

# Summary

In this report the development of the Norwegian Labour party's approach to the market for owner occupied housing in the years from 1970 to 1989 is examined. This twenty-year period is characterised by a small revolution in social democratic housing ideology. The ideological changes from 1970 to 1989, can somewhat simplified, be summarised as follows: In the early 1970s the sale of owner occupied housing at market prices was widely regarded as immoral within the Labour party, in the course of the next twenty years, however, market prices was gradually accepted by most social democrats. In the same period the Labour party's housing policy changed in accordance with this ideological shift. Broad sections of the party supported the imposition of price controls on all or most of the owner-occupied housing in the early 1970s. Proposals of this nature originated mainly from social democrats with strong ties to the cooperative housing movement. In the 1970s price controls were, however, viewed favourably by broad sections of the Labour movement. Rent controls were an integral part of the social democratic housing ideology in the post-war years. According to this ideology the aim was to enable all families to become homeowners, but this did not imply that they had the right to sell their homes to prices dictated by the market. The Labour party wanted to limit the influence of the market in the housing sector. People that were perceived as taking advantage over home buyers by charging "excessive market prices" were unethical, according to Labour party rhetoric. Thus, the ambition to impose price controls on all or most of the market for owner occupied housing was consistent with social democratic housing ideology. This did not prevent the Labour governments that were in power in the 1970s and early 80s to shelve all plans to expand the strength and scope of price controls in the housing market.

The Labour government's cautious approach meant that price controls in the 1970s and early 80s only applied to flats in housing cooperatives. For the people that lived in these cooperative flats price controls could be a serious obstacle when competing in the market for privately owned housing. Therefore, when the Labour party governments of the 1970s imposed new restrictions on families in the cooperative sector, the seeds had been sown for one of the defining political conflicts in the 1970s. The main adversaries in the conflict were Labour and the main opposition party, the conservatives. Whilst the Labour party on the whole defended the price controls on

cooperative flats, the conservative party advocated that the cooperative homeowner had a right to sell his house at market prices, or at least prices that were closer to a realistic market evaluation. The Conservative party came out victorious in this conflict. Cooperative homeowners, who in the past had been one of the Labour party's most loyal supporters, flocked to the Conservative party in great numbers. Furthermore, the Conservative Party's tough opposition to the Labour Party's housing policy probably contributed to their victory in the national election in 1981.

The Conservative government that came to power in 1981 liberalised the price controls on cooperative flats. In 1986, when the Labour party's Gro Harlem Brundtland replaced the Conservative party's Kåre Willoch as prime minister, most municipalities had abolished price controls on cooperative flats. Furthermore, in 1982 the Conservative government had reformed the price controls. This reform meant that cooperative homeowners were able to recoup prices much closer to market rates than they were used to. That said Oslo, the city who had the largest stock of cooperative housing in Norway, still kept the price controls in place. In 1988, however, Labour supported a compromise that led to the abolishment of most of the price controls on the market for owner occupied housing. Furthermore, from the late 1980s most social democrats accepted the market as the predominant distribution mechanism in the housing sector. This report concludes that the Labour party was forced to change its approach to the housing market between 1970 and 1989. The price controls advocated by Labour struggled to win support amongst voters and other political parties. In the end Labour had little choice but to accept the abolishment of price controls.

The developments outlined above are for the most part well known. Historians and social scientists have, furthermore, adequately analysed the main developments in Norwegian housing policy from 1970 to 1989. However, this report draws on source material from Labour party and government archives that largely have been left unused by other scholars. This has made it possible to present new knowledge and interpretations of key events, formulate new hypotheses and to engage other historians critically in debate. Furthermore, this report discusses Labours housing policy in relation to the general development of Norwegian social democracy in the years between 1970 and 1989. Was Labours approach to the housing market in the 1970s an example of the radical turn in Norwegian social democracy in this period? How is the compromise in 1988 connected to the general development of the party under the leadership of Gro Harlem Brundtland (1981–92)? These are some of the questions pondered in this report.