## **Abstract**

We document, for the first time, the institution-building activities of the development economist W. Arthur Lewis (1919-1991) as founder of Community House and the South Hulme Evening Centre, two further education centres which sought to fight discrimination among the Afro-Caribbean communities of Manchester in the 1950s. We depict the struggle by Afro-Caribbeans to achieve a decent standard of living (and to escape from the 'subsistence economy' which provides the basis for Lewis' most famous model) as a game of snakes and ladders in which the two main potential ladders out of poverty are first, the ability to generate non-wage income through self-employment and second, 'vertical social capital', i.e. membership of social networks of a kind which gave the employee the ability to fight back against discrimination. The most imaginative aspect of Lewis's design for his further education centres is his incorporation of activities which build vertical social capital alongside conventional vocational training. Using a bargaining model to understand the ability of Afro-Caribbeans to resist discrimination, we find that Lewis' social centres had a significant positive impact on Afro-Caribbean income and poverty levels. Through a merger between Community House and the West Indian Sports and Social Club, Lewis helped to create an innovative institution which has endured through to the present.

**Keywords:** Sir Arthur Lewis, Manchester, racial discrimination, Afro-Caribbean, inner cities, urban poverty, social capital

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