what he told me, Mr Parkin was quite insistent that *they paid something*. He was also suspicious that some miners may have had another source of income that they were concealing from him.

Mr Macrae's attitude towards industrial disputes was more ambiguous. It will be remembered that Mr Macrae was an owner-collector and, as I indicated above, I feel his attitude reflects his contradictory class location. He began his explanation of his feelings on this subject by recounting his memories of the 1926 General Strike.

'That was difficult and you had to be tolerant.
In the [1926 General Strike] I remember my

father going out about one or two days a week and collecting what money he could. He had a heck of a job. He couldn't collect any money because the miners had no income. But mind, on the other hand, once they got back to work the money started rolling in again!(110)

I went on to ask him whether he and his father were generally sympathetic towards their customers when they were taking industrial action? After a significant pause he replied,

'You couldn't be altogether sympathetic. Its the old political story, there's rights and wrongs on both sides. You hadn't to side with anybody. You didn't want to fall out with your customers you see. You had to sort of sympathise *with them*, but *in the back of your mind* you thought, 'Well you're a darn fool because you're not going to get any more money anyway.'"(111)

In fact he was sympathetic towards the miners on one level. Mr Macrae pointed out that there were miners' strikes not long after he began working as a credit trader in 1932. He felt that, at this time, 'The miners were not appreciated as much as they should have been.'(112) His sympathy towards the miners' cause was a direct result of his very detailed knowledge of how much different mine workers were paid at any one time. So while he did not believe that the miners were being sufficiently rewarded for their labour, he also retained a certain amount of disapproval for industrial militancy.

There would seem to be two types of full-time employees of credit firms: 'career-oriented' employees and 'short-term' employees. Mrs Moss and Mr Miller are both examples of the latter type of worker. This type of employee will not stay in the job long

enough to internalise the firm's values to any great degree. It would seem to be a precondition of making the transition to a 'career' employee that an individual takes on board the ethos of the firm and forms a more instrumental attitude towards their customers. Full-time agents are more likely to consciously manipulate their customers than part-time agents. Full-time agents tend to cultivate techniques to deal with their customers in order to stimulate trade and 'keep them on the books.' Part-time agents also do this, but not always at the level of discursive consciousness.

Mail Order

Finally, we should consider mail order on Tyneside during the post-war period. I pointed out above that, where an agent is involved in a transaction, mail order operates in exactly the same way as other forms of doorstep credit. As we saw above, this was precisely the point that Graham Dixon, the manager of Newcastle CAB, made.⁽¹¹³⁾ It is important to remember that agents of mail order catalogues do still recruit their friends and neighbours as customers on occasion. This was a point that three women members of Fenham Credit Union made to me during my interview with them.⁽¹¹⁴⁾

However, while the old pattern of agent and customer relationships is virtually unchanged within the other doorstep credit companies that survived into the post-war period, there has been a significant change in the way mail order is used by consumers. The role and the number of agents has declined quite dramatically during the post-war

period. We have already seen some indication of this in the company history of Empire Stores. Beaver said that,

'Today Empire Stores deals with some 400,000 part-time agents, each of whom serves an average of five customers and handles a turnover of £350 a year.'(115)

It should be noted that this is a comparatively small amount of customers. This supports the assertion of Don Garnett, from Grattan Catalogues, that agents now have fewer customers than they used to have. He said that,

'In the 1960s, an agent had about sixteen customers on average. Now its considerably less than that. You get about three people purchasing from a catalogue. So its changed in its nature, and the agents now are really using it as a means of shopping for their family and perhaps the next door neighbour.'(116)

We have also seen that, during the 1970s, mail order companies changed the way that they recruited agents. They switched from a method of personal recruitment by full-time agents to the use of postage-paid coupons. Empire Stores also adopted this approach in 1975. This is one reason for the decline in the number of customers supplied by individual agents, as now almost anyone can become an agent!

Tracy Armstrong, a debt counsellor at Newcastle CAB, described the way that mail order catalogues were used by her clients. She said that unemployed people, people on income support and both male and female single parents all tended to use both the

Provident and mail order catalogues. This is due to the greater availability of these forms of credit to those groups of people. This was particularly true of catalogues.

'I don't know what sort of system they use for finding out whether people have had problems in the past, because you will always be able to get a catalogue, no matter what! They go on about the Consumer Credit Act and everything, but a lot of the catalogues, you don't even have to sign an agreement. If a friend introduces you, a friend can just say, 'Oh well, can you send a catalogue to them.' And if they make an order they can just ring up. So there's nothing in writing about it, although its a form of verbal contract... and that would hold up in a court of law.'(117)

So, in such cases, there is no written agreement. Under the Consumer Credit Act of 1974 there has to be a signed agreement by the client and the creditor. In the case of many catalogue purchases this may be legally acceptable, as credit transactions of less than £30 were excluded from much of the regulation. (Although there has been talk of rectifying this situation.)(118) However, it seems unlikely that all such purchases can be under £30, and the catalogue companies would seem to be taking advantage of a legal 'grey area.' Whatever the legal basis, though, the end result is, once again the irresponsible promotion of indebtedness by creditors!

Tracey Armstrong said that the catalogues she has dealt with include: Great Universal, Kays, Freemans, Janet Fraser, Brian Mills and Oxendales. So these are some of the firms that promote credit in this way. We should also note that these firms actively

promote the introduction of friends. Here is Tracey Armstrong's description of how this works.

'They have leaflets in with the catalogue, 'Introduce a friend and get £5 off your next order, or a free gift.' So this agent might say, 'Well me friend's interested in the catalogue can you send a catalogue to me friend.' Well the friend gets the catalogue, she has a look through it, inside the catalogue is a hotline number that you can ring. She rings and says, 'This is me first order and I'm interested in ordering this that and the other.' They get a certain amount of credit to start with. Then obviously, if they're a good payer, that credit limit will increase. And then they get the goods, they get an agency number, and its done over the phone there's nothing in writing.'(119)

Obviously this process of personal recommendation through existing agents could go on indefinitely. It certainly lessens the need for agents to act for customers. We should note that it introduces an instrumental element into what seems to be an affectual act, 'recommending a friend.' So the agent now has a financial incentive to find new agents for the company, and this is an incentive which may now look more attractive than running an agency. Although agents receive commission on sales, it seems that the problems that accompany running a catalogue agency in some areas may not make it seem worthwhile any more.

I interviewed a woman, whom we shall call Mrs Ford, who lives in Benwell in the west end of Newcastle. Mrs Ford was born in the west end of Newcastle in 1931, and she

has lived in that area all her life. Although she has moved several times in her life, Mrs Ford has lived at her current address for over 20 years. However very few of the original residents of her street still live there, as the area has quite a high turnover of people, and many of the properties are unoccupied and derelict. Mrs Ford has been divorced since 1973 and since then she has had various jobs including cleaning and shopwork. In 1992 she became an agent for Kay's catalogue by mailing a coupon from a magazine. However she had no intention of acting as an agent for any of her neighbours, even though she was on quite friendly terms with some of them. In fact, she actively tried to conceal the fact that she had a catalogue from the other people in the street because she didn't trust them enough to offer them credit.(120)

Here is her account of what happened next.

'I went away on a holiday and, when I came back, the little girl across the road came over and said, 'We've got a parcel for you.' So I went in and it was a parcel from the catalogue, and her mother told me to check everything was there...That was how I got to speak to her because some of the new neighbours, I didn't bother with them. Then, I don't know when it was, a few months later, she asked if I took on customers for the catalogue. Well I didn't want people in the street to know but, when she asked, I thought she would be alright because I knew her. She got some tea towels, Christmas goods and a leather jacket... I'd have to look at the order form to tell you what else. Anyway she wasn't that bad at the beginning, she paid. Then she stopped, and I warned her that I might have to speak to Kays to take the debt over from me. I wish I had. Then the payments started coming

in again and then they stopped again. I tried to nag her a bit and I wrote her a letter and, on another occasion, I told her I wouldn't have let things go so far but I didn't like the idea of the bairn not getting stuff for Christmas.'(121)

After her neighbour took in the parcel for her, the two women did become quite friendly. So ultimately Mrs Ford decided to clear the remainder of the debt herself for the sake of this friendship. However, Mrs Ford is now contemplating taking her neighbour to a small claims court, but she would only do this if she moved away from the area. She does not want to do take her to court as long as she still lives in the area for fear of reprisals. This illustrates the complexity of community relations in the current period. It is certainly significant that Mrs Ford did not originally intend to offer any of her neighbours goods from her catalogue and, after this experience, she will not do it again. Mrs Ford said that other women in her area also had catalogues and they did not usually act as agents for their neighbours either. This was due to the fact that they did not trust the people around them enough.(122)

I have already discussed the decline of trust within communities in earlier chapters, where I used the work of Anthony Giddens to argue that it is one of the ways in which the consequences of modernity have become radicalised. The change in the relationship between the shopkeeper and the community is an example of the erosion of locality as a source of ontological security, to borrow a phrase from Giddens.(123) As he says, trust can no longer be anchored in criteria outside the relationship itself.(124) So ties based on locality (for example) can no longer offer a sufficient basis, in themselves,

for trust. The decline in the number of customers supplied by individual mail order agents would seem to be the result of the interaction of two factors. The first is the change in the way that such agents are recruited, which has made it much easier to become a catalogue agent. The second reason is the decline of trust within many communities, which means that the residents of those areas are increasingly unwilling to offer credit to their neighbours. This is part of the overall movement from *Gemeinschaft*-like relations to *Gesellschaft*-like relations which, I argued in the previous chapter, is the basic underlying movement in contemporary society.

Conclusion

This chapter has dealt with the relationship between agents of established credit companies and their customers after 1945. We have seen that, in the case of this particular type of credit, there is a great deal of continuity between the pre-war and the post-war periods. The central relationship upon which doorstep credit is based (between the customer and the agent) has remained largely unchanged. The basic change during the post-war period has been the decline in the number of companies trading in this manner. The biggest single decrease has been in the number of credit drapers.

We saw that there was an interpenetration of rationalities at work in the relationship between customers and agents generally. This was not just a business relationship, there was usually an affectual element present in the relationship as well. I

argue that the actions of both customers and agents can be understood as manifestations of practical consciousness. In terms of the customers of doorstep agents, the element of routinization is very important. They become accustomed to the same collectors calling at the same time every week. So they feel they are dealing with someone they can 'rely on.' This routinization is enacted through the medium of practical consciousness. Credit agents were brought into close contact with the people they dealt with. This tended to contribute towards a certain amount of empathy and understanding of working class lives, which created highly ambiguous attitudes amongst all three types of credit agents. In the case of part-time agents, this is an issue of class fractionalisation and, I argue that, the effect of such relationships was contradictory.

I then went on to discuss three related theoretical issues that appear in both my own evidence and the evidence in the PSI study. These are: rationalisation, routinisation, and reflexivity (the three 'Rs!') I argue that Weber's thesis of the increasing progress of rationalisation in the modern world is partially contradicted by some of the practices of doorstep credit firms. This is because, as Karen Rowlingson points out, doorstep credit firms tend to recruit customers on the basis of personal recommendation. This was also one of the ways in which mail order catalogues recruited agents. In fact, in the case of mail order catalogues, they also manage to circumvent some of the legal restrictions about the administration of credit to consumers. The idea that business is carried out 'without regard to persons' is also contradicted by the importance of personal loyalty to a particular agent, rather than the credit company itself. Once an agent has actually recruited a

customer, routinization plays a large part in maintaining the relationship between them. Reflexivity, on the other hand, plays an important role in the termination of that relationship. Anthony Giddens attaches importance to both of these concepts. I argue that: in conditions of late modernity people are much less inclined to continue doing the 'usual' thing just because it is the usual. As Giddens says, they need some other justification. When we considered the local evidence I had gathered, we found that this was one of the factors that drew people away from 'traditional' forms of credit. I also argue that the decline of the agent system within mail order credit is partially the result of the breakdown of trust in communities. This notion is, again, borrowed from Giddens.

The fundamental change in doorstep credit trading in the post-war period on Tyneside was the gradual disappearance of most of the smaller firms that traded in this manner. I found that the decline of these firms was very gradual, as they continued trading in very much the same manner until the 1960s, when younger customers began to drift away. I then went on to consider the break with the established firm from the point of view of individual customers. I argue that doorstep credit firms became successful, in the first instance, by offering credit to social groups that had previously been excluded from it. This process began with the Watch Clubs that offered credit to the labour aristocracy in the nineteenth century, and was extended to include the rest of the working class during the inter war period. After the Second World War, these companies remained embedded within working class communities due to their continued use of the system of agents. It seems that because people were approached by their friend, neighbour or

relative to take out an order, or buy something from a catalogue, this made it impossible to say 'no.' In fact this turned a business transaction into an affectually motivated act. These established firms were the 'traditional' method of credit for many working class people. This is what kept such firms in business at a time when they were experiencing stiff competition from alternative sources of credit.

This was a state of affairs that could not last forever. We have identified a number of factors that contributed towards the decline of this type of credit. These include: increased prosperity, changes in patterns of consumption, increased knowledge of new forms of credit, the increase in the employment of women, and the disruption of working class neighbourhoods. All of these factors taken together led to the decline of the 'traditional' credit firms during the 1970s. The underlying changes in the post-war period that caused this decline can be summarised as: greater economic prosperity, and a higher degree of reflexivity in the way that people lived their lives. We also looked at the reasons for the survival of some firms and the decline of others and saw that the Provident had a greater degree of flexibility than other firms. This, along with a high degree of ruthlessness in business, helped it to survive in the post-war era.

The whole doorstep credit system is ultimately somewhat anachronistic. It is, in a sense, a survival from a previous era. Its methods of operation do not fit in with the predominant, highly bureaucratised, methods that are employed in other sectors of the credit industry. It is also notably different from the other types of credit we have considered so far. They were largely dependent upon the existence of a relatively close

and stable community. In the case of corner shop credit or money clubs, for example, they needed a certain degree of trust in order to function. When communities were uprooted, or disrupted from within, in the post-war period those forms of credit began to disappear. This also happened to many of the small, locally-based doorstep credit businesses, particularly those dependent in some way on the built environment. So, if they were largely dependent on a stable local population, they suffered if their customers' houses were demolished as this disrupted their trade. Or they could suffer from having their own premises demolished.

It was those firms (particularly the Provident) who were not dependent upon the built environment or even embeddedness within a particular community (although they could also make use of it) who survived. As a national organisation, the Provident has the advantage of being able to follow their customers wherever they go. It is not locked into any particular retail outlet, so it can adapt to its customers' changing wants and needs. Of course, as we have seen, the Provident is still successful today because it is willing to take advantage of the fact that poor people are unable to obtain credit elsewhere. This means that part of their market is a captive market, but that is not the whole story. I would argue that the Provident has also been sustained by the reciprocal ties between part-time agents and customers, which means that the Provident can function independently of the changes in the communities it trades in, because the agent system perpetuates its own personal ties! The personal relationship between agents and customers acted as a Trojan horse for the whole doorstep credit industry during the period of post-war affluence. This helped

those firms to remain embedded within working class communities at a time when they were experiencing stiff competition from alternative sources of credit, many of which had become available to the working class for the first time. However, while smaller companies did not survive the social changes of the post-war era, it was companies like the Provident who did. It was the agent system that enabled the Provident to make the transition from pre-war suppliers of clothing vouchers to post-war 'pushers' of high-interest cash loans to people that cannot afford them.

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Chapter Six

Credit Unions: The Rebirth Of Community?

The first credit union was formed in 1846 by a group of Bavarian farmers who put their savings together. The movement spread to other European countries, Canada, and the United States during the early years of the twentieth century. It did not reach Ireland till 1959 though, and the first credit union was not established in Great Britain until 1960.(1) So credit unions, as such, are comparatively new to this country. It will be argued here, though, that they represent the rebirth of an indigenous form of community-based credit that does have a long history in this country: the money club. We will return to this point later, but for the moment let us confine the discussion to organisations that call themselves 'credit unions.'

From the establishment of credit unions, in 1960, up until the passing of the Credit Union Act, in 1979, there were comparatively few credit unions in Great Britain. By the end of 1978 there were only 55 credit unions in Britain.(2) The number of credit unions in Britain has greatly increased since 1979. By 1986 there were 94 unions (3), and by October 1990 there were 275(4). Pauline Ashley, writing in 1982, made the point that,

'In the US and Germany there are many middle class members. But in Britain credit unions have so far tended to be a working class organisation.'(5)

Credit unions are still used predominantly, but not exclusively, by working class people as we shall see.

Credit unions have been promoted in a number of ways. The popular press will occasionally carry articles promoting the credit union movement in 'financial advice' pages. As well as this, newspapers sometimes carry features on individuals who have benefited from the use of credit unions. A typical example of the latter appeared in the Sunday Sun 11.10.92 under the title 'How we escaped the debt trap.' This article describes (unsurprisingly enough) how two Sunderland residents managed to clear their debts with the help of a credit union loan, and it ends with a contact number for their credit union. Such articles are designed to encourage people to think about starting their own credit union by emphasising that no special abilities are needed to do it, and the Sunday Sun article is no exception. It quotes a CAB worker from Gateshead who says that,

'You don't have to be a financial expert or an accountant to run one. Anyone can do it with a bit of training.'⁽⁶⁾

As well as this, credit unions are also promoted by organisations like the Office of Fair Trading, and the National Consumer Council as an alternative to commercial credit. Many local authorities have also been instrumental in creating credit unions in their area. So the credit union gospel is being spread in a number of ways, and the idea is becoming increasingly popular.

There is a limited amount of literature on British credit unions and most of it is aimed at those wishing to set up their own union. However, several studies have been carried out using a small sample of credit unions. It will be best, though, to begin with the largest existing study of credit unions in this country: Credit Unions in the United

Kingdom by Richard Berthoud and Teresa Hinton. This was published by the Policy Studies Institute in 1989, and it has the advantage of including credit unions from different parts of the United Kingdom in the sample it uses, in an attempt to be 'representative.' It has one major disadvantage for our purposes, though, which is also to do with the sample it uses. It looks at a sample of seven credit unions, two of which could not be described as working class. These are known as 'Suburb' and 'Borough' in the report. So much of the data in the report is useless for our purposes. Having established this point at the outset, though, it is still apparent in much of the qualitative material when working class unions are being discussed. As well as this, it is a good discussion of the problems encountered in running credit unions generally, so it is worth looking at this study in some detail.

Berthoud and Hinton begin with a comprehensive definition of a credit union, which is worth quoting in full,

'A credit union is a cooperative society offering its members loans out of the pool of savings built up by the members themselves. A union is formed by people with a common interest or 'bond' - working for the same employer, living in the same area or belonging to the same church, club or ethnic group. By agreeing to save regularly they build up a fund from which they can borrow at favourable interest rates. The interest on loans provides the union with an income to cover administrative expenses; any surplus is returned to the members in the form of a dividend on savings. The common bond between members is intended to minimise the risk of default on loans. A credit union is a non-profit organisation,

controlled by its own membership.'(7)

Having defined credit unions, Berthoud and Hinton then move on to, what they call, 'The great debate' over the purpose of credit unions. They point out that,

'Everyone agrees that credit unions are designed to provide their members with an opportunity to save, and with access to credit on better terms than can be obtained on the open market.'

(8)

The debate is about whether credit unions should aim to achieve more than this, though.

Berthoud and Hinton identify two positions in this debate: the idealistic and the instrumental. In this country, the idealistic approach has concerned itself with the importance of 'empowerment' and self-help. This tends to mean that those adopting this attitude feel that,

'The common bond should be based on poor communities, rather than on existing institutions whose members have money to save.'

(9)

By contrast, the instrumental approach views the provision of a medium between savings *and loans as an end in itself*. This view of the credit union movement simply wishes to see everyone, no matter what their income, enjoying the financial benefits of credit unions. Berthoud and Hinton also make the point that many people feel that both of these sets of objectives are important, so it is necessary to strike a balance between the two.

In this country, credit unions have to choose between the two national umbrella groups responsible for credit union development. The two groups represent the two polarised positions in the debate about credit unions. The Association of British Credit

Unions (ABCUL) represented 109 credit unions in 1989, and favours an instrumental approach. The National Federation of Credit Unions is a smaller organisation, it represented 27 credit unions in 1989, and it takes a more idealistic line.⁽¹⁰⁾ The differing approaches of the two groups have led to three main differences in practice. The first is in the organisational structure of individual credit unions. ABCUL member-unions have a more complex organisational structure involving several committees, while NFCU unions have a single committee. Berthoud and Hinton point out that ABCUL's organisational structure may be more appropriate for large credit unions, while the Federation's might be more suitable for smaller ones.⁽¹¹⁾ The third difference between ABCUL and the Federation is their attitude to growth. The Association wants to see the expansion of existing credit unions, as well as the creation of new credit unions to bring the benefits of membership to a wider population, and to strengthen the movement as a whole. As Berthoud and Hinton point out,

'In practice, this instrumental approach meant emphasising large workplace based credit unions in preference to smaller groups in residential communities.'⁽¹²⁾

By contrast, the Federation wants to see the creation of credit unions in economically disadvantaged areas, and it prefers them not to exceed a few hundred members. So it feels that the growth of the credit union movement should take the form of more small unions in deprived areas, rather than the expansion of existing unions.⁽¹³⁾ We shall return to the differences between the two national groups later, as this is something that manifests

itself in a certain amount of organisational rivalry, which can be somewhat difficult for an outsider to understand. We should now consider how credit unions are created in the first instance.

Berthoud and Hinton quote several people who describe the local conditions that led them to consider forming a credit union. It is worth repeating what one of their respondents said here as it is a fairly representative account.

'There's very little money in this community...
There's very few people with savings; there's quite a few loansharks; there's quite a few people use the Provident. People who save with the credit union, it brings some self respect back to them. They've got money that belongs to them.'(14)

This respondent could be describing any number of working class areas where credit unions have been formed. So if these were the type of circumstances that led to the formation of credit unions, what sort of people founded credit unions?

Berthoud and Hinton felt that, 'The founding group were often people who *themselves were financially stable but who felt there was a need among the local population.*'(15) In their sample the founders heard of the idea of credit unions from various sources, such as the Catholic Church, community workers, or local government officers. Once a group of people had decided to form a credit union, they usually sought advice from one of the national organisations, or a credit union development worker. Berthoud and Hinton point out that the crucial issue for a group trying to form a credit union is the nature and strength of their common bond, because, 'A bond could not be

created; it had to exist.'⁽¹⁶⁾ In 1989, credit unions had to have 22 sponsors to sign the registration form. To begin with, they usually work out a business plan, appoint an auditor, and then request registration. At this stage, finance is needed to pay the registration fee and to purchase equipment, and this is sometimes provided by a grant from a local authority or other agency. Berthoud and Hinton point out that it can take six months to three years to set up a credit union.⁽¹⁷⁾ We can now consider the importance of the common bond for credit unions.

Berthoud and Hinton's study includes only one credit union that has an occupational bond, and that is: 'Borough,' which is organised among the employees of an urban local authority.⁽¹⁸⁾ There are two problems with employment-based credit unions for our purposes. Firstly their common bond is not based on a residential area, so they do not contribute towards the regeneration of 'community' as such. Secondly, although they can contain a large proportion of working class members, their common bond, by definition, includes people from other classes. This is the case with the 'Borough' credit union in Berthoud and Hinton's study. In fact, all but one credit union in their sample contained some professional or managerial workers. In the union they call 'Suburb,' two-thirds of the members had professional or managerial jobs, but as this is based 'in a prosperous London suburb,' this is hardly surprising! Needless to say, this is also a wholly untypical credit union, but the point is that it is still possible for a predominantly working class union to include non-working class people within its residential common bond, even if the latter are in a minority. In Berthoud and Hinton's sample none of the credit unions

(apart from 'Suburb') had more than a seventh of their members in professional or managerial jobs, but they were still present.(19) The inclusion of the 'Suburb' union, and the fact that nearly all the other unions in their sample had a proportion of people in professional and managerial jobs, does raise questions about their sample. It is not, for example, representative of credit unions on Tyneside.

Before 1979, the legal framework in this country offered several options to credit unions. They could register with the Registrar of Friendly Societies, set up as a limited company, or remain in a legal limbo. None of these options were very satisfactory in practice so, in 1979, the Credit Union Act was introduced. Berthoud and Hinton point out that, 'The underlying aim of the legislation was to protect the interests of the individual consumer - the saver and the borrower.'(20) After the introduction of the Act, unions had to register with the Registry of Friendly Societies and their financial activities became governed by regulations. It also stressed the importance of the common bond. The Registry is concerned with the question of how real a common bond is for a group seeking registration. The nature of the common bond can lead to certain difficulties. Berthoud and Hinton point out that London postal districts, which were used after 1979, proved to be too wide a field for members to feel an 'actual' common bond.(21) What the Registry now does, in effect, is to assess whether or not there is enough of a community spirit in an area to generate the mutuality involved in creating a credit union. This is obviously fraught with difficulties, and we shall return to this question later.

There has to be a certain degree of mutuality involved in running credit unions, due to their dependence on voluntary labour. Berthoud and Hinton point out that the success of a credit union depends on the commitment of its elected leadership group and, as was implied earlier, their motivation is not primarily selfish. Here again it is worth repeating what their interviewees had to say about this,

'I don't think there's many officers who join the credit union because they can get a loan at a cheaper rate. There has to be a social conscience to become an officer. I think it's a social conscience that most people need to give up time. It's an opportunity for me to do something in the community where I live.'(22)

The idea of mutuality is beautifully expressed by another respondent who said that,

'You're helping yourself to help other people. With being a member yourself the money is there for you to borrow as well as for everybody else to borrow.'(23)

Mutuality is not the only possible motivation, though, and Berthoud and Hinton show that there are other benefits for the individuals involved. One woman said that initially she was interested in the opportunities the credit union offered for socialising.(24) Other people stressed the satisfaction that could be gained from knowing that the union was working efficiently, and the challenge that it offered them as individuals. Many people gain both confidence and skills from running a credit union.(25) For some people, the experience that they gained in working for a credit union has enabled them to find employment. There are many potential advantages for the individual, then, in being active in a credit union besides the merely financial ones.

There are also disadvantages for the individual in taking on credit union commitments, and Berthoud and Hinton touch on some of these. It can be a potential source of domestic conflict. (26) The demands that a credit union can put upon the volunteers' time can be quite great. Berthoud and Hinton say that although most officers spent no more than three hours per week on credit union business, some put in as much as 20 hours per week. Many of these people had to balance the credit union against other commitments, either to a job, or to other community organisations. This brings us back to the question of who exactly were the leadership group?

Berthoud and Hinton say that,

'The leadership group was not, of course, a straight cross-section of the membership. To a certain extent, committee members and other helpers tended to be the middle-aged, middle-class males who are so often found to have gravitated to positions of power and responsibility in all sorts of organisations.(27)

This statement reveals the weakness of their sample. Again, this has simply not been the case on Tyneside! The distinctive feature of credit unions in this area has been, as we shall see, that they have enabled many of their members (who are predominantly working class) to gain skills and experience that they may not otherwise have acquired. This is one of the benefits that credit unions can give to their members, as was mentioned above. People feel a sense of pride in knowing that they are in control of their own credit union. Indeed, the involvement of members in the running of unions is the chief way in which

they differ from other financial institutions, so to what extent do credit unions involve their members in practice?

Berthoud and Hinton found a fair degree of continuity in the leadership group. One third of the leadership group had held office ever since they had joined the union.(28) They found that the leadership group formed about half of the attendance at most of the union's meetings and social gatherings. Many members said that they did not know when the meetings were. So they conclude that,

'This apparent lack of involvement of ordinary members in the affairs of their credit union contrasted strongly with the ideals of mutual aid and empowerment expressed by the leaders of the movement.'(29)

The involvement of members in the common project of the credit union is intended to generate a spirit of community in an area, and Berthoud and Hinton were also slightly sceptical about this. They concede that community is not something that can be easily measured, but then attempt to measure it anyway! They asked their respondents several questions that were intended to indicate the extent to which the credit union had created a spirit of community. We may wish to question their use of a questionnaire to investigate this issue, but nevertheless let us consider some of their findings. A considerable proportion (53%) of the membership said their motives for joining the credit union were instrumental. 59% of their sample knew no more people as a result of joining a credit union. Only 30% of their sample said that the credit union had 'definitely' given them, as individuals, a sense of belonging but 50% felt that the credit union had 'definitely' given

the members generally a feeling of belonging and of community spirit.(30) Berthoud and Hinton felt that, 'there is clear evidence of a degree of community spirit within credit unions, though it may not be as powerful as some leaders of the movement would hope and claim.'(31) They also point out that leaders felt there was a higher degree of 'community spirit' than ordinary members, and that the level of 'community spirit' varied widely from one group to another.(32)

The amount of bad debt incurred is one indication of the level of mutuality and community spirit generated by the credit union. So how common is defaulting on a loan? Berthoud and Hinton point out that only a handful of union members had applied for a loan and been turned down.(33) Loans are repaid in weekly instalments, as are the savings contributions, and both of these are usually paid in person by the member. Credit union leaders aim to protect their members from indebtedness in a number of ways. Firstly by offering loans at a cheaper rate of interest than is available elsewhere. The current rate of interest is 1% per month on the unpaid balance of the loan, this amounts to an APR of 12.68. This compares favourably with the 20% to 49% charged by commercial consumer lending institutions.(34) The second way in which credit unions prevent indebtedness is by limiting advances to what the individual can afford to repay. Finally, if difficulties over repayment do arise they deal with them in a sensitive way.(35)

Berthoud and Hinton found that, although 13% of borrowers said that they had missed payments at some time, only four people had got into serious difficulties.(36) Problems with bad debt can occur in credit unions, but they are not that common.

Berthoud and Hinton say that, in Great Britain bad debt averaged £540 per union which is 9% of loan interest.(37) However, as they point out,

'...the whole point of credit unions is that group membership and loyalties should substitute for other forms of sanction in encouraging full and prompt repayment of loans.'(38)

It has to be said that, on Tyneside, there have been very few problems with bad debt.

Berthoud and Hinton found that such problems only occurred if members from outside the common bond were allowed to join, or the common bond was not strong enough to begin with. In fact, as they say, it is possible for a common bond of disloyalty to form among people on the geographical or social fringes of a group, and we shall return to this point later. So what action do unions take once a bad debt has been incurred?

Berthoud and Hinton say that,

'Although by law credit unions can sue for repayment in the courts and set off the member's savings against the loan, most unions used these tactics as a last resort.'(39)

In practice, credit unions use a policy of early intervention and personal contact to keep bad debts down. The union will often try to adjust the weekly payments to suit the *member*. *The emphasis is on dealing with debtors face-to-face rather than through letters*, and unions give as much help as they can to those unable to meet their weekly payments. If, on the other hand, a member has actively decided not to pay then their only option is either to write the debt off or to take legal action and, as was mentioned above, this rarely

occurs. We shall return to the conclusions of this study later but we can now turn our attention to some of the other research that has been conducted into credit unions.

Two more studies are worth considering here. Both of them have looked at credit unions from the point of view of particular interest groups. So they have set out to answer specific questions relating to those interest groups, and this should be borne in mind when considering their findings. The first study was conducted to determine whether or not credit unions represented a threat to clearing banks, building societies and other financial institutions. The second was concerned with the role of local authorities in promoting credit unions. We shall consider the studies in the order in which they appeared, beginning with the one that considers them as a potential threat to existing financial institutions by Barbara L. Lewis. This study appeared as an article in the European Journal of Marketing in 1982 under the title 'Credit Unions: Past, Present and Future.' The article points out that,

'The potential market for credit unions in the UK appears to be comprised of two segments. Initially, credit unions have arisen to provide a cheap and flexible source of credit for low-income consumers who do not have access to, or are unwilling to use, other sources. These may be people for whom credit unions offer a better alternative than money lenders, or those that believe banks are not for them and would feel out of place in one - previous research evidence indicates fear and ignorance of banks, with many people feeling that banks are 'not for the likes of us'...(40)

The article goes on to say that such people are probably correct to feel that banks are 'not for the likes of them' as they may not have enough money to interest the banks in the first place! The second group of potential credit union members are, 'a more sophisticated version of the first,' and consists of people who are more likely to be current bank customers but see the financial advantages of credit unions.(41) Lewis feels that credit unions may begin by attracting the first type of person: 'the low-income consumer with little security in employment and income,' which the banks do not want anyway, but could go on to attract members from those higher up the social scale. In this case they would be a threat to the existing financial institutions. Lewis bases this assumption on research conducted into credit unions in America and Ireland, where credit unions are much more successful and widespread than they are in this country. Lewis initially sent questionnaires to all British credit unions established by March 1979, from which she gained a 53% response rate. She then conducted in-depth interviews with officials of ten credit unions, and sent out questionnaires to 480 members of these unions, which elicited a response rate of 15%.(42) So what were her findings?

Firstly, like Berthoud and Hinton, she found that loan refusal was very rare, and credit unions had very few bad debts.(43) One of the things that she asked people was, why they joined the credit union? She says that,

'Community spirit was cited by the largest number of respondents as their main reason for joining; it seems to be the obligation to save in a friendly environment, with the advantage of cheap loans, that forms the rationale behind their decision to join.(44)

It should also be pointed out that 72% of the respondents felt that the availability of cheap loans was an important, or very important, reason for joining.(45) So, this research seems to suggest that there is usually a combination of instrumental and idealistic motives for most people that join a credit union. Lewis goes on to say that, 'The majority of members were extremely satisfied with the service offered by their credit union.'(46) There can be no argument with the fact that credit unions offer the cheapest available form of loan, and virtually all the respondents acknowledged this fact. However they do not, by any means, offer the best return on savings. So it is not surprising that 23% of the sample in this study realised that there are more profitable ways of saving.(47) Lewis found that, 'Most members tended to use only their credit union for loans, not surprisingly as it provides the cheapest credit.'(48) However, 44% of her sample also had a bank account, and 56% used a building society, either for savings or for a mortgage.(49) Lewis concludes that,

'The results from this project seem to indicate that credit unions are relatively small organisations at present, mostly based around places of residence. Assets are low, as are dividends on shares and the loans provided.'(50)

They could pose a threat to banks unless banks 'take positive steps to generate a more friendly image, operate an increased number of in-factory branches, and expand opening hours.'(51)

The other study that we are going to consider, by Ian C. Thomas and Susan Balloch, appeared as an article in Local Government Studies in 1992 under the title, 'Credit Unions and Local Government: The Role of Metropolitan Authorities.' It points

out that, local authorities have encouraged and supported the creation of credit unions, but it warns that,

'Credit Union development is, however, full of pitfalls and is not territory into which local authorities should venture without caution. It offers little by way of solution to the major causes of poverty - structural decline, unemployment, and low pay - and, like community development, can only provide one element of a strategic regeneration package. On the other hand, it can provide a safe framework for small savers and borrowers, assist with the reduction of personal debt, offer protection against extortionate and often illegal money lenders and bring a new spirit of hope and confidence to local groups.'⁽⁵²⁾

This is an important, if a perhaps somewhat obvious, point. There are severe limitations to what credit unions can achieve in any locality. They cannot, by themselves, rebuild the economic infrastructure of a depressed area, or combat the effects of long-term poverty upon its inhabitants. Credit unions can, however, benefit individuals enormously, and, as *we have noted already, not just in the ways suggested above.*

Thomas and Balloch go on to describe the present period of widespread and increasing multiple indebtedness in some detail. There can really be no argument with the evidence of growing indebtedness that they provide, so the issue for us is: how effective a solution are credit unions to this problem? Thomas and Balloch say that,

'In an average council housing estate, where maybe upwards of £200,000 a year is being spent on interest payments on small but costly loans, credit unions may achieve substantial savings and ultimately

promote local investment.(53)

They go on to point out the disadvantages of credit unions. These are: that credit union members have to borrow their own money and cannot draw out their savings; that it is difficult to judge how many people are saved from moneylenders by credit unions as many members also have savings in banks and building societies; and that credit union funds can tend to gravitate towards the better off.(54) Some of these criticisms are difficult to refute. It is the case that members have to borrow their own savings and, as the previous study pointed out, many members have savings elsewhere. As well as this, as we shall see later, for a number of reasons, credit unions do tend to benefit a minority of the people within their catchment area. However, we must not lose sight of the fact that they are the cheapest method of borrowing available and, as such, they have been of great benefit to many.

Thomas and Balloch point out that,

'Credit unions have for the most part been set up on peripheral housing estates or in inner city areas experiencing high rates of unemployment and low incomes, such as Scotswood in Newcastle and the Meadow and Longbenton estates in North Tyneside. These areas are occupied by people who may lack a bank account, have poor credit ratings, and are forced to borrow to make ends meet at high rates of interest often from 'loan sharks.'(55)

Their study was conducted by the Association of Metropolitan Authorities which approached its member authorities to establish their involvement in credit union work. The responding authorities gave five main reasons for supporting the establishment of

credit unions within their locality. Firstly, to counter the growing indebtedness that was occurring in disadvantaged areas. Secondly, as a way of promoting community development by enhancing the skills and confidence of the community. Thirdly, to encourage better financial management amongst those likely to be susceptible to debt. Fourthly, as a means of countering financial stress and poverty amongst ethnic or unemployed groups. Finally, local authorities also saw them as a mechanism for enabling members to raise finance to set up their own enterprises.(56) The study found that over half of the credit unions in metropolitan areas were established to provide cheap loans and combat indebtedness, so the other reasons were secondary.

Thomas and Balloch found that, of the 30 local authorities in their study with credit unions in their areas, 28 provided them with some form of financial support. As well as this several authorities were actively involved in promoting credit unions in other ways.(57) They go on to say that, although many local authorities are funding credit unions, 'Very little systematic monitoring or evaluation work is undertaken by local authorities as to how effective credit unions have been.'(58) Eighteen of the responding authorities employed 33 credit union development workers. Their main duties are: to promote credit unions; provide training and support; develop existing credit unions; establish links with other bodies and to establish new sources of funding.(59) As Thomas and Balloch point out, the Newcastle Credit Union Group, a group of local credit union members has secured funding from the DoE for four years to employ one full-time credit union development worker and an administrative assistant.(60) Gateshead and North

Tyneside also have credit union development workers, so they are important to credit unions on Tyneside. Thomas and Balloch say that credit union development workers can experience difficulties in fulfilling their brief, and this was only one of the problems they found, so we should now turn our attention to what these problems were.

The responding authorities experienced several problems in promoting credit unions according to Thomas and Balloch. Firstly, credit union development workers did not have enough time or resources to cope with the growing demand for their services. Secondly, local authorities tend to underestimate the amount of support that is needed in the initial stages of setting up a credit union. *Thirdly, it is always difficult to overcome the reluctance of people to become involved as officers in credit unions.* One of their respondents said that, 'everyone wants to join but few are prepared to participate in committee work.'⁽⁶¹⁾ Fourthly, several authorities reported difficulties in finding enough people with sufficient financial resources to make a credit union viable in deprived areas. Fifthly, there was concern over the amount of delay experienced in registering credit unions, which was largely put down to the fact that the Registry devotes insufficient resources to handling applications. Finally, authorities were concerned about the split between ABCUL and the NFCU, 'which was regarded as a serious impediment to the development of a coherent national strategy for promoting credit unions.'⁽⁶²⁾ So we should now explore this issue in more depth.

The NFCU was set up in 1964, and ABCUL, which was formerly called the Credit Union League of Great Britain, was set up in 1966.⁽⁶³⁾ There is little indication in either

organisation's literature of any fundamental difference between them. It is, however, significant that neither organisation mentions the other in their pamphlets which are, after all, meant to introduce people to the idea of credit unions generally. The Federation booklet hardly mentions itself in the text, let alone ABCUL, while the ABCUL booklet simply says that, 'The Association of British Credit Unions Limited is the representative body for credit unions...'(64)

In practice, people trying to create credit unions often pick one of the national bodies at random. This is because groups may affiliate to the organisation that they first come across without being aware that there is a choice. This is less likely to happen now, due to the fact that the two have collaborated on an introductory pack for the Open University. Anyone inquiring about forming a credit union would receive this pack, which contains a full discussion of the relative merits of the two national organisations. The OU booklet begins by pointing out that there are two national organisations, and that groups can choose between them. It then goes on to list the differences between them, some of which we have already come across in our discussion of Berthoud and Hinton's work. The principal difference is: ABCUL actively encourages credit unions to become as large as possible, while the NFCU encourages them to develop to a size appropriate to the needs of the members and the local community. This is reflected in the NFCU logo which bears the message: 'Big enough to cope - small enough to care.'

Credit unions on Tyneside are split equally between ABCUL and the Federation. The Credit Union Development Worker for Newcastle has identified the rivalry between

ABCUL and the Federation as a potential problem.(65) Mrs Robinson, from Fenham credit union in Newcastle, said that,

'We invited ABCUL and the Fed to come to speak to us to explain the differences, and they wouldn't speak to each other, they would come at separate times to speak to us... There still is this stupidity.'(66)

On the other hand, Fenham is affiliated to ABCUL and Mrs Robinson is quite convinced of the superiority of ABCUL's regulations, and is critical of the Federation's rules. She says that,

'I think the Federation credit unions could get into trouble because they don't have sufficient people doing the jobs. I know Federation credit unions that run with three people doing everything.(67)

The organisational rivalry between the two groups does not actually prevent unions on Tyneside from working together, though, regardless of their *national affiliation*, in the Newcastle Credit Union Group, for example. So we can now move on to look at credit unions on Tyneside.

The first credit union on Tyneside was formed in Scotswood, in 1983, and this was followed by Meadow Well only months later. There are currently ten registered community credit unions, two employee credit unions, and one study group in Newcastle. Between them they have a total membership of 2500 and total assets of £500,000.(68) Gateshead has two community credit unions and a credit union development officer. South Tyneside has four registered community credit unions and a study group, it also

had a credit union development officer until very recently. North Tyneside has six community credit unions and a credit union development officer.

We shall consider four credit unions: Byker, Cowgate, Fenham and Meadowell. Two of these (Cowgate and Fenham) are situated on council estates within Newcastle. Meadowell, on the other hand, is a council estate on North Tyneside. Byker has been considered in some detail in an earlier chapter, so there is need to repeat the history of the area here. It should be pointed out, though, that Byker Credit Union was only registered in 1992 which makes it the youngest of the four credit unions *under consideration here*. The main purpose of the visit to Byker Credit Union in terms of the concerns of the present chapter was to make contact with some non-activist members. Cowgate was investigated mainly through the use of documentary evidence in order to supply a context for the other two credit unions. Fenham and Meadowell are looked at in more detail, as they were visited on more than one occasion. Several interviews were conducted with different members of both Fenham and Meadowell credit unions. I used a fairly small 'snowball' sample, which mainly consisted of the most active members of the credit unions I visited. It is not, then, a particularly representative sample, but this is partly due to the fact that most of the 'ordinary' members that were approached did not want to be interviewed. So let us begin by looking at Cowgate Credit Union.

Cowgate credit union came into being on 1 March 1985, as a response by the local citizens advice bureau to the growing problem of debt on the estate.⁽⁶⁹⁾ It has been the subject of two articles in the national press, so we can begin by using these to give us

some indication of the way it has developed. The first was by Beatrix Campbell, and it appeared in The Guardian in 1987. She begins by describing the conditions on the estate,

'Seventy six per cent of its residents are on housing benefit. A third are in arrears with fuel bills, although perhaps it is remarkable that two thirds aren't. Youth unemployment is 92 per cent. Babies' birth weight is lower than average; the population of children is higher than average; overcrowding is worse than average. Residents are the victims of higher than average crime rates.(70)

In other words, the estate suffers from acute social deprivation. So, as Campbell puts it, 'Everyone had just about given up on Cowgate.'(71) Money lending, both legal and illegal, was rife in Cowgate, and the rates of interest being charged were, as always, extortionate. We have already seen in an earlier chapter that the Provident also operates on the estate. As I pointed out above, the predominance of loan sharking and the Provident in a deprived area with growing and multiple indebtedness are the archetypal conditions leading to the formation of credit unions on council estates, and they have been present in all the areas where credit unions have been formed on Tyneside. The question is, though, how effective have credit unions been in combating these problems?

This is quite a difficult question to answer as, in some ways, they have not proven to be very effective at all. The sad fact is, that loansharks and the Provident still thrive in areas like Cowgate where credit unions have been set up. We shall go into the reasons for this later, but it would seem to be the case that no area of Tyneside has been completely saved from unscrupulous lenders by a credit union. To return to Cowgate, as Campbell

points out, the growth of the union there has been moderate as, in 1987, it had only 200 members, but there were 1,000 households on the estate.(72) This means that it did not even involve a quarter of the people on the estate. Not only that, but Cowgate is one of the larger credit unions in Newcastle. Fenham, for example, has 79 members out of an estate of 800 households.(73) Of course, we also have to consider a union's potential for growth. Cowgate gained 100 members between 1987 and September 1992, and presumably it will go on to gain more members in the future.(74) The other dimension to this question, as was pointed out earlier, is the benefits that credit unions can have for individual members.

Campbell talked to the vice president of Cowgate credit union, a former cleaner called Iris Knox, who said that,

'I used to find each pay day a nightmare - who could I pay and who could I miss, who'd prosecute me. But I don't class my CU payment as a debt; I don't mind paying it. I'm much more certain of my future because although I'll never be well off, I'll be out of debt that I'm in.'(75)

Campbell emphasises the personal benefits that the credit union has had for the activists that she spoke to. The union's president, Mary Owen, told her,

'Me I eat, sleep and breathe Cowgate credit union. ...I couldn't speak to anyone before; I was very shy.'(76)

Similarly, Iris Knox gained in ways other than financial ones,

'I'd never been involved in anything before and I was petrified because I'd always considered myself as slow; I was never much good at school. I thought

I was beyond being taught anything. But in the Credit Union nobody makes you feel stupid. I can speak my mind, which I never could do before.'⁽⁷⁷⁾

Such statements are a powerful testament to the effects that credit unions can have upon the lives of individuals. It must be remembered, though, that only about a quarter of the people on the Cowgate estate are members of the credit union and, in any credit union, only a handful of the members are actively involved. So the benefits, both financial and otherwise, can be very great for some of the members of a credit union, but credit unions do not benefit all their members equally, and in any case they usually only reach a minority of the people in an area.

The other account of Cowgate Credit Union that we are going to consider here is by Mark Dunn, and appeared in Poverty, the magazine of the Child Poverty Action Group, in 1988. Dunn, like Campbell, begins by describing the unemployment and deprivation that exists in Cowgate, and he quotes one resident as saying, 'almost everybody on the estate owes somebody something.'⁽⁷⁸⁾ He also points out that,

'... the vast majority of the membership are women, undoubtedly reflecting the general belief (and not just in the north-east) that the responsibility for household budgeting, and consequently any debt, lies with women.'⁽⁷⁹⁾

He says that the women did not see the lack of male involvement in the union as a problem, and he quotes one of them as saying,

'...the women on the estate saw we had a problem so we all got together. There were no arguments, no one-upmanship like the kind that happens when men are around. We just decided we needed to do

something so we did it.'(80)

Unsurprisingly enough, this is also a point that Campbell concentrates on. She says that, not only is Cowgate Credit Union run by and for working class people in the area, but it is run by women for other women. She points out that only women turned up at the first meeting of the credit union. She quotes a worker in Cowgate CAB who says that,

'Only women realised the potential of it because by and large women are the doers and men are the recipients. I'm involved with a lot of men in the wider labour movement and it's the rule book and tunnel vision. The women have a wider view and the ability to work together without wanting to be top dog. Usually women's practical abilities are undermined by men, but here it is the women who have set about it in a practical way.'(81)

This is the message in much of Campbell's writing, and while there is more than a grain of truth in it, she does tend to downplay the male contribution to community action generally. Margaret Nolan, the Credit Union Development Worker for Newcastle and a founder member of Meadow Well Credit Union, says that on Tyneside, for example, credit unions are predominantly run by women for women.(82) Not only that, but they tend to be run by women of a certain age. Meadow Well credit union is composed mainly of women over 40, and South Benwell is largely women over 50.(83) As Margaret Nolan has pointed out, the problem of childcare can prevent younger women from participating.(84) On the other hand, both men and women were involved in the creation of Fenham Credit Union. Margaret Nolan feels that men are now becoming more

involved in credit unions. She says that, unlike Cowgate, there were men present at early meetings of Meadow Well Credit Union. However, they made it clear that they would not trust the people present with their money, so they did not become involved. They have been subsequently won over by the success of the union. So, while in the past only the women used to come in to pay, the men have now started to go as well.(85)

In order to gain some idea of how the Credit Union had progressed since the above articles were written, I visited Cowgate in November 1994 and interviewed Ian Poole the manager of Cowgate CAB. As he is heavily involved in the running of Cowgate Credit Union, Ian Poole is in a good position to give an overall view of the organisation's development. In fact he actively promotes the Credit Union by encouraging his clients with debt problems to join. I began by asking him how large the credit union currently was. He replied that,

'It's not huge in terms of members, it's about 150 active members...That's a relatively small number still. And you do require up to twelve *officers to run all the different committees* from that. So although the credit union's about nine years old, that's still relatively young for a credit union. You have to, sort of, dispel the suspicions about what it actually is.'(86)

Although, on the surface, this suggests that the credit union has lost 50 members since Campbell wrote her article in 1987, this is not necessarily true. The problem here is the distinction between 'passive' and 'active' members. Ian Poole was only counting 'active' members. He then went on to explain this distinction.

'You'll always get members who will open an

account, put a few quid in it and then leave it dormant for ages. Those people who do use the account regularly, who do put savings in, (which we call shares) and do then draw loans over a period of time. Those are what we call active members. The account is actually active rather than the individual.'(87)

In terms of the social composition of the Credit Union, he confirmed that it was still mainly women, many of whom were single-parents. Ian Poole felt that this reflected the fact that there were a lot of female single-parents on the estate itself. He added that 80% of the Committee members were also women.(88)

If credit unions tend to mainly involve women, which it has to be conceded they have done up until now, then this has implications for their effect on communities. In other words, if they can be seen to impart a new spirit of community, then is this a gender-specific effect? Again, there is no clear answer to this question, as was pointed out above, both men and women have been active in credit unions, but it has been predominantly women. Margaret Nolan feels that, on Tyneside, traditional gender roles are still important, so the men do not give the women any encouragement to become active. She feels that the men know the women can grow away from them if they do become active in an organisation like a credit union, so they are suspicious of it.(89)

Women that have become active in organisations like 'Women Against Pit Closures' have encountered a similar reluctance on the part of their husbands to allow them to become involved. So, are credit unions a potential source of division rather than unity in working class communities?

It will be argued here that there is another dimension to this question, as credit unions have a greater effect upon communities than has so far been suggested. Mark

Dunn puts it like this,

'The financial security the credit union has given its members has not only benefited the individuals involved but also the wider community. With the hope of ending widespread indebtedness on the estate, Cowgate has regained some of its lost spirit and identity. One member summed up the general feeling: 'The women have really pulled this estate up by its bootstraps. The credit union has given a new sense of pride and dignity to the whole community.'(90)

Credit unions can give a new focus to a community, they have effects that cannot be quantified, but are very real, and this is what we now need to explore by looking at the case histories of two credit unions.

Fenham Credit Union was registered in 1989 and, as was mentioned earlier, now has 79 members, 37 of whom are borrowers.(91) They have given loans of as much as £600, and they also have their own premises, so they are quite a well established group, even if they are comparatively small. How, then, did they become established, and what were the events that led to the formation of the credit union? The answer to this question is quite involved and it requires considerable explanation. Mrs Robinson was a prime mover in the creation of Fenham Credit Union, so we can let her describe the events herself. She says that, in 1985,

'I happened to go into a local store one day and I heard two women talking, and one said to the other, 'I've been offered a house in

Acanthus Avenue but I wouldn't live there if they paid me!' Now Acanthus Avenue was always the most desirable in Fenham, as a council estate, to live in and I couldn't understand that and it happened to be a nice sunny Monday morning. So I took the dog for a walk all round the estate to see why they wouldn't want to live in Acanthus. I thought, it's no good just looking at Acanthus, I'll have to look at the rest of the estate first. So I found about five empty houses on the rest of the estate. Fenham has always been a very easy-to-let area, but there were 9 empty houses on Acanthus Avenue out of 107. I was so upset when I saw these houses all boarded up, because I thought they are beginning to make this a hard-to-let area. Fenham had been allowed to run down there was no doubt about that, the repairs were just not being done...I thought this can't be allowed to go on any longer.'(92)

What happened to Mrs Robinson was that she was suddenly made aware of the problems on her estate, and she felt compelled to do something about them. There were other problems apart from the condition of the housing stock in Fenham though, and the main one at that time was the amount of crime in the area. So her first action was to form a Neighbourhood Watch group, she then went on to help create Fenham Association of Residents (or F.A.R.), of which the credit union was an offshoot.

Mrs Robinson's account of community action in Fenham shows several things. Firstly, she and the other residents in the area received no encouragement from the City Council, in fact their complaints were completely ignored to begin with.(93) Secondly, the people involved had no special knowledge or skills at all. (The first letters to the

council were copied out by hand thirteen times!) So they acquired skills as they went along. Thirdly, it shows how a credit union can be part of a general initiative, stemming from the grassroots, to improve a community. Finally, it does show that such action can be successful. In Fenham, it has resulted in a number of concrete improvements to the estate. The people involved in F.A.R. later decided that the area needed a credit union. Fenham Credit Union was registered in 1989, at about the same time as F.A.R. acquired its own premises. The credit union uses the building under the auspices of F.A.R. (which is a registered charity) and F.A.R. allows it the use of its premises free.(94) Fenham Credit Union, then, is dependent upon F.A.R. for its existence. This is partly due to the fact that Fenham is not a Priority Area, so this excludes it from what has been a major source of funding for other credit unions on Tyneside.

There were 22 people in the founding group of Fenham Credit Union. They were, as Berthoud and Hinton have suggested, themselves financially stable. Some of them were employed; some were not, and the age group ranged from people in their late 30s to people in their 70s.(95) As Mrs Robinson points out, their original motivation was to do something that would be good for the community.(96) There can be no doubt that their achievement has been considerable, and that it has benefited the community, but before considering exactly what those benefits may be let us first look at what has been achieved in the rebuilding of community spirit elsewhere. This is not to belittle the achievements of the Fenham group, but to place it in some kind of perspective.

In The Enemy Within Raphael Samuel et al looked at the effects of the miners' strike of 1984-5 on pit villages. In the Introduction Raphael Samuel points out that the word 'Community' constantly appears in strike rhetoric, but the strike was not so much an expression of community, as a discovery of it. So the accounts of the participants express 'gratitude for the restoration of a world that had apparently been lost.'(97) He quotes the following account of the rediscovery of community to illustrate the point,

'When we were children, this was a small close-knit village. As years passed - I suppose this happened all over - people got a bit better off, bought their own houses and community spirit was disappearing. But this *has brought it all back*. It's like it was years ago...Community's a lot closer. Before the strike everybody had money in their purse and went about their own business. Now we stop and talk for hours in the street...Those who are working buy us drinks and maybe send us some food over. It's very good, it's getting back to an old community, where you can go next door and borrow a cup of sugar or tea from a neighbour...(98)

This passage shows a number of things. Firstly, it shows that working class people are not only aware of the way that their own communities were 'years ago,' but there is often a sense of regret as to the passing of that time. Of course, one could argue endlessly as to what the reality of life in working class communities was 'years ago,' as many have, but the point is that the past represents something real within people's consciousness. The past has been an ideal to aspire to for certain activists in community groups, some of whom lived through it themselves. The other notable thing is the implication that affluence destroyed community and, that economic hardship has brought it back.

There is, of course, a great deal of difference between a Yorkshire mining village and an inner city council estate on Tyneside. There is also a considerable difference between the effect that an industrial dispute can have on an area, and the impact of a credit union in a locality. The two situations are completely different, yet there are also similarities. Both have served to bring a new spirit of 'community' to an area that seemed to be largely lacking in one before. The main difference is a difference of degree. The miners' strike was able to galvanise whole areas into united action. The achievements of credit unions in this direction have, so far, been more modest. So what sort of effect have credit unions on Tyneside had upon the communities that they serve?

If we look at Fenham, we can see that independent community action would appear to have made a considerable difference to the area, but this is not really due to the effects of the credit union itself. Before any community initiative was taken, people stayed in their houses after dark. Mrs Robinson said that, '...when I talked to people they were frightened to go out in the evening.'⁽⁹⁹⁾ People were frightened to walk down some of the streets on the estate as they were 'no go areas.' Crime and violence were major problems. Before Mrs Robinson started going round houses asking people what the problems were, she did not know any of her neighbours. The formation of F.A.R. became the means of opening up the community according to several of its members.⁽¹⁰⁰⁾ More than one member of the group pointed to the time that they began selling raffle tickets door-to-door as the beginning of this process. This was the means by which they began to

become aware of who was on the estate and what their problems were. So what is the attitude of the rest of the community?

One indication of the feeling in the area towards the communitarian action is that there have been no attempted break-ins to F.A.R.'s premises, and only one stone has been thrown at their windows.(101) However, its windows are barred as the members were aware that the building could be a target for vandalism. Obviously, the residents' action has not completely eliminated crime from the area, but it would seem to have reduced it. This also has a lot to do with the fact that some of the former perpetrators no longer live in the area, which may or may not have been the direct result of community action. The estate is also undergoing a programme of extensive improvements to the housing stock. On the other hand, there are still some boarded-up properties on the estate. One of the benefits for the area generally has been the fact that the existence of a residents' association with its own premises has given the community a new focus. People do drop in to the centre, but often with problems to be solved, and F.A.R. has helped people with their problems. So, on one level, the active members are merely acting as unpaid advice workers. The centre is more than that, though, residents leave their children there, and people come by for cups of tea, but they don't get casual callers. The centre is used, but it is used by a minority of the people on the estate. The credit union does not have as many members as F.A.R. so, as Mrs Robinson says,

'The credit union has made a difference to the members, we unfortunately haven't yet got to the stage where it has made a difference to the area. It still hasn't brought in the community

spirit that I hoped for at the beginning.'(102)

So what did she hope for at the beginning?

Mrs Robinson wanted to restore the old type of community spirit that she had known as a child growing up in a small pit village near Stanley in the inter-war years. She said that an old woman, called Mrs Brown, used to run a money club (or diddlum) in the village,

'You paid a shilling a week for 21 weeks, and the 21st week was hers for doing the club. Everyone paid their shilling in, those 20 people, and the 20 numbers were put in a hat and you drew out of the hat to see whether you got it the first week or the last week...and in a way this was helping this old Mrs Brown who was a widow, because in those days the widow's pension was very little.'(103)

This money club also continued for some time after the Second World War. It is, of course, a perfect example of the type of mutuality that many commentators have seen as characteristic of this period of working class history. For Mrs Robinson, though, it was a way of life that she had known and was now lost to her. She was also encouraged by the example of one particular extended family on the estate that, as she puts it,

'...had never lost that old-fashioned feeling of going out and being friendly... I saw from a distance that they were still having this openness, and their house was like an ever-open door and people were going there all the time, and I used to feel that there is something wrong when I don't feel that I can do that.'(104)

She felt that, in Fenham, before the residents' action, 'community spirit had not actually died but it was well on the way.'⁽¹⁰⁵⁾ Her account of her own area shows that community spirit can survive, in pockets, even in the most adverse conditions. As she points out above, it was sustained by certain families on the estate who maintained a less privatised lifestyle than other families. She also feels, though, that it was kept alive by the older generation who continued to practice mutuality amongst themselves.

Community action has a longer history on the Meadowell estate than in Fenham, but it is also an area of much greater social deprivation than Fenham. The Meadowell council estate was built in the 1930s to Greenwood Act standards. The estate was originally known as the Ridges, and was filled with larger families (many of whom came from the slums of North Shields) after the 1935 Housing Act.⁽¹⁰⁶⁾ The CDP publication Whatever Happened To Council Housing? says that,

'Originally, the estate appears to have lacked any special reputation but one set in the early sixties of the Ridges as the ghetto of North Shields. This was reinforced and to some degree sealed by a pattern of hostility to the estate on the part of some Tory/Independent councillors.'⁽¹⁰⁷⁾

The authors of the CDP report go on to say that the estate tended to contain people who could find nowhere else to live. It is not surprising that there has always been a high level of poverty on the estate as the housing stock was initially allocated to poorer families because the rents were cheaper. In Beyond The Inner City, published in 1989, David Byrne pointed out that the South Meadowell in particular was a severely socially deprived

locale. It scored highly on several indicators of deprivation, and it also figured as an example of an 'urban priority area' in Faith in the City.(108) So, from its creation, the Meadowell has been a particularly impoverished area, and it has remained so up until the present day.

So the story of Meadowell Credit Union is, in many ways, quite different to that of Fenham. It has already been pointed out that Margaret Nolan was one of the founder members, and she was also the only local resident present at the very first meeting (held in August 1983) to discuss the possibility of creating a credit union on Meadowell. The meeting was organised by a local Anglican priest and, apart from Margaret Nolan, all the others present were community workers, or people who might support the idea.(109) After this, several meetings were held on different parts of the estate to try to gather support for the initiative. On Meadowell, then, the idea of a credit union came from outsiders working in the area, but the local people were in control of the union from the beginning.

It was at one of these early meetings that some residents expressed the opinion that 'You couldn't trust people round here to look after money,' as was mentioned earlier.(110) Margaret Nolan describes the atmosphere at this meeting as one of utter hopelessness. After all, if Meadowell residents wouldn't trust their neighbours with their money what could be done? Obviously, as it turned out, there were people in the area who were prepared to trust their neighbours otherwise the credit union would never have got off the ground, but this incident is indicative of a schism in the community. It is also

similar to the initial response to the idea of a credit union in Cowgate. As one of the

Advice workers in Cowgate put it,

'...it was said that the people of Cowgate would steal off their own grannies and how did you expect them to keep accounts?'(111)

As I have pointed out in previous chapters, the decline of trust within communities is one of the ways in which the consequences of modernity have become more radicalised. I have adopted Giddens' argument that trust can no longer be anchored in criteria outside the relationship itself. So ties based upon locality (for example) can no longer offer a sufficient basis, in themselves, for trust. Both of the credit unions described above encountered a lack of trust within their communities which made it difficult for them to operate in the early stages.

So, in such communities, there is not only the problem that many outside bodies do not have any faith in the inhabitants, but that the people themselves do not trust each other. It is difficult to characterise such areas as close communities, then, and there are more than enough stories of crime and intimidation in the local press to support the assertion that they are divided against themselves. Campbell feels that such estates are split into two communities: a criminal and a communitarian element. She feels that, on Meadowell, the communitarian element suffered from a lack of local authority funding (for whatever reason), and was also attacked by the criminal element in their own community. The fact that the community centre was one of the first buildings to be destroyed during the riots of September 1991 would seem to support this statement.(112)

So is this an accurate description of Meadowell? At this point we encounter a problem with the evidence that requires some explanation. The problem is: that the initial account I was given of the relationship between Meadowell Credit Union and the wider community from credit union activists was totally at odds with Campbell's account. So in order to explain this difference we should now consider both accounts in detail.

Campbell says that, by the end of the 1980s, the community organisations on the Meadowell estate were experiencing serious problems. Nancy Peters describes what it was like for the Credit Union at that time.

'We used to get locked in. The kids used to pull the shutters down. We had no telephone, so people could be locked in for hours because we couldn't telephone out for help. Twice a week we'd have to call out the security men about the shutters. Kids would shout through the letter box, 'You can't get out unless you pay us £10.' The estate was petrified, young and old, because of what was happening with these kids. For two years we lived with boarded-up windows.'(113)

Campbell goes on to offer another example of the hostility some young men on the estate showed towards the local community activists.

'A voluble woman active in the Credit Union went into the youth project, a reincarnation of the old Book Centre, and was greeted by a cold chorus: 'Fucking whoring cunt...fucking twat...' A youth worker remonstrated gently; the chorus continued. She left thinking to herself, 'I don't have to hear this,' but staying silent. She never went there again.'(114)

There can be no doubt, from the account she offers in Goliath, that Campbell is correct in her assertion that there is an element within the wider community that is deeply hostile to the community activists on the estate. However we should now turn to consider the accounts that were given to me of the same events.

It has to be pointed out that the discrepancy between the two versions of events that I will outline below is of a somewhat unusual kind in two respects. Firstly, when I conducted the initial interviews on the Meadowell I had already heard Campbell's version of events at a public meeting. So I went in sensitised to the possibility of the type of conflict I described above, but also seeking to find out for myself what had actually happened. Secondly, I interviewed the same group of women that Campbell did for Goliath but got a different set of responses. It also has to be conceded that I can offer no real explanation for the difference, except that I feel that I caught the respondents at a more optimistic moment. I first visited the Credit Union just a few months after the opening of the 'Meadowell Community Resource Centre' which had created much positive publicity about the estate. The women that I talked to are staunch defenders of their estate, and feel that it is too often portrayed in a bad light. So perhaps this is why I was given a more positive version of events. Whatever the reason, I feel that it is a good illustration of the difficulties involved in carrying out any sort of research, whatever the chosen methodology.

One of the founder members of Meadowell Credit Union described the events that led up to the burning of the community centre in some detail, so let us now turn to her account. She says that,

'The youth club was closed. Kids used to sit on the wall and look at it. It had been closed, all the workers were withdrawn, all the rights workers were withdrawn. It was disgraceful what the council did to us... These are kids asking, crying out for help. They've got nothing at all on this estate for any youngsters... They have no money. From 16, when the kids leave school, their parents lose their Family Allowance and they get nothing at all until they're 18. That's why the kids are in all this trouble... We had all these plans to redevelop that [i.e. the community centre]. The Council said we'll give you £30,000 we had architects, we had the whole thing planned right down to the ground. I hand-delivered all the papers to the Council, so they couldn't say they'd got lost. The week after they got all these papers they just wrote and said they were sorry, but they had found something different to do with the £30,000 and they withdrew it!'(115)

By this time, the credit union activists had already told the kids, and everyone else on the estate, that they were going to re-open the building, with a youth centre and several other facilities in it. Just after this, the riots began, and the community centre became an obvious focus for local resentment. This account stresses that the communitarian element on Meadowell were in close touch with the wider population before the riots. In fact, according to the people I interviewed on my initial visit, rather than being under attack from others on the estate the efforts of the communitarian element would seem to be

strongly supported by them. They told me that there had been no real hostility from local residents towards the Credit Union because, as one woman put it, 'People know the good work that goes on.'(116) In January 1993, the Credit Union opened its new premises, which houses the Credit Union, a grocery store, and other community groups as well - 'Meadowell Community Resource Centre' - and I was told that it had not been attacked at all.(117) However, it was also obvious that the building was very well secured, as were the premises in Fenham, so nobody was taking any chances.

So, understandably, I came away from my first visit to Meadowell with the impression that something was wrong with Campbell's account. It seemed that it would be inaccurate to describe Meadowell as divided in the way that she had suggested. However, later in the year, Goliath appeared in print, and I began to realise that it was myself that had been misled. Even if we just consider the evidence that appears outside the pages of Goliath we can see that many of her conclusions can be supported. Campbell pointed to the importance of the racial element during the riots of 1991 on Meadowell and elsewhere. Ashsak Ahmed, for example, who owned a fish and chip shop on the Meadowell estate at the time of the riots, was forced to literally flee for his life when they began. His business was destroyed in the disturbances and he vowed that, '...there is no way I am going to come back to this estate ever again in my life.'(118) So there have been racially motivated attacks on the Meadowell estate, and several Asian families left at the time of the riots. Having said this, though, there are still some Asian shopkeepers on the estate today.

The riots led to wholesale requests from tenants to move out.(119) About a third of the population of Meadowell left after the riots.(120) This only speeded-up the general trend of people moving away from the area if they were able to do so. Margaret Nolan has pointed out that many people with the financial resources to do so will leave the estate. The founder members of the Credit Union are among those who are an exception to this rule. The point has also to be made that it is not just the Asian residents that have been subjected to harassment on Meadowell, other residents have also been the victims of attacks. In Beyond The Inner City, David Byrne refers to an incident of harassment which took place in 1985.

'In the summer of 1985 a group of residents were identified with police attempts to introduce a 'Neighbourhood Watch' scheme into the area. This attracted considerable and expressed resentment (in marked contrast to the introduction of Neighbourhood Watch in other inner area locales), which came to a head when local youths attacked the homes of figures associated with the scheme and one man was assaulted with a burning traffic cone.'(121)

So, if we consider the amount of people that have left the area, and the fact that many people (particularly community activists) on the estate have been subject to harassment from their fellow residents we can see that Campbell's account fits into this scheme of events. So there is, in fact, no reason to question its authenticity.

In terms of my own evidence, I only wish to add that my second visit to the estate painted a very different picture to the first. The first time I visited Meadowell Credit

Union (May 1993) I was invited by Margaret Nolan while the second time I went unannounced (December 1994.) It has to be said that the lack of stage management did appear to make a difference to what people told me. It was, in fact, very difficult to conduct an interview as it was a collection day. This, in itself, should not necessarily have been too much of a problem as I have visited other credit unions on collection days. However, on the Meadowell it proved to be quite a different matter. Although there have been no successful break-ins at the Centre, there have been attempted thefts during collections. On my second visit I spoke to one of the activists I had interviewed during my first visit. She told me that several local youths, who were obviously aware of when Credit Union money was collected, had entered the Centre with the intention of getting their hands on the money. They were prevented by the presence of several active members which has since been maintained as a precaution.(122) For obvious reasons, this means that the atmosphere on *collection days* was *rather tense*. I was also *unable to* interview any rank and file credit union members even though the activists approached them on my behalf as they came in to pay their money.

Ultimately I felt that it was very difficult to assess community spirit on Meadowell. This is partly due to the fact that the residents are very aware of the way that they have been depicted in the past by the outside world. They are all too aware of the prejudice that exists against people from Meadowell, so they are unwilling to give more ammunition to the 'other side.' This is understandable, but it does not make the task of describing the estate an easy one. Several informants felt that crime and vandalism only

really began to be a problem in the early 1980s. This does tend to support the theory that it has been the result of chronic unemployment, but this is not the issue that concerns us here. High unemployment and rising crime are the context in which Meadowell Credit Union developed, and we need to be aware of that context. At one point, the entire membership of Meadowell Credit Union was unemployed!(123)

There are several factors that should be taken into account to enable us to come to a better understanding of the situation. Firstly, many people in the area have been subject to severe poverty for several generations. Secondly, as was pointed out above, crime and harassment may only have become a serious problem in the last ten years. However, the conditions on the estate have led to a mass exodus from the area in recent years, and the many burnt-out properties on the estate bear witness to this. In terms of the closeness of the community as a whole, we have to bear in mind the problems the credit union faced in the beginning, of getting people to trust their neighbours in the first place. The founder members of the credit union did not know each other to begin with, as they were all from different parts of the estate, and this suggests two things. Firstly that there was no existing community of immediate neighbours with enough trust in each other to start a group and, secondly, that it was very difficult to find twelve people on the estate who were willing to risk starting a credit union in their area.

The credit union has had very little experience of bad debt. The people I spoke to stressed the fact that all the members paid regularly and, if anyone did experience problems with repayment they were personally counselled by a committee member and a

new schedule of repayments was agreed upon. In the Meadowell Credit Union, every individual member is known to at least one member of the committee.(124) This tends to make people feel a social obligation to pay, and it also makes any problems that do arise with payments easier to deal with. There have been exceptions to this rule, and this brings us back to the point that Berthoud and Hinton make about a common bond of disloyalty forming among people on the fringes.(125) One group of people opted out of Meadowell Credit Union leaving a bad debt of £2000.(126) This happened at an early stage in the development of the credit union, and it is an illustration of the way a common agreement not to pay can develop among a group of people. In this case, it occurred among residents of a particular street on the estate. Again, it is evidence of the divisions that seem to exist within the community. Margaret Nolan has stressed that the people involved would not be prevented from rejoining the credit union in the future, though, provided they could regain the trust of the other members.(127) There are currently no problems with bad debt. So what other sorts of difficulties has Meadowell Credit Union experienced?

Meadowell Credit Union has been beset by problems from the start. There was no credit union development worker to assist them at the beginning, and they relied on ad hoc support from local advice workers. As one founder member put it, they began with only 'Twelve people and a rule book.'(128) That was in 1983, and they are now an established group with their own premises, and they employ two workers on a job-share basis. So how large is it? This is not an easy question to answer as so many people have moved away in the wake of the riots. In 1993 the credit union had 500 members on paper

but, according to Margaret Nolan, only 260 active members.(129) By active members, she means people that are still saving and borrowing with the credit union. The original common bond contained 5000 people and, although this has since been reduced by one third, it still means that the Credit Union is only benefiting a small proportion of the people in the area. She felt that both Scotswood and Cowgate had even less active members than Meadowell at that time, and that the active membership was around 110 in both of them.(130) This returns us to yet another difficulty in assessing the impact of credit unions on a community, the fact that their paper membership often does not reflect the reality.

One very basic reason for the failure of credit unions generally to reach more people within their community is the fact that those most in need of the benefits of membership are often unable to join. This is because there is a ten week delay between joining a credit union and being able to take out a loan, added to this is the fact that the first loan is usually very small. So, for those who already owe a lot to a catalogue, the Provident, a loanshark or whatever the transition from that to the credit union can be a very difficult one to make. Obviously many people have made this transition, but being able to do so can depend upon a number of factors: the size of the debt; who it is owed too; the amount of disposable income available etc. Meadowell Credit Union lost some of their initial group due to the fact that it contained people with immediate needs who could not afford to wait several years to be able to pay off their debts.(131) Mrs Robinson gave these reasons for the modest size of Fenham Credit Union,

'A lot of people don't need to save and borrow, pensioners and people like that...The young single parents and the unemployed are usually in the hands of moneylenders and the Provident and people like that. It is very difficult for them to get out of that at the same time as joining the credit union and save, because usually when you're in those sort of things your money is spoken for before you get it... and the first loan is so small.'(132)

A recent article in Community Care said that, 'The cardinal rule of credit unions, that its members must be regular savers, would rule out the least well off.'(133) For some, it is not possible to save even the £1 a week that it is necessary to save before receiving a loan. The article goes on to point out that Scotswood Credit Union has lost members because some people could not afford to save £1 a week.(134)

The fact that credit unions are unable to offer assistance to those most in need of it does not mean that only those without existing debt problems can join. Many of the founding group on the Meadowell estate, unlike Fenham, were themselves experiencing problems with debt. It will be remembered that this was also true of the founding group in Cowgate. So we can see that this is true of areas with acute social deprivation. Does this invalidate Berthoud and Hinton's hypothesis that, 'The founding group were often people who themselves were financially stable but who felt there was a need among the local population?'(135) In other words, does this mean that in very poor areas, the founder members create a credit union for instrumental reasons? The reality is not that simple, and it would seem that whereas in Berthoud and Hinton's sample (and in areas like

Fenham on Tyneside) the founding group was motivated almost entirely by the need to do something for the community rather than something for themselves, there is probably always a combination of instrumental and idealistic motives present. On Meadowell, only one out of the initial group of 12 people involved in the credit union was in employment.(136) Many of the core group were in debt to the Provident or a catalogue at that time, Margaret Nolan said that,

'All of us were in that position of knowing what it was like at Christmas to have to go to the Provi, and to get things out of the catalogue.(137)

She feels that the prime motivation of those involved in the formation of the credit union was the need to do something for the community,

'The core group didn't ever think that they would get much out of it. What we were doing was trying to introduce an alternative, particularly for the young people, because many of us were in debt to the Provi, and we knew that it would take many years to transfer to the full benefits of the credit union.(138)

So what are the theoretical implications of this?

Max Weber classified social action into four types: zweckrational, wertrational, affectual and traditional. An action is zweckrational 'when the end, the means, and the secondary results are all rationally taken into account and weighed.(139) Wertrational action is action motivated by a belief in an abstract principle, and is pursued 'entirely for its own sake and independently of any prospects of external success.(140) Action taken in terms of an affectual orientation involves the individual acting in accordance with their

own feelings, rather than calculating the result of their action.(141) Traditional action 'is very often a matter of almost automatic reaction to habitual stimuli which guide behaviour in a course which has been repeatedly followed.'(142) Rogers Brubaker points out that, 'Both Wertrationalitat and Zweckrationalitat are defined subjectively - i.e. from the point of view of the actor.'(143) So an assessment of the rationality of the actions of an individual does not involve attempting to establish the objective 'correctness' of the actor's belief. So what type of rationality is behind the creation of credit unions?

Firstly, it is most certainly not traditional action, as it involves entirely new patterns of behaviour on the part of the individual concerned. Secondly, although it may be the result of an individual's beliefs, it is not pursued without regard to the prospects of external success, so it is not exactly wertrational action either. The decision to create a credit union is a type of zweckrational action, in the sense that it is taken in order to achieve a particular result, and the possible consequences of the action are taken into account. Much of Max Weber's social theory is taken up with the description of 'ideal types,' such as those listed above, but it does not just stop at this. It is also concerned with relating these 'ideal types' to the development of western capitalism. So, to take a completely different example, Weber does not just describe three dimensions of social stratification (i.e. '-classes', 'status groups' and 'parties') but he is also quite clear about the fact that class is the most important factor today. Similarly, he sees the zweckrational orientation as the dominant one in modern society. The practice of credit unions largely confirms Weber's thesis.

Weber was right about the general tendency of western capitalism to become more rational and bureaucratic. He says that,

'On the whole, the course of historical development involves...a steady advance of the zweckrational ordering of consensual action by means of rational rules, and in particular the progressive transformation of informal associations [Verbanden] into institutions organised on an instrumentally rational basis [zweckrational geordnete Anstalten]'(144)

We have already seen that, after 1945, there was a transition from money clubs to credit unions as the dominant form of autonomous working class credit. This involved a change from an informal association (i.e. the money club) to the highly formalised institution of the credit union. It can be argued then, that credit unions are, in fact, a bureaucratized version of the old money clubs. Part of the reason it can take so long to set up a credit union is the amount of time it takes to become familiar with the 'rule book.' Credit unions are, undoubtedly, governed by formal rules and regulations, and thus involve a great deal of administration.

Max Weber said that modern office management would become increasingly bureaucratic, and it is true that credit unions are bureaucratic by comparison with money clubs. However, their practice with regard to those of their members experiencing financial difficulties is not governed by set principles, or conducted 'Without regard for persons,' as Weber would have it. So, while it would seem that there is some basis for Weber's statement that bureaucratic discipline has increasingly become 'the basis of all

order,' and credit unions have been subject to this order, it has not 'dehumanised' them completely. Weber makes the point that it is the demands of the capitalist market economy that makes the bureaucratic organisation of management necessary.(145) Credit unions may be a very special type of financial institution; run primarily on voluntary labour but, nevertheless, they do function within the same capitalist market economy as any other financial institution, so they are also subject to the same pressures. Indeed, credit unions tread a fine line between a community group and a business. The Credit Union Act has actually made informal loan clubs illegal.(146) Not only this, but the Act has also put direct pressure on credit unions to conform to bureaucratic practice. They must, for example, produce an Annual Return, and the Registry itself monitors the administration of credit unions. This balance between anonymous financial institution and community *self-help* group can easily be destroyed by expansion, as we have noted already.

The fact that credit unions are community-based organisations makes it difficult to explain them in terms of pure *zweckrationalitat*. For, as Brubaker points out, pure *zweckrationalitat* precludes any reference to ultimate value commitments, as ends are determined by the individual's own assessment of their own immediate needs.(147) The social action of creating a credit union can be best explained with reference to Weber's ethic of responsibility. This can be best understood as an attempt to combine *wertrationalitat* and *zweckrationalitat*.(148) Weber sees politicians as being subject to this ethic of responsibility as, he feels that, they must possess 'passion, a feeling of

responsibility, and a sense of proportion.'(149) Or, as Brubaker expresses it, they should have 'the passionate commitment to ultimate values with the dispassionate analysis of alternative means of pursuing them.'(150)

Many credit union activists, by which I mean either those who helped to create it in the first place or those who are currently committee members, are motivated by a feeling of responsibility towards their own community. In the case of the founder members, they usually felt a need to do something for the community to begin with, and only later settled upon the creation of a credit union as an appropriate course of action. There may be material benefits for the person involved, but the fact that the activists have to perform unremunerated labour suggests that their motivation is never purely instrumental. As Mrs Robinson puts it,

'I had to make a really big effort to get out and knock on doors and get to know people. I had to sort of push myself, but I was doing it, not for me, but for society.'(151)

Or, to repeat the words of one of Berthoud and Hinton's informants quoted above,

'I don't think there's many officers who join the credit union because they can get a loan at a cheaper rate. There has to be a social conscience to become an officer. I think it's a social conscience that most people need to give up time. It's an opportunity for me to do something in the community where I live.'(152)

It would seem that most members do not possess this sense of social responsibility. As one of Thomas and Balloch's respondents put it, 'everyone wants to join

but few are prepared to participate in committee work.(153) This was borne out by the activists I spoke to. As one of the women from Fenham Credit Union said,

'Like everywhere else, there's not enough volunteers. So it sort of makes it hard on them that do the work.'(154)

The women in Fenham Credit Union said that the other members were just not prepared to work unpaid for any organisation as the concept of voluntary labour was quite alien to them. They felt that this was particularly disappointing as there were many unemployed people in the area who would have the time to work for the Credit Union. So what motivates 'ordinary' members?

I agree with Barbara L. Lewis's assertion that there is usually a combination of instrumental and idealistic motives in the case of rank and file credit union members. The amount of difficulty that credit unions have in finding volunteer workers attests to this. I feel that the attitude of ordinary members is best expressed in the following quote from one of Berthoud and Hinton's respondents.

'You're helping yourself to help other people. With being a member yourself the money is there for you to borrow as well as for everybody else to borrow.'(155)

I interviewed two 'ordinary' members of Byker Credit Union, both of whom were elderly women. The first woman I spoke to, Mrs Ford, had used mail order catalogues and tickets from Parrish's before joining the Credit Union. She cited a combination of instrumental and communitarian motives for joining the credit union. She said that she

needed the loans from the Credit Union in order to help her pay her bills. However she said that she also joined because,

'It's local, and it's run by the folks that live here and it binds you more together. All the family are in, and me son's friend.'(156)

The second woman I spoke to was a former customer of the Provident. Her reasons for joining the Credit Union also reveal a combination of instrumental and communitarian motives. She said that,

'I thought it would help me, but it does help other people and all doesn't it? People that get into a lot of debt, which I've never been in that situation like, but I think it's always nice to have a few pounds of your own. Then if you do get a loan the interest isn't high at all.(157)

We should now have return to the question of how much credit unions have benefited communities.

The Guardian carried an article on the official opening of 'Meadowell Community Resource Centre.' It quotes one of the credit union members, Molly Woodhouse, as saying, 'Everyone on Meadowell feels 10 feet tall today.'(158) The article makes a lot out of the fact that the building that now houses the credit union is sited in the area that was the centre of the riots of 1991. It goes on to quote another member of the credit union, Joyce Reilly, who says,

'During the riots, my family locked the doors and watched from the windows...The estate was just a place to eat and sleep, as far as I was concerned. But this has got me involved and a

lot of other people. We feel it's our estate now. You didn't used to say you were from Meadowell, you know. Now I'm proud to.'(159)

This demonstrates how credit unions can bring a new spirit of hope to ravaged communities, as we saw with Cowgate. They can literally bring back hope to areas where everyone else had given up hope. This is not a measurable effect, but in many ways it is a real one. On Meadowell, many residents literally voted with their feet, and simply left the area after the riots. The local council has thus far proved either unwilling, or unable to offer any help. The 'Meadowell Community Resource Centre' was funded by grants from private trusts, the Church Urban Fund and the government Action for Cities.(160) The achievement of Meadowell Credit Union is phenomenal. As one of my informants put it,

'After the riots it was the credit union that pulled this estate back together again, it was the only thing that survived.'(161)

It is, however, necessary to try to try and put the impact of credit unions upon a community in some kind of perspective.

In some ways the view that the activists have of the situation would appear to be distorted. While it cannot be denied that credit unions do represent the promise of something better for the communities they serve, and that this must surely be felt by the community at large, so far they have only benefited a minority of the people in any given area. The activists are very aware of this problem, but there is little they can do to remedy it. The existence of credit unions tends to give communities a new focus. It offers those people with the will to do so an opportunity to work for their community and, in the

process, form new relationships within it, which goes some way towards the 'rebuilding' of a community. The effect of this remaking of community is very limited, though. The founding group of a credit union is usually quite close. They also tend to remain active members for some time. Meadowell Credit Union, for example, was formed over ten years ago and the initial group of twelve people still play a prominent role in it.(162) This can lead to the formation of something like a leadership clique, despite the intention of the leaders to continue to welcome new members. On the other hand, the creation of a bond between the members of the founding group could be the basis for the rebirth of community in an area. There are, however some very real obstacles to this which we should now consider.

To begin with, there is the simple fact that the population of many working class areas is not as stable as it may have been in the past. This has been a problem on Meadowell in particular, as we have already noted. Margaret Nolan has said that, at the time of the first meeting of the Meadowell Credit Union,

'...it was difficult to invite local people because there were very few who were involved in community activity. There were people who'd been involved for years before, but with so many people moving around there was just a lull in groups to contact.(163)

This geographical mobility obviously works against the formation of a bond between the people living in an area. We also need to take into account the divisions that Beatrix Campbell has noted in areas like Meadowell, particularly that between the 'criminal' and

the 'communitarian' elements. There is evidence from various sources to support the existence of such a division. It would seem that such communities are acutely fragmented.

The founding group in both Meadowell and Fenham did not know each other before they started working together in community groups. This does suggest that there was little 'community spirit' in those areas to begin with. We have already noted, though, that in an area where the community itself cannot be described as 'close' micro-communities can exist, and this is essentially what credit unions are. They create a small, close-knit community of dedicated activists within an area, rather than representing a revival of 'community spirit' for all the residents. This is not due to any lack of openness on the part of the core groups themselves, but to factors beyond their control. Credit unions only involve a small number of the people in an area, while a still smaller amount of people are active members and participate in the community of activists.

If we take one indicator of the amount of mutuality that exists in an area, we can amplify this statement a bit further. In the passage quoted above from The Enemy Within the interviewee said that, '...it's getting back to an old community where you can go next door and borrow a cup of sugar or tea from a neighbour...'(164) This was not the case in either Fenham or the Meadowell as far as I could determine. We have already considered the problems in discussing Meadowell as a community and, as we saw in a previous chapter, the group of women I interviewed from Fenham Credit Union could think of no examples of neighbourhood sharing within their area. Byker and Cowgate would appear

to be slightly different in this respect. As we saw in a previous chapter, people on Cowgate do lend each other money. I concluded that Cowgate was an area in which there were still pockets of mutuality despite an overall breakdown of trust within the community. However this was not a result of the activities of the credit union. Byker was the only area where I found any evidence of neighbours helping each other in a manner that could be directly linked to the Credit Union.

I felt that there was some evidence of continuing sociability and a degree of mutuality amongst some Byker residents. One major indication of this is the fact that many people trust their neighbours enough to allow them to pay their Credit Union money for them. Not only that, but the people that do the actual paying are providing a service to their neighbours. One of my respondents, Mrs Ford, was amongst those who paid on behalf of her neighbours and she said that, *at one point, she used to take 14 books to the Credit Union collection point every week!*(165) On the day I interviewed her she was paying for considerably fewer people, but she still had money belonging to her sons and several neighbours. Another respondent, Mrs Ross, paid for only one of her neighbours, an elderly man who had difficulty getting about.(166) The problem with considering this as evidence that the existence of Byker Credit Union has resulted in an increase of mutuality in the community is that this may simply be an indication of the amount of closeness that existed anyway. In other words, it is difficult to tell whether the Credit Union has actually created new networks of sociability in this case or whether these networks existed anyway.

Overall, there was little evidence of extensive sociability between neighbours although people obviously do help each other out occasionally in some areas. This is a very superficial judgement and it has to be pointed out that this type of mutuality is, by its very nature, hidden and can take many different forms. (The borrowing of cups of sugar and tea is something of a standard joke made about pre-war communities, as one of my informants pointed out.) Nevertheless, this was an issue that I tried to explore and, as far as I could determine there was little indication of an increase in this type of everyday expression of mutuality in the communities concerned as a result of the activity of the Credit Union.

A further obstacle to the rebuilding of community spirit by credit unions is the continued existence of a gender split within many working class communities. 'Traditional' working class communities were characterised by a divide along gender lines, so this is not a new phenomenon. The effect that it seems to have today, though, is that, while the women in these communities are managing to recapture something of the old solidarity that existed between them, the men are still relatively isolated. In an area like Meadowell, where many men have been deprived of employment, they have also been deprived of their traditional locus of socialising: the workplace. For women the neighbourhood itself was more likely to have been the place in which socialising took place anyway, so they are, in a sense, just reclaiming an older solidarity. Generally speaking, the men have not been able to readjust to this change. One of the founder members of Meadowell Credit Union lamented the lack of male involvement,

'You can't get the men... the men sit at home
You see the North-East has always been a
funny area. The wives have never worked, the
man has always been the breadwinner... and all
that's changed for them. You see they just sit
in a corner now at home, and they've given up
on life.'(167)

It must be pointed out that it is not true to say that women have never worked, either in the North-East as a whole, or on the Meadowell estate itself. David Byrne says that, in 1974, a third of all women on the Meadowell went out to work.(168) So, with regard to women's employment, this respondent was misrepresenting the situation. However, the increase in women's economic activity has not destroyed the idea of a male breadwinner, as Lydia Morris has pointed out.(169) So in this respect the respondent's account is valid. My respondent also confirmed the idea that it still women who have to cope with poverty on the estate, while the men have just given up.

This is, of course, a generalisation. On the other hand, although I did encounter some male credit union activists, all the interviews I conducted were with women. As a part of this research I also attended the Annual General Meeting of the Newcastle Credit Union Project for two years running (in October 1993 and November 1994.) At both of these meetings virtually all the representatives of local groups in attendance were women. In fact, in the first meeting, one speaker prefaced her address to the assembled company with, 'Ladies....!' I was only able to obtain printed lists of attendance for two of these meetings but they are sufficient to illustrate my point. At the 1992 AGM there were thirty people present of whom three were male representatives of local credit unions.(170) At

the 1993 AGM there were twenty-five people present of whom four were male representatives of local credit unions.(171)

So, as was pointed out earlier, the membership of credit unions is still predominantly female. Even if more men are beginning to come in to make payments now, as Margaret Nolan suggests, then they have yet to become more actively involved. It would seem that, on the whole, the predominantly female membership of credit unions is a result of the continued belief that it is women who should have the responsibility for household budgeting. As I pointed out above, all the activists I spoke to were women. At Fenham Credit Union the women I interviewed told me that there had been very few men involved in the running of the organisation.(172) When I asked them if men came in to pay one woman replied tellingly, 'If their wives can't make it, the men come.'(173) She went on to point out that men and women behaved differently when they came in to pay,

'If a man comes to pay, he'll come in and he'll pay and he'll go straight out. Where a woman tends to stay for a chat and a cup of tea.(174)

This emphasises the fact that the credit union is perceived as a female environment. I would argue that credit unions are seen as female institutions because of their role in the management of household finances which is (in some places) still regarded as a woman's task.

Finally we should consider how non-members perceive credit unions in order to appreciate the reasons for the generally low take-up of membership. In their study of how poor families make ends meet, Kempson et al point out that about a quarter of one per

cent of the population of Britain belongs to a credit union.(175) Of the 74 families included in their study (see elsewhere) 46 had potential access to a credit union. However only two families actually belonged to a credit union, while one woman was a past member.(176) All of these respondents lived in an area of Birmingham where there was a particularly successful community-based credit union. The authors then go on to comment on the general level of awareness of credit unions.

'In fact only eight of the people we interviewed even knew what credit unions were. Even in Birmingham, levels of awareness were low. Six of the 15 families interviewed there were wholly unaware of what credit unions were. But the more people knew about credit unions, the more receptive they appeared to be to the idea of them.(177)

One of their respondents made what appears to be a fairly typical assumption, that credit unions were just another form of commercial credit. As I pointed out above though, one of the obstacles to joining a credit union is that the very poorest cannot afford to put aside even the small amounts that are required to save with it in the first place. This was the case with some of the respondents in the PSI study who were unable to join because they couldn't afford to save, even though they liked the idea of a credit union in principle.(178)

In conclusion, then, Berthoud and Hinton's study is flawed due to the fact that they did not actually select credit unions that were representative of the movement as a whole. This leads them to some basically incorrect conclusions, one of which is that the leadership group usually consists of middle-class middle-aged males. This has just not

been the case on Tyneside, where credit unions have grown up in many areas of extreme deprivation. On Tyneside, credit unions are, on the whole, run by and for working class people. The leadership group is not, as a rule, driven solely by instrumental motives. Their behaviour is best explained with reference to Max Weber's ethic of responsibility. It would seem, though, that Barbara L. Lewis was right to point to a combination of instrumental and idealistic motives among 'ordinary' members of credit unions. As one of Thomas and Balloch's informants points out, 'everyone wants to join but few are prepared to participate in committee work.'(179) This is indicative of a difference in motivation between ordinary members and activists.

Finally, do credit unions represent the rebirth of community? This implies that it had died to begin with, and this would seem to be something of an exaggeration. There would seem to have been a gradual erosion of community spirit in some areas. This can be seen in the fact that there is little evidence of extensive sociability between neighbours. Neither would there appear to be any current practices that provide an expression of mutuality between neighbours. On the contrary, there is much evidence of distrust and suspicion between many people living in working class areas today. The residential instability of many council estates also makes the formation of close links between neighbours difficult. Having said this, though, a spontaneous form of community would seem to be able to survive in pockets, in even the most adverse conditions. Credit unions, on the other hand, can hardly be seen as spontaneous as they require so much effort to create in the first place. They represent social action of a new type: organised community

action. This type of action is necessary as social breakdown has advanced to such an extent in communities that have suffered from the breakdown of trust I describe above that it cannot be reversed 'naturally.' Individuals have to be prepared to take formalised action and create specific organisational structures in order to recreate community. Credit unions and tenants' groups are just two examples of this type of activity. The essential point is, the fact that they are a formalised form of mutuality speaks volumes about the communities in which they are created. Organisations like credit unions have the effect of creating a dedicated, close-knit community of activists within an area. This is, however, a community in itself, and only involves a tiny minority of the people in an area.

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Conclusion

In the pre-war era, certain sections of the working class did lead a more communal lifestyle than they do today. However this was not necessarily true of all sections of the working class at this time. By the same token, the extent to which working class life has become privatised in the post-war era has also been exaggerated by some commentators. Traditional social networks were a survival strategy that developed in response to highly specified social conditions. Where mutuality was a feature of working class life, there was also an instrumental component. Working class social networks are based upon kinship and locality. The type of neighbourhood sharing that they engaged in is best seen as a form of credit in itself. I have described it as an informal version of the latter-day 'LETS' system, in the sense that it was an exchange of goods and services that usually did not involve cash payments. I argue that an examination of the use of credit within working class communities, in the pre-war era, shows an interpenetration of the instrumental and affectual spheres of action. This is the basis of the norm of reciprocity that Abrams describes and it is also part of the central thesis of this research. We should now consider how the type of social relationships that I have considered above may have altered in the post-war period.

Traditional social networks have been dealt a severe blow in the post-war period for a number of reasons. However this does not mean that they have ceased to function altogether, or that communities do not have the ability to continually recreate themselves

even in the most hostile conditions. Neighbourhood sharing is still a part of working class life, but in a much more limited manner than before. My argument is: that working class communities were characterised by a large degree of internal structural interdependence, and that this formed the basis for a form of social cohesion. In the post-war period, though, this social solidarity has been increasingly undermined by the pressure of social change, and that it was eventually almost completely eroded in most communities. I have presented a theory of social change utilising ideas from three sociologists: Ferdinand Tönnies' notion of *Gemeinschaft* and *Gesellschaft*, Philip Abrams' notion of modern neighbourhoodism, and Anthony Giddens' work on trust. I argue that working class communities of the first type in my typology, established/'traditional', are characterised by a large degree of internal structural interdependence which led to a certain type of social cohesion. In the post-war period, though, this solidarity becomes increasingly undermined. Philip Abrams' notion of modern neighbourhoodism indicates the points of continuity with the older neighbourhoods. I add to this the idea that there has been a restructuring of the relationship between the individual and the community. I argue that the first two developments I describe apply to very many working class neighbourhoods in the post-war era. However, the third development that I discuss, a breakdown of trust within communities, is highly contingent. I argue that an examination of the use of credit within working class communities, in the post-war era, shows a much lesser degree of interpenetration of the instrumental and affectual spheres of action. This development can

be discerned in most types of credit that are dependent upon social relationships in the locality.

Illegal moneylending is another practice which indicates that the solidaristic relationships that existed within the working class can also be seen to contain an instrumental element. Illegal moneylending within working class communities forms an interpenetration zone between the laws of utilitarian action and the ethics of the community. Moneylending took place within gendered affectual networks but was also a very real form of exploitation. However, it was not always experienced as such by the participants for a number of reasons. Illegal moneylending in working class communities in the post-war era is much less likely to involve an affectual element than it previously was. It is no longer primarily carried out by members of local, gendered, networks. The 'street' moneylender has been partially supplanted by the 'loanshark.' In my view the difference between street lenders and loansharks is not to be found in their rates of interest or in their use of physical violence. I would define a loanshark as an illegal lender who either comes from outside the community they operate within or, if they live within it, operates solely by the use of terror. In either case there is no affectual element in the relationship between lender and borrower. While there were violent street lenders during the earlier period, these lenders were usually women who were part of a local social network rather than male lenders with a known criminal background. The crucial development in the post-war period which has enabled the growth of loansharking has been the use of benefit books as collateral. This is vitally important because, as soon as

this element is introduced into the relationship, the individuals involved no longer need to have any trust in each other. The lender is guaranteed a return on their investment regardless of the borrower's feelings about them. This is one of the factors which has enabled more individuals from outside communities to lend money illegally. This is not to say that there were not individual moneylenders who did not belong to the communities in which they operated during the earlier period, or that all exploitative lenders today come from outside their host communities. The point is that, before the 1960s, most lending in working class communities was carried out by local lenders who were based within affectual networks, and that this type of lender has become less common since the 1960s.

Just as there was often an instrumental element involved in the solidaristic relationships that existed within the working class, there was often an *affectual element* in the commercial relationships involved in the use of credit by the working class. This point can be illustrated by an examination of the relationship between small shopkeepers and their customers, and agents of credit firms and their customers. The relationship between small shopkeepers and their customers is conditioned, in the first instance, by the contradictory class location of small shopkeepers. In the past they tended to be viewed as part of the communities that they exploited. This makes it difficult to explain the relationship between shopkeepers and their customers purely in terms of naked self-interest, or the cash nexus. I would argue that it can best be explained in the way that we explained illegal moneylending: in terms of the interpenetration of the instrumental and

affectual spheres of action. We can certainly see evidence of some sort of affectual attachment on both sides of the counter. However, we can also see evidence of a certain amount of mistrust, particularly in the attitude shopkeepers had towards their customers. So we also have to consider the implications of the consistent use of deceit on the part of shopkeepers, most notably in the field of 'creative pricing.'

I agree with Hosgood's assertion that small shopkeepers were an integral part of their communities, so I also see small shopkeepers and their customers as members of the same community. However, Hosgood notes the contradictory nature of the small shopkeepers outlook, and this is echoed in the research of Bechhofer et al. The latter found that small shopkeepers have an attitude that is distinct from that of the working and the middle class. I would argue that this distinctive attitude flows from their contradictory class location, and that this is the reason for the ambiguity in their behaviour towards their customers. This is why small shopkeepers can, almost at the same time, be both supporters and defrauders of the working class. So, we need to incorporate Hochschild's notion of emotional labour into our explanation of the particular version of the interpenetration of rationalities that this creates. This is: the deliberate promotion of affectual attachment as part of a business transaction through the management of appearances. Emotional labour is a feature of various types of working class credit. However, there is a paradox at the heart of relationships that involve such an exploitation of emotions. The paradox is that quite often some sort of genuine affectual attachment

coexists alongside the deliberate promotion or manipulation of such an attachment for 'business' reasons.

Alongside the gradual decline of corner shops per se in the post-war period there has also been a decline in the number of such shops that offer credit. I argued that the changing nature of working class communities has been a significant factor in the decline of the number of corner shops offering credit. The provision of small-scale credit in local shops is very much part of the informal economy. Debts incurred in this manner would seem to have dubious legal status, even if they were to be pursued through the law courts. So corner shop credit has to be based upon some type of mutual trust or understanding between the shopkeeper and the community. This is why I feel it is an indicator of the amount of trust that exists within a given community. I argued that the change in the relationship between the shopkeeper and the community is another example of the breakdown of trust within communities that I discussed above.

My argument is that the majority of credit-givers that deal with the working class are involved in a type of performance that is, in some way, 'cynical.' As we have seen, this is a complex issue as it can often be difficult to determine the extent to which the 'performance' of small shopkeepers are cynical or sincere. As Goffman says, performers tend to give an idealised impression of themselves. I feel that the actions of both customers and agents of doorstep credit firms can be understood as manifestations of practical consciousness. In terms of the customers of doorstep agencies, the element of routinization is very important. They become accustomed to the same collectors calling at

the same time every week. So they feel that they are dealing with someone they can 'rely on.' When the particular collector that an individual has become accustomed to dealing with leaves the firm (for whatever reason) and a new collector takes over, there is still a link with the firm itself. The particular type of credit used by an individual becomes a means of sustaining that individual's sense of ontological security. As Giddens says, 'Routine is psychologically relaxing...' (133) It must be remembered that this is part of the experience of doorstep credit for both customer and collector. For the collector, though, there is another aspect to the routinization of their activities through the medium of practical consciousness. It places them at a distance from the consequences of their actions.

I have argued that the relationship between agent and customer can be explained in terms of the interpenetration of the instrumental and affectual spheres of action. So in this respect it is similar to the other forms of credit we have considered so far. Unlike those forms of credit, though, there is a great deal of continuity between the pre-war and the post-war periods. In particular, the core relationship between the agent and the customer seems to have remained largely unchanged. However, this by no means contradicts what I have said so far about changes in working class communities after 1945. This is because, to a large extent, doorstep credit can survive independently of changes within communities. So, while the central relationship between the agent and the customer still endures, that relationship now operates in a vastly changed context. In fact, those elements of the trade that were dependent upon settled communities have been

greatly eroded. There has been a decline in the number of customers supplied by individual mail order agents, and one of the reasons for this is that people are less willing to offer credit to their neighbours. The smaller, self-employed, ticket agents in the inter-war period (such as Mrs Hill) were in a similar position to the corner shopkeeper that offered groceries on credit as they were personally responsible for any debt. So they had to be able to trust their customers to repay the debt. After 1945, a lot of the smaller 'ticket' agencies began to disappear, so consequently this type of agent has become less common. The credit drapers (such as Mr Macrae) also suffered greatly as a result of social change. The 1970s saw the decline of many of the 'traditional' firms. The firms that survived, most notable of which is the Provident, had the ability to follow their customers wherever they moved and adapt to their changing needs.

Many of the old established credit firms continued trading in the same way after 1945. Although by the 1960s the more affluent sections of the working class had begun to make more use of banks and building societies, their shift away from the old patterns of saving and borrowing was very gradual. During the post-war period the old doorstep credit firms were gradually usurped by other forms of consumer credit. This was due to both the expansion of existing forms of credit and the creation of new ones. A lot of people were also being drawn away from their communities, and consequently their old credit networks. However, while some people, mainly the younger generation, were moving away from the old types of credit the older generation still maintained them. This was a state of affairs that could not last forever. We have identified a number of factors

that contributed towards the decline of this type of credit. These include: increased prosperity, changes in patterns of consumption, increased knowledge of new forms of credit, the increase in the employment of women, and the disruption of working class neighbourhoods. All of these factors taken together led to the decline of the 'traditional' credit firms during the 1970s. The underlying changes in the post-war period that caused this decline can be summarised as: greater economic prosperity, and a higher degree of reflexivity in the way that people lived their lives. We also looked at the reasons for the survival of some firms and the decline of others and saw that the Provident had a greater degree of flexibility than other firms. This, along with a high degree of ruthlessness in business, helped it to survive in the post-war era.

The affectual element in the relationship between customers and agents of credit firms has not been eroded by the bureaucratisation that such companies have undergone. It was found that although there had been a gradual process of bureaucratisation within these companies, the use of personal contact was still maintained at various organisational levels. I have discussed three related theoretical issues that appear in both my own evidence and the evidence in the PSI study. These are: rationalisation, routinisation, and reflexivity (the three 'Rs!') I argue that Weber's thesis of the increasing progress of rationalisation in the modern world is partially contradicted by some of the practices of doorstep credit firms. This is because, as Karen Rowlingson points out, doorstep credit firms tend to recruit customers on the basis of personal recommendation. This was also one of the ways in which mail order catalogues recruited agents. In fact, in

the case of mail order catalogues, they also manage to circumvent some of the legal restrictions about the administration of credit to consumers. The idea that business is carried out 'without regard to persons' is also contradicted by the importance of personal loyalty to a particular agent, rather than the credit company itself. Once an agent has actually recruited a customer, routinization plays a large part in maintaining the relationship between them. Reflexivity, on the other hand, plays an important role in the termination of that relationship. Anthony Giddens attaches importance to both of these concepts. I argue that: in conditions of late modernity people are much less inclined to continue doing the 'usual' thing just because it is the usual. As Giddens says, they need some other justification. When we considered the local evidence I had gathered, we found that this was one of the factors that drew people away from 'traditional' forms of credit. I also argue that the decline of the agent system within mail order credit is partially the result of the breakdown of trust in communities. This notion is, again, borrowed from Giddens.

One possible interpretation of what I have said about the relationship between agent and customer is, that it demonstrates the usefulness of Weber's ideas about the progress of rationalization. Indeed, on one level, it does seem as if *affectual rationality* has been placed in the service of instrumental rationality. In other words, the *affectual* attachment between the customer and the agent seems to be working for the firm in the way that it sustains business. However, while this is true, there is also still a 'ghost in the machine of modernity,' to borrow a phrase from Derek Sayer. As we saw, the company

can actually lose business if a customer does not take to an individual agent. As well as this, though, we also saw how some agents of the Provident could act as personal debt counsellors to their customers. In such cases affectual rationality can actually set limits on instrumental rationality in a very real way.

Credit unions are essentially bureaucratised versions of the old-fashioned 'money club.' So, in a sense, their very existence is an indication of the bureaucratisation of modern life, as well as an indicator of the lack of trust that exists in the communities that they serve. I found that credit unions often had to contend with a lack of trust within their communities which made it difficult for them to operate in the early stages. There is generally a difference between 'ordinary' members of credit unions and the leadership group. Credit union activists tend to be motivated by an abstract need to 'serve the community.' I feel that the actions of this group is best explained with reference to Weber's ethic of responsibility. 'Ordinary' members, on the other hand, would appear to be motivated by a combination of instrumental and idealistic motives. So this gives credit union activists a different type of motivation from all the other social actors involved in the use of credit. This is because they are principally community activists.

I asked whether credit unions represented the rebirth of community? It would appear to be something of an exaggeration to say that community spirit had died, although there does seem to have been a gradual erosion of community spirit in some areas. This can be seen in the fact that there is little evidence of extensive sociability between neighbours. Neither would there appear to be any current practices that provide

an expression of mutuality between neighbours. On the contrary, there is evidence of distrust and suspicion between many people living in working class areas today. The residential instability of many council estates also makes the formation of close links between neighbours difficult. Having said this, though, a spontaneous form of community would seem to be able to survive in pockets, in even the most adverse conditions. Credit unions, on the other hand, can hardly be seen as spontaneous as they require so much effort to create in the first place. They represent social action of a new type: organised community action. This type of action is necessary as social breakdown has advanced to such an extent in communities that have suffered from the breakdown of trust I describe above that it cannot be reversed 'naturally.' Individuals have to be prepared to take formalised action and create specific organisational structures in order to recreate community. Credit unions and tenants' groups are just two example of this type of activity. The essential point is, the fact that they are a formalised form of mutuality speaks volumes about the communities in which they are created. Organisations like credit unions have the effect of creating a dedicated, close-knit community of activists within an area. This is, however, a community in itself, and only involves a tiny minority of the people in an area.

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Tape: Mr Barker - 29.3.93.

Tape: Fenham Credit Union (1) - 30.3.93. (Mrs Robinson.)

Tape: Fenham Credit Union (2) - 6.4.93. (Mrs Robinson & two credit union members.)

Tape: Margaret Nolan - 26.4.93.

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Tape: Heaton Shopkeeper - 12.8.93.

Tape: Money Matters Project - 15.8.93.

Tape: Two Elderly Byker Residents - 13.9.93.

Tape: Mr Jones - 15.9.93.

Tape: Margaret Nolan - 13.12.93

Tape: Mrs Perkin - 4.2.94.

Tape: Mrs Wilson - 17.2.94.

Tape: Mr Parkin - 19.2.94.

Tape: Mrs Rowntree - 21.2.94.

Tape: Mrs Hill Joll 26.2.94.

Tape: Mr Miller - 3.3.94.

Tape: Three Elderly Gateshead Residents - 12.3.94.

Tape: Mrs Johnson - 20.5.94.

Tape: Mrs Hughes- 26.5.94.

Tape: Mr Macrae - 15.6.94.

Tape: Mrs Moss - 1.7.94.

Tape: Mrs Mason - 1.7.94.

Tape: Mr Burton - 4.7.94.

Tape: Mrs Samuel - 12.7.94.

Tape: Two Provident Agents - 2.8.94

Tape: Mrs Ford - 22.8.94.

Tape: Mrs Blackwell - 10.9.94.

Tape: Mr Lewis - 15.9.94.

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Tape: Graham Dixon - 4.11.94.

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Tape: Byker Credit Union - 24.11.94. (Five credit union members.)

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Tape: Mrs Blake - 1.2.95.

Tape: Mark Blake - 3.3.95.

Tape: Mrs Flannery - 20.2.95.

Tape: Heaton Shopkeeper - 14.7.95.

Tape: Manageress, Beavans - 1.11.95.

Tape: Meadowell Credit Union (2) - 2.12.95. (One credit union member.)

Interview Notes

Interview with elderly resident of Heaton 17.9.93

Interview with Walker Shopkeeper - 3.8.94.

Interview conducted by author with Mo O'Toole 6.3.95

Interview with Byker Shopkeeper - 14.6.95.

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