MARTIN GRANDER FOR THE BENEFIT OF EVERYONE?

Explaining the Significance of Swedish Public Housing
for Urban Housing Inequality

MALMÖ
UNIVERSITY

FOR THE BENEFIT OF EVERYONE?

Dissertation series in
Migration, Urbanisation, and Societal Change

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Malmö University, 2018
Faculty of Culture and Society

**Dissertation series in
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**Faculty of Culture and Society
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Till Anette.

*Jag vill bo och leva
där jag kan höra dig.
Många röster talar.
Genom dem alla
hör jag bara din
som ett nattregn falla.*

Karin Boye, 1941

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Preface

The summer of 2018 was a lingering heatwave. In the wake of smouldering forest fires and a slowly advancing campaign for the national elections, I approach the end of a long journey. During an early morning run, my thoughts wanders from the devastating forest fires and their sudden impact on the welfare debate to my own endeavours during the past five years. How could these letters make a difference? In the election campaign, the housing question has been largely neglected, overshadowed by the usual suspects of contemporary politics: immigration; integration; law and order; but also—in the eleventh hour—environmental issues. What possible impact this doctoral thesis on state-organized housing provision will have on politics, practice and outcome is yet to be seen. But several are those who have encouraged me to write this book and to contribute with empirically and theoretically grounded research able to inform housing policy. I owe this fellowship a great deal.

First and foremost, I would like to thank my supervisor Stig Westerdahl. During the years that have passed, we have been field working, writing, walking, driving, talking, eating and drinking together. Over periods, our collaboration has been more than intense. Thank you for many memorable moments, from Pilängen to Myrviken. Most of all, thank you for your critical reading, harsh questions and sharp eyes. You have contributed to making my texts considerably more understandable and pragmatic (no pun intended!), but also more expressive. Thank you, Stig.

My two co-supervisors, Tapio Salonen and Mikael Stigendal have been irreplaceable. Mikael, thank you for being a great friend and inspiration over the 15 years we have been working together. Your outstanding theoretical knowledge has motivated me deeply. Also, thank you for bringing me back to academia and investing in me over the years, you are a major reason that I am here today. And thank you for all the good times, Mikael.

Without Tapio, this PhD project would never have happened. Thank you for having trust and confidence in me and my ideas. Your ability to pinpoint the crucial findings of my work and encouraging me to packet and highlight those has been very important for the result. You have also introduced me to many great acquaintances, new stimulating projects and beautiful places. Thank you for all this, Tapio.

Early in the research process, I was introduced to one of my most read researchers during my years as a student in political science, Bo Bengtsson. We have come to cooperate rather close and Bo has been one of the most frequent readers of my material. If there is such a thing as a ghost supervisor, Bo has been mine. I cannot thank you enough for your constructive comments, thorough knowledge and inspiration. Thank you, Bosse.

I would also like to thank all people who have been commenting my texts during the ‘checkpoint seminars’ at Malmö University over the five years. Jardar Sørvoll, Dalia Mukhtar-Landgren and Bo Bengtsson have been excellent external discussants. Christina Lindkvist Scholten, Ebba Lisberg Jensen, Michael Strange, Tomas Wikström, Karin Grundström, Christian Fernandez, Karin Staffansson Pauli, Lina Olsson, Mikael Spång, and Magnus Johansson have served as internal readers with great enthusiasm and professionalism. Moreover, several readers at national and international conferences have been forced to comment on my papers. Many thanks to all of you for contributing to a—hopefully—better thesis.

Numerous colleagues at Malmö University have been inspirational discussion partners. First of all, I would like to give a shout out to

my PhD colleagues in the MUSA collaboration. Malin Mc Glinn, Claudia Fonseca Alfaro, Mikaela Herbert, Rebecka Cowen Forssell, Christina Hansen, Henrik Emilsson, Ingrid Jerve Ramsøy, Jacob Lind, Emil Pull, Maria Persdotter, Vitor Peiteado Fernandez, Zahra Hamidi, Ioanna Tsoni, Ragnhild Claesson. You have all been great friends. I'm aware that a stressed-out father of two who barely has the time to sit down for lunch is not the best company, but it has been great to always have you there. Also, PhD friends Mats Fred, Inge Dahlstedt, Josef Chaib and Jennie Gustafsson have contributed with fun and important chatter at the coffee machine. Moreover, many colleagues at the Department of urban studies are part of this work. Thank you especially Charlotte Peterson, Jonas Alwall, Per-Markku Ristilammi, Carina Listerborn, Peter Parker, Magnus Andersson, Peter Palm, Helena Bohman, Karin Staffansson Pauli and Ola Jingryd for good times and discussions. The teaching team of the educational programme Urban Development and Planning has also made my everyday concerns at the university a bit more easy to cope with.

The students at the department have meant a lot to me during the PhD years. Not only have you provided me with an almost abundant number of crash test dummies (I'm sorry for dragging in my own research in my teaching a bit too often), but your devotion is what gives me hope and our discussions have proven to be crucial for the development of my research. Thank you and best of luck with your future endeavors.

During the research I have met with many people from the world of housing and real estate, with whom I have been able to discuss my ideas and theses. Thank you Ulrika Sax, Jörgen Mark-Nielsen and many more at SABO; Marie Linder and Erik Elmgren at Hyresgästföreningen; Martin Lindvall at Fastighetsägarna; Stefan Attefall and the rest of the gifted commissioners of Hyreskommis-sionen. Thanks also to all people who have listened to me during housing and real estate conferences and seminars, helping me to develop my ideas with your questions and comments.

I am also indebted to all colleagues from all over Europe in the Citispyce project, research colleagues in the Nyttan med Allmännyttan project and employees at MKB Fastighets AB (especially Anna Heide). And most of all, I am grateful to all the people I have interviewed. From the young adults in Sofielund to the housing company caretakers in Berg. Thanks for your often open-hearted stories about your professional and everyday life.

For finalizing this book, a number of talented people deserve credit: Julia Mai for your ability to translate my vague ideas into astonishing cover art. Jasmin Salih for swift yet thorough language editing. Sam Guggenheimer for layout assistance. Jenny Widmark for your guidance in the jungle of provisions connected to publishing a paper-based thesis. Thank you.

As made obvious in these paragraphs, writing a PhD thesis is not the occupation of a lonesome lunatic. Rather, you are perhaps more than ever dependent on the people that surround you. I would now like to express my deepest gratitude to my closest friends and family. Samuel and Daniel, thank you for listening to my ideas over beers and for constantly elevating me to a level above what is probably healthy. Tobias, for your warm heart and much needed sarcasm over our constant conditions. Daniel, Henrik, Jimmie and Andreas, for great friendship and bearing with my tiredness when we meet on our European concert journeys. Isa and Jon, thank you for always asking, and for bringing me wine. Martin, thank you for letting me talk about something completely different, but much more important, with you. Also, without the week in your and Åsa's house in Göhamn, this thesis would never have been completed. Thank you, for hospitality and for friendship.

I am very thankful to Helen and Semi, the greatest parents-in-law one can have. Thank you for supporting me not only through your genuine warmth but also by the help with our family's everyday life, which has made the writing of this book significantly easier.

My dear sisters and brother: Anna, Malin and Johan, thank you for being there in good times, and in bad.

Now, to my dearest mother Kerstin and father Karl-Göran. These years have been filled with ups and downs for all of us. But how I admire your strength and your fighting spirit. No-one inspires me like you do. Thank you for never stopping, and thank you for believing.

Finally. This thesis has become a prolongation of me, meaning that it has deeply concerned my beloved Anette, Eli and Julian. I want you to know that I'm forever grateful for getting to share my life with you, and for your indulgence of me being randomly absent, physically and mentally. Our little family have shared the most beautiful moments and fought the worst nightmares over this short period of time in our lives. I will forever associate this book with the fragility, yet incredible resilience, of human life. Now, this era is over and new adventures await us. Bring on the wonders, bring on the thunderstorms. Without you, I'm nothing.

Rostorp, September 2018

/Martin

Sammanfattning

Bostaden och boendet har en speciell plats i den svenska välfärdsstaten. Ända sedan socialminister Gustav Möller mottog den bostadssociala utredningens slutrapport 1945 har boendet varit en bärande pelare i det svenska folkhemmet. Den svenska bostadspolitik och bostadsförsörjningen har sedan efterkrigstiden varit *generell* i bemärkelsen att bostadskonsumenter inte har delats upp efter inkomst eller levnadsvillkor. Istället har politiken haft målsättningen ”goda bostäder för alla”. Det huvudsakliga verktyget för att förverkliga denna målsättning – den generella bostadspolitikens galjonsfigur – har varit *allmännyttan*, de kommunala allmännyttiga bostadsaktiebolagen, som har i uppgift att erbjuda hyresbostäder av hög kvalitet till allmän nytta.

Denna doktorsavhandling analyserar allmännyttan utifrån observationen att dagens bostadssituation i hög grad präglas av ojämlikhet. Bostadskonsumenten är i allt mindre utsträckning frigjord från nedärvda villkor; tillgång till bostad och boendets karaktärsdrag blir allt mer villkorat av ekonomiska resurser. Avhandlingen belyser allmännyttans roll i denna utveckling. De kommunala bostadsbolagen har förändrats under senare decennier genom gradvisa politiska reformer och anpassning till EU:s konkurrenslagstiftning – en utveckling som kan ha bäring på allmännyttans möjlighet att hålla bostads-
ojämlikhet stången. Syftet med avhandlingen är därmed att studera allmännyttans potentiella och faktiska betydelse för bostads-
ojämlikhet i svenska städer. Avhandlingen bottenar i kritisk realistisk ontologi och analyserar hur och varför (eller varför inte) allmännyttans latent möjligheter att motverka ojämlik bostadsförsörjning aktualiseras i den samtida strukturen för bostadsförsörjning.

Genom studier av allmännyttiga bostadsföretag i hela Sverige, varav elva fördjupade fallstudier, söker avhandlingen svar på huruvida den samtida allmännyttan motverkar bostads-
ojämlikhet, eller om den i

själva verket bidrar till en mer ojämlik bostadssituation. Avhandlingen består av tre vetenskaplig bedömda tidskriftsartiklar. Tillsammans med avhandlingens kapp belyser artiklarna hur bostadsojämlikhet kan förstås utifrån en svensk kontext och vilka mångdimensionella uttryck och följder sådan ojämlikhet inbegriper, vilka praktiker i allmännyttan som motverkar och möjliggör bostadsojämlikhet, samt hur det handlingsutrymme allmännyttan har för att motverka bostadsojämlikhet identifieras och utnyttjas av de kommunala bostadsföretagen.

Avhandlingens resultat pekar på att allmännyttan, trots en gradvis förskjutning mot affärsmässighet och krav på avkastning, fortfarande har en latent förmåga att motverka bostadsojämlikhet. Det generella uppdraget består, så gör också de bostadssociala förväntningarna på allmännyttan. Förutsättningarna har emellertid förändrats – den offentliga bostadsförsörjningen har gått från statligt finansierad till finansialiserad, det vill säga beroende av finansiella motiv, institutioner och verktyg. Allmännyttan befinner sig i ett tillstånd som kan betecknas som *finansialiserad universalism*. Trots detta identifieras i avhandlingen ett betydande handlingsutrymme för de kommunala bostadsföretagen att aktualisera underliggande mekanismer som kan bidra till att motverka en ojämlik bostadssituation. Hur detta handlingsutrymme uppfattas och utnyttjas skiftar emellertid. Handlingsutrymmet tolkas – medvetet eller omedvetet – på olika sätt, beroende på politiska förutsättningar men också på den lokala institutionella strukturens stigberoende, det vill säga dess tidigare vägval, dess kultur och traditioner. Hur handlingsutrymmet tolkas får konsekvenser för de praktiker som har bäring på bostadsojämlikhet. Slutsatsen är att allmännyttan mer än någonsin tidigare är lokalt diversifierad. En finansialiserad föreställningsvärld har blivit norm hos många kommunala bostadsbolag, men denna förhandlas och utmanas av andra bolag. Givet denna variation bidrar allmännyttan samtidigt – och motsägelsefullt – till både minskad och ökad bostadsojämlikhet. Den tvetydiga allmännyttans karaktär avgörs således på lokal nivå – något som står i kontrast till nationella målsättningar om en offentlig bostadsförsörjning som grundar sig på goda bostäder till allmän nytta.

Summary

Housing has a special place in the Swedish welfare state. Ever since Gustav Möller, Minister for Social Affairs, in 1945 was handed the result of Bostadssociala utredningen, a state investigation on housing from a social perspective, housing has been a bearing pillar in the Swedish 'Folkhem'. Since the post-war period, Swedish housing policy has been *universal* in the sense that housing consumers have not been categorized by income or living conditions. Instead, the policy has had the aim of 'good housing for all'. The main instrument for achieving this goal—the figurehead of the universal housing policy—has been *allmännyttan*, the national model of public housing, constituted by municipal housing companies with the task of offering rental housing of high quality, for the benefit of everyone.

This PhD thesis analyzes *allmännyttan* based on the observation that the contemporary housing situation is largely characterized by inequality. The housing consumer is to a lesser extent independent from inherited conditions: Access to housing and the characteristics of housing are increasingly dependent on economic resources. The dissertation highlights the role of public housing in this development. The municipal housing companies and the context they exist in have changed over the past decades through gradual political reforms and alignment with European competition law. Such a development might influence the ability of *allmännyttan* to contribute to keeping housing inequality at bay. The purpose of the thesis is thus to study the potential and actual significance of *allmännyttan* for housing inequality in Swedish cities. The thesis is grounded in critical realist ontology and analyzes how and why (or why not) *allmännyttan*'s latent mechanisms to counteract inequality are actualized.

Through studies of municipal housing companies throughout Sweden, including eleven in-depth case studies, the thesis seeks to answer whether the contemporary *allmännyttan* counteracts housing

inequality, or if it rather contributes to a more unequal housing provision. The dissertation consists of three peer-reviewed papers. Together with the framing chapter of the dissertation, the papers highlight how housing inequality could be understood from a national context and in terms of multidimensionality; how events triggered by allmännyttan counteracts or contributes to housing inequality; and how allmännyttan's discretion to counteract housing inequality is identified and used by the municipal housing companies.

The results indicate that, despite a gradual shift towards businesslike conditions and demands on return on investment, allmännyttan still has a latent and potential ability to counteract housing inequality. The core of universalism consists, so do the expectations of social benefit. However, the contextual conditions have changed: The state-organized housing provision has gone from state-financed to financialized, i.e., dependent on financial motives, institutions, tools and financial capital. Allmännyttan exists in a state of *financialized universalism*. In spite of this development, the thesis identifies ample discretion for municipal housing companies to actualize underlying mechanisms which contribute to counteracting housing inequality. However, how this discretion is perceived and used varies from city to city. The discretion is interpreted—consciously or unconsciously—in different ways, depending on the local political governance, but also on the local institutional path-dependence, i.e., its past decisions, its culture and traditions. How the discretion is identified has implications on the events that affect housing inequality. The conclusion is that public housing is more than ever locally diversified. An imaginary of financialized economy has been adopted by many municipal housing companies, but this imaginary is challenged and negotiated by other companies. Given this variation, allmännyttan simultaneously—and contradictory—contributes to both reduced and increased housing inequality. The character of the ambiguous allmännyttan is thus determined at local scale, a conclusion which stands in contrast with national objectives of a state-organized housing provision based on good housing, for the benefit of everyone.

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Abbreviations

AKBL: Lagen om Allmännyttiga Kommunala Bostadsaktiebolag
(Legislation on Public Municipal Housing Companies)

CEO: Chief Executive Officer

CFO: Chief Financial Officer

CR: Critical Realism

CSR: Corporate Social Responsibility

EC: European Commission

EPF: European Property Federation

MHC: Municipal Housing Company

SABO: Sveriges Allmännyttiga Bostadsföretag (Swedish Association
of Municipal Housing Companies)

SCB: Statistiska Centralbyrån (Statistics Sweden)

SKL: Sveriges Kommuner och Landsting (Swedish Association of
Local Authorities and Regions)

SHP: Structure of Housing Provision

SOU: Statens Offentliga Utredningar (National Governmental In-
vestigations)

SUT: Swedish Union of Tenants

SRA: Strategic Relational Approach

List of Papers

Paper 1

Grander, M. (Submitted 2018, pending second review) 'The Inbetweeners of the Housing Markets – Young Adults Facing Housing Inequality in a Neighbourhood of Malmö, Sweden'

Paper 2

Grander, M. (2017) 'New Public Housing: A Selective Model Disguised as Universal? Implications of the Market Adaptation of Swedish Public Housing', *International Journal of Housing Policy*, DOI: 10.1080/19491247.2016.1265266

Paper 3

Grander, M. (2018) 'Off the Beaten Track? Selectivity, Discretion and Path-Shaping in Swedish Public Housing', *Housing, Theory and Society*, DOI: 10.1080/14036096.2018.1513065

1. INTRODUCTION

The foundation for the home is the togetherness and the feeling of a commonality. The good home does not know any privileged or inferior, no minions and no stepchildren. There does one not look down on the other.

Per Albin Hansson, 'The Folkhem Speech', 1928 (my translation)

Housing holds a special place in the heart of the Swedish welfare state. 'Only the best is good enough for the people', long-time Social Democratic Minister of Social Affairs Gustav Möller is said to have had as motto.¹ With these words, Möller implied that the working class should not feel content with whatever they were offered. They should be entitled the same rights as anyone else. Möller is considered the founding father of the Swedish housing policy as he in 1924 was the first leading politician to promote housing as a question of significant social importance; he later came to materialise Prime Minister Per Albin Hansson's *Folkhem* ('The people's home') as he launched the commission *Bostadssociala utredningen* (Investigation on social perspectives on housing) in 1933. This national housing investigation came to have great influence in forming the future national housing policy. The investigation, going on until 1947, eventually brought an overhaul of the state's and municipalities' role in the question of housing, thereby laying the foundation of what in housing research is called the *structure of housing provision* (Ball, 1986; Lawson, 2006) or *housing regime* (Kemeny, 1995; Bengtsson, 2005). From the day when the investigation's final reports were handed to Social Minister Möller, Sweden has seen an intimate connection between the social democratic welfare state's ambitions of freeing the individual from inherited conditions and the housing

¹ Gustav Möller was the minister of social affairs during multiple time periods: 1924–1926, 1932–1936, 1936–1938, and 1939–1951.

policy—having the motto of ‘good housing for all’, much in line with Möller’s words.

The figurehead of the structure of housing provision has since 1945 been the model of universal public housing—known as *allmännyttan*.² Allmännyttan, which today is constituted of around 300 locally governed *Municipal Housing Companies* (MHCs), was established as a result of Bostadssociala utredningen in order to provide general access to housing of good quality and to counteract speculation on the housing market. The MHCs were given certain financial privileges in order to contribute with a long-term solution to the precarious housing situation at the time. Allmännyttan has since then had a universal and theoretically all-inclusive approach, implying that the MHCs should provide rental apartments of good quality to the general public—‘*till allmän nytta*’ (for the benefit of everyone). Scholars have argued that allmännyttan has been the main instrument for the endeavour of the right to housing (Bengtsson, 2001; Fitzpatrick, Bengtsson and Watts, 2014) in the national structure of housing provision, as the apartments have been available for everyone and not been directed to low-income households or been needs- or means tested, as in selective models of public and social housing which are present in most other countries. This universal approach has thus been the key signifier for the Swedish housing policy since the second world war and been the main instrument of ‘solving the housing question’ (Lundqvist, Elander and Danermark, 1990). And it still has strong support. In the present Constitution of Sweden (first chapter, second paragraph), it is stated that ‘the public sphere shall especially secure the right to employment, housing and education’ (my translation),³ meaning that the state holds the responsibility to provide housing for the citizens.

Sweden’s Structure of Housing Provision (SHP)—with its universal housing policy, public housing accessible for all, and integrated

² I will use *allmännyttan*, *public housing*, and *Municipal Housing Companies* (MHCs) in parallel in this text, but while the former two refer to the Swedish model of public housing, the latter refers to the local companies constituting allmännyttan. As often as possible, I will use the term *allmännyttan* without translation, since a translation to ‘public housing’ is not entirely accurate. A literal translation would be ‘public benefit’ or, as used in the title of this thesis, ‘for the benefit of everyone’.

³ ‘Public sphere’ is here translated from the word *allmän*.

relations between public and private rental operators—has internationally had an almost indisputable (albeit largely unjustified) reputation of a close-to-flawless solution of housing provision in the way it has satisfied the needs of broad groups of housing consumers under a corporatist system of co-operation and compromise between capital and labour, all orchestrated by the state (See, e.g., Torgersen, 1987; Lundqvist, Elander and Danermark, 1990; Ekström Von Essen, 2003; Bengs, 2015). However, as for example Giddens (1984), Danermark et al., (2002), and Jessop (2005) have pointed out, a structure can't exist without actors and their internal relations. As actors and relations change, structures become object to crisis, adaptation, and change. That highly applies to the Swedish structure of housing provision. Over the decades, political battles on the local level, national policy changes, and gradual demands for transition to competitive market principles have put *allmännyttan* under strain. Several scholars (See, e.g., Turner, 1997; Andersson and Turner Magnusson, 2014; Bengtsson, 2015; Grander and Stigendal, 2012; Salonen, 2015b) have pointed out the changing role of public housing since the 1990s, originating in the removal of privileges—more specifically, the beneficial state loans—traditionally held by MHCs. On January 1, 2011, new legislation on public housing was introduced (Riksdagen, 2010), obliging MHCs to act on the same businesslike principles as private housing companies, which also implies the 'demand on market return on investment'. No governmental or municipal subsidies or other extenuating circumstances now apply for *allmännyttan*. However, while the aforementioned scholars have argued that the public housing of today is something new or different, the key characteristics of *allmännyttan* could also be argued to have remained (See, e.g., Bengtsson, 2015). A tension between change and persistence is evident.

Regardless, media reports show how certain groups are increasingly shut out from the housing market, especially in larger cities. Leading politicians have over the last years referred to 'a national housing crisis', in 2015 accentuated by possibly the largest stream of immigrants to Sweden since the Second World War. The crisis has been responded to in terms of quantitative aims of *how many* dwellings needed to be built—not specifying what *kind* of housing is needed.

Whether we have a general housing crisis—or even a lack of housing in Sweden—is up for debate, but just by a having a glance in the newspapers, it becomes evident that the shortage of dwellings for people with limited economic resources is a painful reminder of the situation before the heyday of the social democratic welfare state. The access to housing is seemingly more and more connected to your financial situation. Hence, the main problem of housing in Sweden is perhaps not the lack of dwellings but the increasing differences in housing opportunities between different social groups—what could be described as increased *housing inequality* (See, e.g., Dorling et al., Regan, 2005; Christophers, 2013; McKee et al., 2017).

It is with this empirical observation that this book starts. The thesis takes its point of departure in the emerging inequalities in the outcome of the national housing provision and the role of *allmännyttan* in this development. With the 2011 changes in legislation, Swedish municipal housing companies appear to have new preconditions to fulfil Gustav Möller's ambition of 'good housing for all'. This raises some essential questions. Is the changed juridical, political, and economic landscape constraining *allmännyttan*'s ability to contribute to a structure of housing provision characterized by low inequality? What is the discretion (the room for manoeuvre) for *allmännyttan* to counteract housing inequality? To what extent is such discretion identified and taken advantage of in the actions of local MHCs? And what implications do such actions have in terms of actual housing inequality? Finally, given the contemporary role of *allmännyttan*, what is the prospect of maintaining a national structure of housing provision based on universal principles and a low degree of housing inequality?

Questions of constraints and discretion are of special interest for this thesis. Taking its point of departure in the philosophical meta-theory of *critical realism* as brought forward by Bhaskar (1989), Archer (1998), Collier (1994), and Sayer (2000), the thesis commences a study of (a) the underlying mechanisms in the contemporary model of state-organised housing provision which could counteract or enact inequality, (b) the discretion of municipal housing companies to actualize such mechanisms into events, and (c) the implications of

actions and events in terms of housing inequality. In other words, by analysing the actualization of mechanisms in the current political-economic landscape of Swedish public housing, I will in this thesis explore if, how, and why the contemporary allmännyttan is (or could be) counteracting housing inequality. But also, dialectically, if, how, and why the contemporary allmännyttan is (or could be) contributing to housing inequality.

Research Purpose and Guiding Questions

Grounded in a research idea that centres around allmännyttan as potentially part of both the solution to and the problem of housing inequality in Sweden, the overarching purpose of the research is defined as follows:

To explain the potential and actual significance of contemporary Swedish public housing for urban housing inequality.

While such a research purpose could be seen as rather broad, a term of importance here is *to explain*. Pursuing a cross-disciplinary approach grounded in critical realism, the goal of explanation in this case implies not only revealing explanatory causal mechanisms but also analysing what needs to happen in order for a cause to become an effect—in other words, a plausible investigation of the contingent conditions needed for an underlying mechanism to become actualized and to create an event which we experience empirically. The following research questions operationalise such a perspective on the research purpose, starting with the empirical manifestations of housing inequality and moving towards the underlying mechanisms:

1. *How could housing inequality be understood in the national structure of housing provision and how is it empirically manifested?*
2. *How do municipal housing companies (MHCs) contribute to increased or decreased housing inequality?*
3. *What is the discretion among MHCs to actualize mechanisms decisive for the outcome of housing inequality, and how is such discretion used?*

4. *How could allmännyttan's role in terms of counteracting housing inequality in the contemporary structure of housing provision be understood?*

The research covers different scalar levels of Swedish public housing. The analysis of discretion and mechanisms in allmännyttan must first be seen on a *local municipal scale*—consisting of the around 300 individual municipal housing companies, locally politically governed in delimited geographical contexts. The local MHC, seen as a collective actor in the local housing structure, might contribute to the actualization of certain underlying mechanisms, implying consequences for the outcome on housing inequality in the local setting. This will be the dominating scalar level of analysis in this thesis. However, another scalar level of analysis is the *national scale* of Swedish public housing, centring allmännyttan as a collective actor in the national structure of housing provision. As mentioned, allmännyttan must be understood as a foundation in the political economy of housing and, further, in the national welfare regime. Being such a foundation, the development of the structure of housing provision at large is of central concern for the discretion of allmännyttan as a collective actor to actualize certain mechanisms. As such, this level of analysis has bearing on the larger prospects of the national housing structure when it comes to counteracting housing inequality and the question of situating housing in the welfare state.

While the four research questions are mainly of empirical character, the research purpose also entails the aim to contribute theoretically. As I will return to, empirically-grounded housing research inspired by critical realism is sparse. One ambition with this thesis is to evaluate the usefulness of a critical realist perspective on explanation of outcome of housing structures and the inherent discretion of actors in such structures. The thesis also involves a theoretical discussion on housing inequality and the concepts of universalism and selectivity in housing provision.

Outline and Disposition of the Thesis

This compilation thesis is constituted by three papers, each having specific research questions and specific empirical material. Although building on a common meta-theoretical ground, the papers approach the material from different theoretical aspects of this common ground. They are interconnected in the sense that they in diverse ways contribute to the overarching research purpose and guiding questions. However, the papers should primarily be seen as stand-alone studies, the results of which are collectively analysed in the concluding discussion of this framing chapter. Thus, the aim with such an approach is that the papers would create an emergent result, not reducible to the results of the constituent papers, but generating a greater sum.

The Composition of and Interrelation between the Papers

The first paper empirically describes and analyses housing inequality in a Swedish city. The paper focuses on young adults, a group that is identified as particularly at risk of exclusion by the structure of housing provision, thus representing one side of the unequal relation. Theoretically developing the concept of *housing inequality* from a relational, multidimensional, and contextual perspective, the paper seeks to explain (a) how the housing inequality that young adults face reproduces a multitude of inequalities and (b) what such inequalities mean for the young adults and for the national structure of housing provision. *The second paper* focuses fully on allmännyttan and examines events of MHCs that might either cause or counteract housing inequality, more specifically, the barriers on income for entering public housing. The paper takes point of departure in the relation between the universal welfare state and the *universal principles* of Swedish public housing and seeks to analyse the empirical validity of universalism among contemporary MHCs in the political-economic landscape post-2011. *The third paper* seeks to go beyond the events and explain why certain mechanisms decisive for housing inequality are actualized or not by local MHCs. Theoretically grounded in the concept of *discretion*, the paper discusses the room for manoeuvre among MHCs as collective actors in the current political-economic structure of public housing and examines two key strategies of housing provision among MHCs: rental policies

(which decide who can sign a contract for an apartment in the MHCs) and construction of new housing. The paper provides results on how discretion is perceived; how and by whom it is used; and most importantly, why there are divergent paths among MHCs.

In addition to the empirical and analytical contribution from the three papers, this *framing chapter* will enclose the papers by connecting them through the meta-theoretical approach of critical realism. Furthermore, in line with critical realism, the framing chapter will add a needed context by analytically depicting the changing circumstances of the research subject. The framing chapter places the transition of allmännyttan in its political-economic context, aiming to extrapolate the changes in structure of housing provision at large and how these changes in turn have affected allmännyttan. Thus, while the three papers mainly deal with the endogenous changes of the structure of public housing in Sweden and the outcome of the structure, the framing chapter provides the exogenous development, which in line with critical realism is regarded as *contingent conditions*. Moreover, the framing chapter includes methodological proceedings and considerations and, finally, a developed analysis of the emergent result drawn from the results of the papers.

Connecting the constituent parts of the thesis to the research questions, answers to the four questions can be found throughout the three papers and the framing chapter. However, the questions' gradual shift in focus from empirical manifestations to underlying mechanisms of housing inequality roughly corresponds to the papers' main undertakings. The first research question about the empirical manifestations is covered in all three papers, which all point in different ways to the outcome in terms of housing inequality. However, the first paper directs special attention to lived experiences of housing inequality and how to understand such inequality in the national context. The second question on how the MHCs contribute to increased or decreased housing inequality is answered in the second article, as it explores the barriers for entering public housing, but also in the third paper, which expands the discussion on rental policies and adds the question of new housing construction. *The third question* of MHCs' discretion for actualizing mechanisms is mainly

covered in paper three, as it explicitly explores how MHCs identify and use the latent discretion in variegated ways. Moreover, the framing chapter is crucial for answering the research question as it sheds light over the development of the structure of housing provision and how this development affects the discretion of MHCs. Finally, the *fourth question* will mainly be answered in this framing chapter, although all papers contribute to unveiling the role and significance of contemporary public housing when it comes to counteracting or contributing to housing inequality.

A schematic overview of the thesis is presented in Figure 1, which also serves as a reading guide.

<p style="text-align: center;">Research Purpose</p> <p><i>To explain the potential and actual significance of contemporary Swedish public housing for urban housing inequality</i></p> <p style="text-align: center;">Research Questions (RQs)</p> <ol style="list-style-type: none"> 1. <i>How could housing inequality be understood in the national structure of housing provision and how is it empirically manifested?</i> 2. <i>How do municipal housing companies (MHCs) contribute to increased or decreased housing inequality?</i> 3. <i>What is the discretion among MHCs to actualize mechanisms decisive for the outcome of housing inequality, and how is such discretion used?</i> 4. <i>How could allmännyttan's role in terms of counteracting housing inequality in the contemporary structure of housing provision be understood?</i> 			
<p style="text-align: center;">Introduction and Framing</p> <p>Ontological point of departure: critical realism</p> <p>Analytical concepts: housing inequality, structures of housing provision, discretion</p> <p>Methodology and methods</p>			
<p style="text-align: center;">Results</p> <p>Analysis of the development of allmännyttan and its contingent circumstances in the structure of housing provision</p> <p>Three papers:</p>			
Paper Title	Scalar Level	RQs	Main Concepts
1. The Inbetweeners of the Housing Markets: Young Adults Facing Housing Inequality in a Neighbourhood of Malmö, Sweden	Local (tenant)	1,2,3,4	Housing inequality
2. New Public Housing: A Selective Model Disguised as Universal	Local and national (company and model)	1,2,3,4	Universalism
3. Off the Beaten Track? Selectivity, Discretion and Path-Shaping in Swedish Public Housing	Local and national (company and model)	1,2,3,4	Discretion, Strategic-relational approach
<p style="text-align: center;">Emergent Analysis and Conclusions</p> <p>Emergent results and analysis (Synergies of results from papers and framing chapter from a critical-realist perspective)</p> <p>Conclusions</p>			

Figure 1: Schematic overview of the thesis

Outline of the Framing Chapter

The framing chapter is arranged as follows. After now having introduced the research subject and giving a description of the purpose and research questions, I will in the continuation of the introductory part of the thesis provide an overview of earlier research on Swedish public housing, pointing out the relevance of the contemporary allmännyttas as a research subject and the potential empirical and theoretical contribution of my thesis.

From there on I proceed to *Part I* of the framing chapter, which entails the ontological, theoretical, and methodological grounds and subsequently presents the analytical concepts used in the three papers. Chapter 2 presents the ontological points of departure for the research, grounded in *critical realism*. After establishing such a positioning, chapter 3 builds further on these premises in developing an approach to the three key theoretical concepts of the thesis: *housing inequality*, the *structure of housing provision*, and the notion of *discretion*. This chapter also defines and discusses subordinated concepts reoccurring through the thesis. Finally, chapter 4 discusses methodological proceedings and issues linked to the ontological and theoretical positioning.

Part II contains the presentation of the results and the analysis of the research. It begins with chapter 5, which gives an outline of the development from the 1930s until present time, aiming to present not only the changes within public housing but also the exogenous development—the contingent conditions for the discretion of municipal housing companies to counteract housing inequality. Chapter 6 briefly summarizes the three papers. Chapter 7 puts the result of the papers ‘in place’, as I connect the aggregated analysis of the three papers to the development of the structure of housing provision at large in a concluding analysis, before answering the research questions. Chapter 8 wraps the thesis up by presenting conclusions, ideas of further research and policy implications.

Part III, finally, compiles the three papers of the doctoral thesis.

Connecting to the Research Field

What research gap could a dissertation about the Swedish allmännytt answer to? Surely, the changing role of this key institution in Swedish housing must already be well researched?

To start, the embeddedness of Swedish public housing in the social democratic welfare state is extensively covered. In her doctoral thesis, Ekström Von Essen (2003) gives a nearly all-encompassing description of the ideas behind the development of the local municipal authority during the WWII- and post-war era. She devotes a chapter to the housing question, arguing that housing was perhaps the clearest example of how the state was motivating, but not forcing, local municipalities to solve welfare questions. The thesis describes how municipalities gradually became the major player in creating ‘good housing for all’ by state subventions directed at municipal housing companies, but it also gives a detailed explanation of why the outcome of solving the housing question in diverse municipalities became so varied despite sharing a Social Democratic political majority. Such a local aspect of Social Democratic municipal development with regards to housing is well represented in the work of Billing and Stigendal (1994), who in their doctoral thesis present an extensive analysis of the Swedish model by illustrating the emergence of a local welfare state in the city of Malmö. Their analysis includes the development of the local housing sector and explains how and why local politicians favoured the expansion of the cooperatively owned housing sector instead of the public housing company in Malmö, contributing to a relatively small share of public housing in the city that perhaps most of all cities is associated with the social democratic welfare regime. In other municipalities, Social Democratic politicians endorsed a rental housing strategy rather than a cooperative. This is exemplified by Gustafsson (1988) in his study of the emergence of a local welfare society in the city of Örebro, where public housing grew remarkably strong.

Pinpointing the Swedish model of public housing, there have been a substantial number of books and public reports which, combined, extensively outline the history and development of allmännyttan. Haste (1986) gives a detailed overview of the predecessor to the

model of municipal housing—Barnrikehus—initiated by Gustav Möller in 1935 as a recipe to solve the acute housing situation for large families with limited resources. Ramberg (2000) contributes, on behalf of SABO (the Swedish Association of Municipal Housing Companies), with an extensive description of the development of allmännyttan up until the year 2000. He thereby depicts the initial changes towards marketization, not the least the deregulations during the early 1990s. In an attachment to a national governmental investigation (SOU) about the conditions of Swedish public housing, Hedman (2008) provides an informative text when it comes to the gradual marketization of public housing. Indeed, the focus on the marketization of public housing is a common element in governmental investigations, but also in popular literature; take for example Werne (2010), who with initiated and driven prose describes the process of the large-scale restructuring of public housing in Stockholm during the 2000s, where many apartment buildings were sold to the tenants (converted to cooperatively owned flats—*bostadsrätter*), and the implications of these transactions in terms of changing welfare as well as through personal experiences of being shut out from the housing market.

The changed legislation in 2011—which is of special interest for this thesis—is also covered in the literature, at least in empirical terms. Pagrotsky (2010) provides a detailed description of the process leading to the changes in legislation. In the second edition the study *Varför så olika* (Why so different?), which provides a very thorough description of the development of the Swedish ‘housing regime’ in comparison with corresponding regimes in other Nordic countries, Bengtsson (2013) concludes that the 2011 legislation strengthens the principle of the Swedish rental market as an integrated rental market, as differences between public and private rented housing decrease with the changes. The changed role of public housing in relation to the new legislation is further highlighted in reports by the State Department of Housing (Boverket, 2013, 2017), the latter toning down the implications of new legislation, while Forsman and Svanberg (2016) dedicate a chapter of their book on national housing policy towards the changes after 2011 from the perspective of

the Swedish Union of Tenants (SUT), arguing that the changes might be decisive for future development.

Several of the researchers contributing with chapters to the book *Nyttan med allmännyttan* (The benefit of allmännyttan) (Salonen, 2015b), myself included, cover the changes in legislation from different aspects. In terms of implications for the Swedish model, a theoretical analysis is done by Bengtsson (2015), who depicts three possible future scenarios for Swedish public housing's reaction to new legislation: adaptation, resistance, and regime shift. In other research, my earlier studies (Grander and Stigendal, 2012) have covered the changes in 2011 from an angle of integration and social cohesion. Grundström and Molina (2016) put the transition of public housing in a context of larger political and ideological shifts since the 1930s, claiming a shift 'from Folkhem to lifestyle housing'. In a doctoral thesis, Svärd (2016) analyses the role of the politicians in the boards of MHCs to determine whether they, in times of dual goals of financial profit and housing provision, follow a political or business-oriented logic (concluding that they do not follow either but rather prove to be loyal to the company).

Thus, while the changes in 2011 are well described, the implications of these changes to the outcome of the housing situation are yet to be covered in the academic literature. However, there is no shortage of academic literature on the altered character of Swedish public housing during the last twenty-five years. Much of this rich material is empirically focused, for example, on how allmännyttan has become weaker as large parts of the housing stock have been sold to the tenants (converted to cooperative housing) and how local political decisions have been the motor of such development (Andersson, 2013; Andersson and Turner Magnusson, 2014). Several studies (Magnusson and Turner, 2005, 2008; Andersson and Turner Magnusson, 2014; Boverket, 2015a; Salonen, 2015a) have shown that the composition of tenants in public housing is changing character, going through a process of residualization—meaning that allmännyttan is increasingly resided by households with low economy (See also Harloe, 1995).

Regarding *causes* to the changes in public housing and the implications of such changes, the research canon points to the retrenchment of the state in housing policy: how politics since the 1990s has left the question of housing in the hands of the market, impacting the attributes of local housing policies and their outcome (See, e.g., Bengtsson, 2013; Salonen, 2015b). Turner (1997) describes the role of public housing in times of economic crisis and market adaptation, asking whether MHCs are ‘on or off the market’. He concludes by arguing that public housing in Sweden at the time faced a choice of either keeping its traditional ‘mainstream’ role or dividing its housing stock into one mainstream part and another part specially designated for low-income households—a question I will return to in this thesis. Indeed, Turner already in 1997 put the finger on how the Swedish public housing is perhaps the most clear example of how European public and social housing appear as *hybrid* organizations, something which has been examined in several studies in later years (See, e.g., Blessing, 2012; Czischke, Gruis and Mullins, 2012; Mullins, Czischke and van Bortel, 2012).

Alongside such a de-politization of housing, a number of academic studies have discussed the marketization and neo-liberalization of Swedish housing. Holmqvist and Turner Magnusson (2013) explain how Swedish housing is under political and economic pressure. The European mainstream market-orientation ‘has pushed neoliberalism further’ (2013, p. 242). They argue that increased ownership and speculation has caused problems of affordability, leading also to the increase of the proportion of households at risk of poverty. Several other scholars show how the financial benefits for constructing owned housing and converting rented housing to operatively owned have led to a decrease in affordable rental apartments in Sweden, having implications for the character of public housing (Clark, 2013; Salonen, 2015b) and the national SHP. These scholars argue that housing is being decoupled from welfare policy, exemplified by the change of public housing, which as Larsen and Lund Hansen (2015) describe, was once a bastion of the social democratic welfare state in the Nordic countries—a bastion that, according to some, seemingly sets a new tone. Hedin et al. (2012) argue that the marketization of public housing has contributed to the whole Swedish

housing sector becoming increasingly neo-liberal. On a local level, Borelius and Wennerström (2009) discuss how marketization has triggered gentrification processes in the MHC Gårdstensbostäder in Göteborg. Baeten and Listerborn (2015) describe how the municipal housing company in the city of Landskrona is used as a tool in the municipal political strategy of city-branding, leading to gentrification and displacement in the backdrop of a neo-liberal housing market. A couple of studies (Westerdahl, 2015; Lindbergh and Wilson, 2016) point to MHCs' increasing capitalization on the differences between estimated (fictional) and registered property values, the calculations on requirements on return on investment, and the increased significance on accountancy for MHC businesses.

Thus, the research on Swedish housing seems to echo international research (Van Gent, 2013; Aalbers and Christophers, 2014; Dorling, 2014; Aalbers, 2015; Blessing, 2016; Fernández and Aalbers, 2016; Fields and Uffer, 2016) on national policies lubricating the *financialization* of housing—meaning the increased dependency of financial motives, financial institutions, and financial capital in the political economy of housing (See, e.g., Sawyer, 2014; Christophers, 2015; Aalbers, Loon and Fernandez, 2017; Belfrage and Kalifatides, 2017). Such financialization is increasingly connected to the housing outcome. Christophers discusses the current Swedish housing system in terms of inequality, claiming that it functions ‘as a decisive mechanism for the creation, reproduction and intensification of socio-economic inequalities’ (Christophers, 2013, p. 4). He argues that the Swedish housing system—with its dual characteristics of regulated elements on the one hand and extensive deregulation on the other—has become ‘a monstrous hybrid’, a conclusion albeit problematized by others (Bengtsson, 2015c; Lind, 2015a). Inequality is also put in the centre in the recent work of Listerborn (forthcoming), who has collected narratives from individuals living in insecure conditions and discusses the results from a perspective of housing inequality.

Returning to public housing, an aspect which is striking when reviewing the literature is the overabundance of research focusing on the challenges of allmännyttan. Very limited amount of research discusses allmännyttan as a counterforce or potential solution to the

problems connected to the housing situation in Sweden. There are exceptions, however. Holmqvist, together with several other researchers (Andersson, Bråmås, and Holmqvist, 2010; Bergsten and Holmqvist, 2009; Holmqvist, 2009), argues that *allmännyttan* is the only remaining municipal tool for creating socially mixed environments by a variation of tenures, which she argues is an important instrument for counteracting segregation. Borg (2015) shows how an integrated rental market that encompasses broader parts of the population—such as the Swedish—significantly reduces the prevalence of housing deprivation. Gustavsson and Elander (2013) give examples of how efforts made by Swedish public housing might contribute to social sustainability through physical and social changes in residential areas. In previous research (Grander and Stigendal, 2012), I have examined MHCs endeavour to take ‘social responsibility’ by addressing both housing and non-housing related issues in their work for the benefit of the whole cities. However, such research is often limited in terms of problematizing the relation between enabling and causing; by enabling social responsibility in one aspect, other aspects where MHCs might cause problems might be overshadowed. Thus, an intriguing observation on the research about Swedish public housing is that it has not focused on highlighting *allmännyttan* as both *cause of* and *counterforce to* housing inequality or other problems connected to housing—it has been either or.

The Proposed Empirical and Theoretical Contribution

While the history and changes of Swedish public housing are rather well described, there is seemingly limited research on the changes in relation to the empirical validity of the universal approach or the implications from a perspective of housing inequality. In particular, there has up till now been little research on the actual consequences of the accentuated financial demands on Swedish public housing after 2011. More importantly for this study, the literature seems to be lacking a perspective on public housing as being both a potential solution and a part of the problem. This has provided me with fuel for pursuing a research perspective on explaining and understanding the contemporary public housing’s *significance* for housing inequality in the national context—allowing for an openness for

allmännyttan as potentially both enacting and counteracting housing inequality.

I agree with Clapham (2018) on the need for housing research to be theoretically informed while at the same time influence governmental policy: That research is theoretically informed research does not imply that it is less relevant for housing policy. Hence, my hope is that the theoretical as well as empirical contributions of the thesis could affect housing politics and policy. *Empirically*, the thesis therefore aims to contribute with *how* allmännyttan—and by extension the structure of housing provision—plays out in terms of enabling and causing housing inequality. As I will argue that Swedish public housing, and subsequently the national structure of housing provision, is unique in its kind, this research has the potential to say something about the Swedish case that is of interest also to an international audience.

Theoretically, the research aspires to contribute to the literature through the way it approaches the question of *why* public housing counteracts or enables housing inequality. Hitherto, explanations on the outcome of Swedish public housing have, as described in the review, primarily been concerned with the retrenchment of politics from the housing system at large and the increased marketization of public housing. The research seems to demonstrate a certain causality between those phenomena and the weakened role of public housing in the structure of housing provision. I believe such causality could be expanded. My view is that explanations of change in the housing systems could benefit largely from being informed by not only theoretical but also ontological discussions. As stated, my research is grounded in the meta-theoretical approach of critical realism. While critical realist ontology in housing research does occur (see the dedicated literature review in chapter 2), it is most often applied on comparative studies on the grander scale, such as on comparisons of trajectories of housing provisions (See, e.g., Lawson, 2006; Soaita and Dewilde, 2017), and not for analysing changes on institutions as concrete structures within larger structures of housing provision. Furthermore, critical realism is seldom used in empirical housing research. Thus, with my research I seek to discuss the

usability of critical realism in empirically-oriented housing research and the potential value of using critical-realism-inspired analytical approaches to look *within* broader housing structures and their institutions.

Furthermore, I seek to contribute to the understanding of housing inequality in the light of the dichotomy of universalism and selectivity. Housing inequality is a field gaining interest of late, but as I will return to, the use of the concept in the Swedish setting is sparse, although inequality is a basic assumption in several studies of the national housing provision. However, there is, in my reading, a lack of a context-bound definition and discussion of housing inequality in relation to the character of the Swedish structure of housing provision with its universal approach.

In summary, I seek to contribute theoretically with a developed understanding and explanation of the structures of housing provision and their institutions in relation to housing inequality based on an approach taking departure in critical realist ontology. Combined with the proposed empirical contribution of how the Swedish case applies in terms of housing inequality, I also hope to contribute to the wider discussion on the development of the universal welfare state in times of increased decentralization, privatization, marketization, and financialization.

Part I: Research Settings

2. POSITIONING: THE POINT OF DEPARTURE

If there is a sense of reality, there must also be a sense of possibility.

Robert Musil, 'The Man Without Qualities', 1930

Let me return to the purpose of the research: *To explain the potential and actual significance of contemporary Swedish public housing for urban housing inequality*. The purpose contains a number of terms that call for an ontological discussion. Ontological debates among housing researchers are rather rare (Somerville, 1994; Clapham, 2012; Lawson, 2012), and the researcher's choice of points of departure is often made 'in the dark' (Lawson, 2006, p. 13)—thus potentially concealing important implications of the research concerning the composition, structure, and dynamics of the housing problem. In 'On Explanations of Housing Policy', Somerville (1994) offers a thorough overview of ontological approaches for explaining the housing question and the implications of such approaches, arguing that they all have their potentials and flaws. Somerville most importantly stresses the responsibility of the researcher to rationalize their ontological approach and subsequent analytical strategies. In line with such an argument, my ambition is not only to be transparent with my ontological viewpoint and the possible implications of such a position but also to argue for my perspective and highlight its strengths and weaknesses.

By including the term *explain* in the research purpose, I want to emphasize that I do not only aim to describe housing inequality or illustrate the role of public housing in the existence of housing inequality; describing housing inequality is an important part of my research, but the ambition is that my research would also provide

answers on *if* and *how* Swedish public housing might counteract or enact housing inequality as well as *why* that is or is not the case. I want to explain housing inequality because, as a personal stance, I want my research to lead to societal change. Housing researchers are in general reluctant to propose solutions to housing problems, but my standpoint is that we should at least provide the knowledge necessary for policymakers to see the more complex connections between cause and effect—to provide progress through explanation (See also Clapham, Clark and Gibb, 2012; Clapham, 2018). It is my opinion that depicting how housing inequality manifests itself is interesting in general and also necessary for change. But it is not enough. To contribute to the knowledge necessary for societal change, it is my view that I need to put my finger on the causes of public housing's effect on housing inequality. As Lawson (2006, p.4) states. 'It is neither sufficient nor effective to be concerned about the symptoms of housing problems without appreciating the generative causes'. Thus, if *allmännyttan* is counteracting housing inequality, why is that? And if it is enacting housing inequality, what are the generative mechanisms for this? If research can contribute with better explanations of the mechanisms generating inequality, decision-makers can more effectively argue for solutions directed at the causes of the inequality instead of the symptoms.

Moreover, the research purpose makes a demarcation between *potential* and *actual* significance. With this writing, I want to emphasize the possibility that the Swedish public housing can potentially counteract housing inequality. There might be a latent possibility in *allmännyttan* to, for example, include low-income households and counteract segregation. But we should not take for granted that this actually happens—a potential is not necessarily actualized. Why a certain potential is actualized (or not) is of special interest for this thesis. To find support for a causal analysis involving the potential and actual significance of *allmännyttan* for housing inequality, I lean on the philosophical approach called critical realism.

A Critical-Realist Perspective on Explaining Housing Inequality

The philosophical approach of critical realism (CR) is mainly associated with philosopher Roy Bhaskar (1989), who has developed critical realism as a meta-theory specifically focusing on the nature of explanations in the social (and natural) world (Bhaskar, 1989; Collier, 1994; Archer et al., 1998; Sayer, 2000; Stigendal, 2002; Bhaskar and Callinicos, 2003). CR is perhaps best regarded as an ontological approach: a view on reality that challenges the conception that only what is visible is what exists. Stemming from realism, the approach is *realistic* in the sense that it assumes that there exists a reality independent of our perceptions and understanding of it. At the same time, the approach is *critical* in the sense that it assumes that everything is not necessarily what appears to be. Critique is not an end in itself. In a seminal lecture on critique in 1978, Foucault (2011) argued that you cannot just be critical in the general sense. You need to direct your criticism at something specific. Critical realists are, first and foremost, critical of our senses—of what appears to be happening according to our primary observations of the social world. Critical realists argue for a complex and stratified ontology, suggesting that the world ‘out there’ exists regardless what we think about it and that our knowledge of the world is *fallible*. Our constant experience of getting things wrong and needing to rethink and reconsider our conclusions about the world proves that the world is not a construction of our knowledge; it truly exists, notwithstanding our experiences (Sayer, 2000).

The stratified ontology is the main characteristic of critical realism. According to such ontology, reality comprises both events and non-events, which may or may not be experienced and may be experienced differently by different actors. Reality is thus not merely the observable but comprises three interconnected domains: the real, the actual, and the empirical. The *real* domain is whatever exists, regardless of it being an empirical object for us or not. Most importantly, the real is the domain of underlying structures, powers, and mechanisms with the capacity to behave in specific ways under specific favourable circumstances (Bhaskar, 1989; Sayer, 2000; Lawson, 2006). Such mechanisms may (or may not) trigger events

in the *actual* domain. In the *empirical* domain, these events may (or may not) be observed and experienced. As I will return to, social structures and mechanisms are not deterministic; they enable and condition certain events and actions depending on contingent circumstances (Archer et al., 1998).

Critical realism contrasts both logical positivist and social constructivist approaches of the social world, albeit highlighting the contributions of the respective schools. Followers of critical realism argue that CR offers ‘a third way’ between positivism and social constructivism. Like positivist approaches, CR seeks explanations of the social world but goes beyond searching for and pinpointing observable causations, emphasising the importance of extensive case study research rather than relying merely on empirical observations. Critical realism rejects constructivism’s notion of ‘reality’ and ‘truth’ as relativistic, and instead promotes ‘the, albeit fallible, struggle for truth’ (Lawson, 2006, p. 7). This ‘third way’ resembles what Sayer (2000) and several others (See, e.g., Clapham, 2005) have referred to as ‘weak’ social constructionism, a strand of constructivism that rejects the relativistic view on knowledge, truth, and reality as nothing more than social constructions and instead acknowledges the existence of social reality ‘out there’.

Expanding logical positivism’s search for explanations through observable causations, CR seeks to go beyond the observable—to look further than what seems to be happening, putting weight also on what does not happen but *could* happen (Danermark et al., 2002). As Sayer (2000, p. 12) contends, critical realism assumes ‘the possibility that powers may exist unexercised and hence that what has happened or been known to have happened does not exhaust what could happen or have happened’. By the recognition of a stratified ontology, critical realists emphasize an ontological shift from events to mechanisms, drawing attention to what produces the events that we are experiencing (Danermark et al., 2002). Thus, explanation requires not only identifying causal mechanisms but also analysing if such mechanisms have been activated and under what conditions (Sayer, 2000). This mode of analysis is of central concern when it

comes to social explanation, which should be seen as the overarching goal of a critical realist research.

Social Explanation: Mechanisms and their Actualization

Central for a critical realist explanation is that causality must be understood in relation to underlying *mechanisms*. There is a vast literature on mechanisms, including a variation of definitions (for an overview, see e.g. Bengtsson and Hertting, 2014). In a general sense, I concur with the common interpretation of mechanisms as reoccurring patterns that are causally effective (See, e.g., Hedström and Swedberg, 1998). Mechanisms make things happen; as Bengtsson (2013) argues, the causal connection between events at occasion A and occasion B is dependent on what mechanism is activated.

While mechanisms might be used in the social sciences as a ‘jack of all trades’ (Bengtsson and Hertting, 2014), critical realists put mechanisms in the centre of the stratified ontology. Whereas Bhaskar (1998) simply defines a mechanism as a causal structure that explains a phenomenon, Brante (2014) and Stigendal (2016) distinguish mechanisms from simple causes; they claim mechanisms are more complex, integrated, and liaising causal relationships that have simple causal relations as effects. According to the stratified ontology of critical realism, mechanisms are underlying (real) and can generate events (actual) that have consequences that we might experience (empirical). In other words, mechanisms make things happen in the material world. Mechanisms are not only complex, they are also (usually) not observable. Take the Swedish system of negotiated rents as example: While we may observe the tenant’s union and landlords agreeing on annual rent changes, the underlying mechanism for setting the rents is complex, unobservable, and has a simple cause (a specific rent level) as effect.

However, mechanisms do not necessarily trigger events. Mechanisms can stay unactualized. Stigendal (2018) argues that we cannot take for granted when, where, why, and how specific mechanisms are actualized. This depends on the context. Sayer (2000, p. 15) claims that ‘events are not pre-determined before they happen but depend on *contingent* conditions’ (my emphasis). With a contingent

conditions over time, which influence the concrete outcomes or non-outcomes (Lawson, 2006). These contingent conditions are necessary for the mechanism to be actualized in a specific way and create an actual event. The conditions could favour and emphasize a certain mechanism—but could also counteract such a mechanism. The combination of multiple interacting mechanisms under different circumstances generates new—in critical realism called *emergent*—forces and mechanisms, not reducible to their constituent parts. The context is thereby part of the actualized mechanism. This implies that cause and effect are happening at the same time: the emergent effects are at the same time a potential cause (Stigendal, 2018). For example, the agreement between a landlord and the tenants' union on a specific rent level is the emergent effect of interacting mechanisms. The rent level becomes at the same time a potential cause to something else, for example relative poverty or segregation.

In the search for causal explanation, housing researchers have to identify and examine a multitude of relations and factors that might generate effects—which are not always easy to isolate, observe, or measure. In order to conduct an analysis of mechanisms and their actualization, CR relies on *retroduction*, a scientific process of enquiry that aims to identify the essential and constitutive factors for what appears to be happening to actually happen (Danermark et al., 2002; Fitzpatrick, 2005; see further chapter 4). Not only do the properties of the tenants' union or the landlord need to be analysed in order to explain the rent setting, but the material and social setting with its discourses must be seen as contingent factors influencing the actualization of the rent setting mechanisms.

The dependency on contingent conditions also implies that the effects of an actualized mechanism cannot be foreseen but are spatio-temporally dependent. As the context differs, the same causal mechanism in, for example, one structure of housing provision cannot be predicted to have the same outcome in another housing structure. And a certain causal connection in 1946 will not necessarily repeat itself in 2018. For a critical realist, mechanisms are used primarily for explaining phenomena and secondarily for predicting them. Such an argument is an important line of thought in this thesis.

Critical Realism in Housing Research

Examples of housing research taking its point of departure in critical realism are few but interesting. This could be explained by CR being a fairly young approach. However, even though critical realism emerged in the 1990s and increased in popularity during the 2000s, there is shared ontological ground to be found in housing research earlier than that. Ball (1986) has proposed the *Structures of Housing Provision* as a theoretical concept which I argue has shared mutual ground with critical realism in its view on the need to identify necessary actors involved in the production, allocation, and consumption of housing and—more importantly—how these actors relate to each other in time and space (Ball, 1986, p. 160). The model of explanation in SHP has been presented as an alternative to positivist comparative models of housing systems, which Ball believes do not take into account major economic structures and uneven power relationships. SHP assumes that a housing structure is a historical process that deals with the supply and reproduction of the dwelling as a physical entity. Ball recommends that researchers focus on the social actors that are necessary for housing supply and the relationship between them (Ball, 1986, p. 158). However, SHP is a meta-tool and does not attempt to generalize or theorize the different types of relationships in housing supply. Nor is there a clear epistemological approach to distinguishing between causes and effects in a specific context (cf. Lawson, 2006, p. 27).

Since critical realism has been recognized, a number of housing researchers have presented comparative benefits of critical realism in relation to studies that utilize positivist or social constructivist ontology. Allen (2000) advocates a critical realist approach and calls for studies based on realism to seek adequate explanations for the relationship between the housing situation and health, considering that the commonly-occurring positivist explanatory models seeking regularity have led to erroneous conclusions. Satsangi (2013) shows how feminist housing research benefits from critical realistic ontology instead of the dominant interpretivist approach. In particular, these studies put forth critical realism as a ‘third way’.

Several studies highlight the similarities that critical realism has with 'weak' social constructivism. Clapham (2012) and Lawson (2012) argue that both weak constructivism and critical realism emphasize the meaning—but not determinism—of dominant ideologies in the formulation of the imaginaries of different housing actors within their material and socially constructed contexts. The scholars argue that critical realism and weak constructivism both incorporate a critical discourse analysis, as presented by Fairclough (2003), and recognize Foucault's view of governing mechanisms through discourses. Thus, the differences in regard to meaning-making are regarded as small, why the scholars argue that critical realism and weak constructivism are likewise usable as the basis for many different forms of housing research, regardless of the theoretical framework for analysis. Similarities are also highlighted by Somerville and Bengtsson (2002), who bring forward the theory of contextualized rational action as 'an attempt at substantive theory within a critical realist perspective' (p. 124). This theory is based on thin rationality, meaning that actors do not make decisions based on 'perfect rational choice'. Instead, while actors have a significant logical consequence in their goals and actions, these goals are not *á priori* but dependent on the social and institutional context. Two different actors under similar conditions are therefore supposed to act in the same way. Employing the theory, the authors argue that the causes for change of housing systems need to be understood by studying the processes where institutions and discourses have been defined in relationships between actors in a context of social and material structures. Somerville and Bengtsson (2002) apply the theory in the contexts of tenant participation, housing management, and comparative housing policy. The theory has later been used by McNaughton Nicholls (2009) to analyse underlying causes to homelessness.

Although the mentioned studies are based on an ontological point of departure that is in line with critical realism, they disregard a central aspect—the reasons mechanisms actually become activated. Some authors have pointed out the importance of this level of analysis in recent decades. Fopp (2008) advocates a turn from weak social constructivism to critical realism in housing research and points to the importance of investigating what triggers causal mechanisms.

Fitzpatrick (2005) uses critical realism to explain diversified causes of homelessness and argues how different mechanisms (e.g., poverty, patriarchal and interpersonal mechanisms) together or separately can be triggered under given conditions and thereby cause homelessness.

Empirically-grounded CR housing research—can we have some more, please?

As the overview shows, the reasoning about critical realism and housing issues is generally of theoretic character. Only a few studies have applied critical realism in empirical studies. However, there are some examples. Stigendal's extensive research on urban inequalities and societal change is grounded in critical realism. His work is characterized by demarcations between causes and symptoms, between 'potentials' and actualizations. In a recent comparative European study (Stigendal, 2018), housing is dealt with as a potential cause of inequality that afflicts young people, for example, by the mechanisms of gentrification that are actualized when affluent housing companies buy properties in disadvantaged neighbourhoods, taking advantage of the skew contemporary relations between a property's use-value, labour-value, and exchange-value in times of housing shortage. In a comparative study of housing quality in the former East states, Soaita and Dewilde (2017) perform a critical realist analysis of households' experiences and expectations of quality of living and relate the findings to underlying structures in national housing systems. They find that the actualization of underlying structures has resulted in stigmatization in housing systems, which is reflected in the households' experiences. Based on the empirical material, the study is explicit and moves elegantly between the real, the actual, and the empirical domains of reality.

The most comprehensive approach to critical realism and housing research has been taken by Lawson (2006; 2012). In a number of writings, especially in the book *Critical Realism and Housing Research* (2006), Lawson discusses the epistemic benefits of critical realism in housing research, arguing that such an ontological perspective is required to address fundamental issues in housing. Moreover, Lawson moves on to use critical realism to explain causal tendencies

in international housing development, specifically the widely divergent housing trajectories of the Netherlands and Australia. Lawson takes her point of departure in Ball's (1986) concept structures of housing provision and develops it by applying CR's stratified ontology and epistemological logic of retroduction, exposing the conditions needed to activate underlying causes leading to actual events and empirical outcomes of the national housing provision. In order to conceptualize the actualization of underlying causes, she makes a distinction between necessary and contingent social relations in the structure of housing provision. Like Dickens et al. (1985), Lawson argues that the relationships necessary to define a structure of housing provision are the relationships of (1) property, (2) finances, and (3) labour and welfare. Each necessary relationship is defined and developed through a set of contingent relationships that can be actualized but not necessarily are so. If and how the contingent relationships are actualized are of crucial importance for the constitutions of the necessary relations. The actualized relations create a cluster of emergent relationships that arise in time and space—that is, structures of housing provision. Leaning on Jessop (1990), Lawson argues that such structures create economic interdependencies and also include *institutional fixes*, where housing institutions take specific roles in relation to each other. The state is given a significant role in its decisive position of regulating the financial relations that are part of housing supply.

To Lawson's benefit, she operationalizes the ontological and epistemological grounds of critical realism on an empirical analytical level. Certainly, despite the theoretical elegance of critical realism, it does not easily translate into empirical research. In an overview of social science publications between 1979 and 2006 mentioning critical realism, De Vaujany (2008) has found that less than 5 % of the published work included empirical fieldwork. Lawson reflects on the difficulties of using of CR and urges researchers from different disciplines to be inspired by critical realism rather than using it to replace analytical approaches:

CR is not a sociological, urban or housing theory: it is a philosophical theory of ontology that can inspire research strategies which aim to explain social phenomena in the housing field. It cannot replace sound empirical research or robust conceptualisation. (Lawson, 2012, p. 13)

Thus, I regard housing research as a field of empirically rather ‘uninhabited land’ for critical realists; I also see the need for translating CR to empirically oriented research in general. I thus intend to operationalize critical realism by developing a framework based on explaining the mechanisms of housing inequality from a perspective of the national structure of housing provision, where the development of necessary relations and contingent conditions are of crucial concern for the discretion of municipal housing companies.

3. DISCRETION FOR COUNTERACTING HOUSING INEQUALITY IN THE NATIONAL STRUCTURE OF HOUSING PROVISION

While the overarching ontological point of departure has been introduced in the previous chapter, the thesis' purpose and research questions rely on a number of theoretical concepts. As described, the different papers presenting and analysing the empirical material of the thesis have different analytical approaches, some of them reoccurring through the papers. In the forthcoming, those approaches and key concepts will be developed and discussed from a critical realist perspective, finally suggesting an operationalization of them.

The first concept is *housing inequality*, which I argue needs to be discussed in relation to the expected normative output of the specific context. This specific context, the national housing regime or *structure of housing provision* is the second concept of interest as it entails the universal housing policy and the nature of public housing in Sweden. The third analytical concept is *discretion*, which is used for understanding the room for manoeuvre for municipal housing companies to counteract housing inequality in the contemporary structure of housing provision.

Housing Inequality—What and why?

Housing inequality is an issue gaining interest lately. The dominating research on the field stems from the United Kingdom (McKee, 2012; Dorling, 2014; McKee et al., 2017), but the concept has also been used in other national contexts and in comparative studies (Ratcliffe, 1999; Filandri and Olagnero, 2014; Yi and Huang, 2014; Hochstenbach and Boterman, 2017; Hochstenbach, 2018) and is currently also increasingly examined among Swedish housing researchers (Christophers, 2013; Listerborn, forthcoming). However,

there seems to exist an imprecision in the definition of housing inequality.

If we consider inequality as an unequal distribution of something, could housing be distributed unequally? What would characterize such an unequal distribution? In order to say something about that, we need to define the concept of housing. Leaning on the ontological approach of critical realism, housing can be described neither as the material buildings we (at least many of us) reside in nor as a social construction, reduced to identity or the meaning of having a place called home. Rather, I would suggest that that housing is considered as a complex object of social relations where material and discursive aspects are regarded equally important. Housing is perceived empirically as physical objects (houses, apartments, etc.) but also by being ‘housed’, or promoting that others are being housed. Thus, while housing, both as a noun and as a verb (c.f., Ruonavaara, 2018), is a ‘basic foundation for life’ (Clapham, 2018, p. 174), it is a result of events performed by housing institutions and individuals—events that are caused by underlying interacting social structures, powers, and mechanisms.

The social-relational definition of housing that critical realism entails could be of help when analysing the outcome of housing provision. Discussing such outcome in terms of inequality is, however, rather unusual. More common ways of understanding the social aspects of housing distribution are to discuss, for example, housing as a social ‘right’ (e.g., Bengtsson, 2001; Hohmann, 2013), outsiders on the housing market (e.g., Hochstenbach and Boterman, 2015; Sahlin, 1996), or the development of access to home ownership (e.g., Filandri and Bertolini, 2016; Enström Öst, 2012). While these perspectives on access to housing provide an understanding of the outcome of housing which is fruitful in many ways, I argue that they individually tend to miss the complexity of the social relations of the housing question. Housing is not just about access, it is about why and how you get ‘in’, from where you get in, under what conditions you get in, and what you get in to. It is hard to discuss the right to housing without talking about what kind of housing you have the possible right to. Discussing housing in terms of ‘rights’ entails a

clear definition of the minimum standard and space we should have the right to and also who should be incorporated in the term ‘we’. I argue that an absolute definition of housing inequality is complicated, not the least for making comparisons between different national or local contexts. Moreover, the perspectives of ‘right’ tend to only look at one end of the spectra, most often those who are excluded from the housing market. They tend to miss the relation between those who have and those who have not.

In the following, I will argue that pursuing critical-realist research on housing inequality is feasible for making empirical case studies as it suggests *causal explanations*; it provides us with a *relational* perspective; and most importantly, it offers a *contextual and multidimensional* approach in the way it treats causes and effects of relative (rather than absolute) inequality associated with housing.

An Explanatory, Relational, Contextual, and Multidimensional Approach to Housing Inequality

The *causal explanatory* principles of critical realism are well repeated by now, and in terms of housing inequality, they involve the search for mechanisms and their contingent conditions which cause actual events that lead to an unequal outcome of housing provision. A *relational* perspective on housing inequality implies that inequality involves differences between socially determined groups, and discussions about inequality need to take both sides of this relation into consideration and should use relative terms rather than absolute ones. For example, the relative inequality will be high even if the disadvantaged part of the relation receives better conditions in absolute terms—as long as the privileged part gets *even* better conditions (cf. Dorling’s [2014] discussion on the housing precariat). Thus, as Rawls (1971) argues, certain social and economic inequalities might be regarded fair, but only if they are beneficial to the disadvantaged part of the relation.

However, increasing differences in, for example, access to housing might or might not imply increased housing inequality. It depends on other mechanisms contributing to how the disadvantaged side of the relation is catered for and how their living conditions are

affected. An increasing difference does not automatically imply an increasing inequality. This is why we need to determine which differences are acceptable in a certain context. For example, there is a growing literature on the difficulty for young adults to get access to housing (See, e.g., Ford, Rugg and Burrows, 2002; Clapham et al., 2014; Mckee et al., 2017). That young adults are unable to find adequate housing by the age of, say twenty, might be regarded as a problem in one context but completely natural in another. It depends on the configuration of the welfare regime and the expectations on young adults to either stay in the family household taking care of the elder family members or leaving the households to lead independent lives (Esping-Andersen, 1990). Thus, the discussion on housing inequality must also be *contextual*. Such a context-sensitive perspective on housing inequality could also open up for an aspect not only covering access to housing but also quality of housing, which differs from context to context. This further illustrates the difficulties with pinpointing absolute measures for equal or unequal housing situations. Rather, the relative development would be of interest in each specific context.

Finally, a research perspective on housing in terms of inequality could also benefit from a *multidimensional* perspective on the differences in housing outcome, one that is connected to more than just the economy of the households. As presented in the introduction and expanded in the first paper, several studies (Holmes, 2003; Arundel, 2017; Filandri and Bertolini, 2016; Foster and Kleit, 2015) on the causes of housing inequality are concerned with financial resources and unequal development of income and wealth distribution by home ownership. Dorling (2014) centres housing inequality in the contemporary housing discussion by unfolding how housing wealth becomes increasingly unevenly distributed amongst income groups, creating a *housing precariat* at the one side of a housing market characterized by polarization. For example, young people in the United Kingdom today are labelled 'generation rent' (Cole, Powell and Sanderson, 2016; Mckee et al., 2017), facing the downsides of being at the mercy of the rental market.

The discussion of housing inequality in terms of ownership and wealth accumulation might be argued as both a result of and a reproduction of the increasingly dominating view on housing in terms of commodities and assets (McKee, 2012; Pattillo, 2013). As explained, housing is not merely a material entity with inherent financial values; housing is most fundamentally a place to live, someone's home. Nonetheless, it is a commodity since all dwellings—rented or owned—are subject to transactions on a market. And what characterizes a commodity is that it has both an inherent exchange-value and a use-value (Bengtsson, 1995; Stigendal, 2018). The reinforcement of the view on housing in terms of exchange-value has of course to do with the boom in prices during the past decades. The exchange-values have increased, making home ownership a good investment for those who have been able to enter the owned market. Thus, the financialization of housing becomes of central concern for understanding housing inequality. However, unequal outcomes of the housing structure should not be discussed solely in terms of financial resources. In the forthcoming, I will argue for a multi-dimensional perspective that also covers other aspects.

Inequality Reproducing Inequalities

To some extent, the literature on housing inequality can be described as having a multidimensional view as it describes a multitude of experienced problems connected to housing. Dorling (2014) illustrates how housing inequality manifests itself by less affordable, less secure, and less decent housing. McKee (2012) reflects on the problems of housing for young people in terms of welfare, while Holmes (2003) argues that housing inequality should be understood through a variety of perspectives: standards and quality of housing, desirability of the neighbourhood, the ability of people to choose their home, and the question of housing wealth through ownership. Based on these studies, I propose that housing inequality can be categorized in terms of (a) *access to housing*, including aspects of dependency on financial recourses and possibility to choose type and location of housing; and (b) *quality of housing*, including aspects of not only the quality of the dwelling itself but also the quality of the surrounding houses and neighbourhood, including aspects of stigmatization.

Housing inequality thus deals with differences regarding *if* we reside, *where* we reside, and *how* we reside.

However, such a categorization of housing inequality should be regarded as merely empirical. Analytically, I argue that inequality related to housing could benefit from a broader point of view than one merely linked to the preconditions—and reproduction—of financial capital. The research on housing inequality might therefore be gainfully informed by studies of inequality in a broader sense. For example, Sen (1999) argues that income inequality needs to be complemented with other variables, such as employment, health, and education. Therborn (2013) discusses inequalities from a three-folded analysis. First, *resource inequality* refers to unequal recourses to act, for example, due to differences in income. Second, *existential inequality* involves the unequal allocation of personhood, such as autonomy and right to self-development. Third, inequality can be *vital*, in the sense that unequal life chances might influence matters of life and death. Such an argument follows Marmot's (2010) discussion on health disparities as the most important form of inequality as differences in health might be the emerging result of unequal opportunities in general; for example, differences in access to education can lead to differences in life expectancy.

As argued above, however, differences between social groups should not be seen as problematic per se. Inequality cannot therefore be seen as differences in general but as differences that are deviating from an assumed commonality of equality in a given context. In order to become unequal, the differences must limit the life possibilities of the disadvantaged part of the relation; the differences should be regarded as 'violations of human rights' (Therborn, 2013, p. 41), as they limit the capability to function fully as a human being and have the freedom to choose a life path of dignity and well-being. Thus, connecting the notion of inequality to the notion of right to housing, it could be argued that in an unequal housing situation, certain rights are not fulfilled.

Defining Housing Inequality

Translating Therborn's discussion of inequality to the field of housing, I argue that housing inequality should not be seen solely as resource inequality in the sense that housing is an asset which ideally increases in value, creating wealth inequalities between those who own and those who do not; housing inequality needs to be discussed also in terms of existential and vital dimensions. Thus, I define housing inequality as contextual norm-deviating differences regarding access to and quality of housing that limit the life possibilities of the disadvantaged by negatively influencing resources, such as income and wealth accumulation; existential matters, such as transition to adulthood; and vital parameters, such as health and well-being.

In this thesis, housing inequality will subsequently be empirically presented in terms of differences regarding access to and quality of housing and, analytically, how such differences get implications on life opportunities in terms of resource inequality, existential inequality, and vital inequality. In the first paper, such an empirical presentation and analysis is made on the case of young adults living in a disadvantaged area of Malmö.

However, as mentioned, the differences in access to and quality of housing and the consequences of such differences need to be put in context. As housing is distributed via market mechanisms, thus departing from other parts of welfare provision (See, e.g., Bengtsson, 2001; Torgersen, 1987), differences in income inherently influence differences regarding accessibility and quality of housing. Key questions therefore concern how different forms of housing provision are set up to minimize the implications of such differences in terms of the effect they have on people, and how much difference is regarded normatively acceptable in a certain context before differences become a societal problem. Some answers might be found in the national structure of housing provision.

Understanding Swedish Housing Provision

How should we understand variegated forms of housing provision; how do housing systems emerge and change? In the literature, there exists an almost abundant number of definitions and categorization

of forms, models, systems, and regimes of housing provision and how they emerge, reproduce, and transform (For an overview, see e.g. Somerville, 1994; Clapham, 2012; Lawson, 2012.) Roughly, many of them can be categorized in positivist or social constructivist approaches, respectively. In line with the critical-realistic point of departure for this thesis, approaches which describe housing in terms of complex relationships are of special interest. Three classic theories or concepts with such focus have been highlighted (See, e.g., Bengtsson, 2015b). First, the earlier mentioned concept *structures of housing provision* developed by Ball (1986) is based on identifying the necessary relationships that occur between actors in time and space and how these create and change housing supply structures, a concept which has been used by Harloe (1995) in his well-known study of the rental market in six countries, Sweden included. Second, Dickens et al., (1985) compare differences in how relationships between capital, land ownership, and employment are developed and analyse these relations to explain the divergent housing supply in Sweden and England. Third, Kemeny's (1995) well-used theory of *housing regimes* places the emphasis on corporatism, power relations, and institutions in understanding how different systems of tenure are created and changed.

The different explanatory models differ in their emphasis of capital, the power of institutions, and the character of the welfare state. They can also be seen as ontologically diverse. Where Dickens et al. take a rather empirical approach in describing a system's outcome, Kemeny's approach can be described more in terms of 'weak' social constructivism as he emphasizes how the actors' interpretations of reality lead to the creation of institutions, but without denying the existence of social structures. The use of the term 'regime' also brings to mind welfare, since a regime is often defined as 'a particular constellation of social, political, and economic arrangements which tend to nurture a particular welfare system' (Taylor-Gooby, 1996, cited in Stephens, 2016, p. 21). However, what the explanatory models have in common is that they all—albeit to a different extent—emphasize the relationship between social structures and actors as well as the actors' ability to create, influence, and reproduce these structures.

Swedish housing researchers have mainly been using the concept of housing regime for understanding the national housing provision. Although, the concept is often used in a wide sense—not only as focusing on institutions and tenure as Kemeny suggests but more broadly as the fundamental principles according to which forms of housing provision is organized. In my reading, Bengtsson (2013, p. 12) seems to regard a housing regime as roughly the same thing as a structure of housing provision and has later defined it as ‘the social, political, and economic organization of production, distribution, and consumption of housing’ (Bengtsson, 2015, p. 25, my translation). By extension, a housing regime could thereby be characterized by the constitution of relations between state, market, and civil society actors in the structure of housing provision. These actors may include non-profit and profit-driven rental housing companies, public and social housing companies, housing cooperatives, house-owners, interest- and lobby groups for all forms of tenures, tenants’ organizations, and so on—actors all having varying degrees of influence on the formation of housing policy. Below, I will describe the Swedish housing provision by briefly presenting its main *empirical* components. This is done by leaning on Bengtsson’s (2002; 2013; 2015a) interrelated and overlapping pillars of the Swedish housing regime: (1) a universal housing policy, (2) municipal housing companies, (3) an integrated rental market, and (4) a system of collectively-negotiated use-value rents.

The Universal Housing Policy

The bearing pillar of what scholars call the housing regime has since 1946 been a *universal housing policy* aimed at all citizens, without means or needs testing. Housing consumers are not categorized in terms of income, financial wealth, or other attributes. In other words, there are no differences in politics or policies for different income groups, nor are there specific ‘markets’. Connected to such a policy is, thus, the system of universal public housing (see below).

Certainly, housing regimes are in the literature often schematized according to the dichotomy of *universal* and *selective* regimes (Bengtsson, 2001; Harloe, 1995). The Swedish housing regime, with

its idea of ‘good housing for all’, is often described as a school-book example of a universal housing regime (Bengtsson, 2001, 2005; Fitzpatrick and Stephens, 2014). With its universal character, the housing regime is deeply connected to the configuration of what Esping-Andersen (1990) in his ideal-type categorization of welfare regimes refers to as the social democratic welfare regime (see also Lennartz, 2011). The key principle of the social democratic welfare regime is that the state—rather than the market, family, or civil society—is mainly responsible for guaranteeing basic economic safety through universal benefits, without means testing. Related to housing, this has historically implied a reliance on state-financed housing solutions, and also a low median age for leaving the family household to cater for oneself and find own housing, aided by cash benefits. However, the universal outcome of the Swedish welfare state is up for debate. The past decades have seen an ongoing discussion among scholars on if and how the welfare state is losing its universal character (See, e.g., Korpi and Palme, 1998; Lindbom, 2001, 2011; Bergh, 2004; Béland et al., 2014).

Connecting housing to welfare has been proved to be a complex issue due to its inherent use and exchange value. Esping-Andersen refrained from including housing in his well-known typology. Kemeny (2006, p. 9) refers to housing as a sector regime, ‘a welfare dimension where certain sector interests have an entrenched role’, and Torgersen (1987) has labelled housing as ‘the wobbly pillar under the welfare state’. However, what is significant for the universal housing regime is the dependency on the relation between the welfare state and the capitalist housing market in providing housing for the general public. A universal housing regime is characterized by the state being expected to *correct* the housing market so that actors on the housing market can provide housing for all types of households, regardless of their economic situation (Bengtsson, 2001). Taking Sweden as perhaps the most well-known example of such a regime, housing has become the ‘market commodity of the welfare state’ (Bengtsson, 1995). The state’s role is mainly one of interventions, seen as correctives of the market. Examples of these correctives are various types of subsidies, tax policies, regulations, and allowances—such as the *housing allowance*.

The housing allowance could be regarded as the selective measure towards housing consumption of central importance for actualizing the universal housing policy. The allowance is a cash contribution directed to families with children and young adults (18–28) with low income. Beside generally assisting households in economic deprivation, the allowance makes it possible for these groups to gain access to the rental sector. The allowance is essentially based on two variables: the gross income and housing expenses. Both variables have limitations—an income ceiling which decides if you are eligible for the allowance, and a maximum rent level which is used for the calculation of the allowance.

The state correctives can be argued necessary for upholding the universal approach, implying a universal and programmatic right to housing. As Bengtsson (2001) states, the main message of the Swedish housing regime is that housing is a social right, but people should be able to exercise that right on the market. Correcting the market has endeavoured to uphold this right. Thus, the universal housing regime of Sweden could be said to have selective measures in order to become universal (Bengtsson and Rothstein, 1997, p. 269), which echoes Titmuss' (1974, 2006) argument that all universalist welfare systems require some selectivity. Indeed, Titmuss concept of *positive selectivism* is of use for understanding the Swedish housing provision. Titmuss argues that universal solutions are never sufficient in reaching all groups; but extra resources for vulnerable groups, additional to universal benefits, could even out inequalities. Further, it could be argued that the Swedish housing regime is based on the principles of *proportional universalism* (Marmot, 2010)—a universal measure with a scale and intensity that is proportional to needs.

Indeed, whether the approach of public housing has been truly universal is debatable. Swedish public housing has never been automatically all-encompassing. First, as I will show in chapter 5, the universalism of public housing has been locally and temporally bracketed in terms of who have been able to enter public housing. Second, the universal approach has been in need of support structures in

order to include individuals that are incapable of solving the housing issue on their own, for example, due to problems related to mental illness, substance abuse, or other issues making them unable to request a rental apartment on the general market. For those individuals, local authorities offer support through what is called the *secondary housing market*. The local municipalities' social authorities rent apartments from housing companies (both private and public) and, in turn, sublet these apartments via restricted 'municipal' or 'social' contracts to their clients, who are deemed unable to manage an ordinary rental contract (See, e.g., Sahlin, 1996, 2006). Thus, although these individuals are technically not excluded from the housing market, they are included through a parallel market—making them dependent on the discretion, judgements, and decisions of the local social authorities. In my papers, I discuss how this parallel market is growing and also how it is characterized by insecurity and uncertainty, which have bearing on housing inequality. In fact, Sahlin (2006) has shown how the secondary market rather aggravates the risk of being excluded from the housing market.

Connected to the universal principle of the housing regime is also a distinctive policy on tenures—mainly differentiated in public rented, private rented, owned, and cooperatively owned (for market shares over time, see Figure 8). Endeavours for variation of tenure and an interrelated principle of *neutrality between tenures* have been central in the universal housing policy. The principle of neutrality between tenures was introduced with the 1946 housing policy, implying that a certain kind of tenure should not be benefited cost-wise, standard-wise, or regarding influence (Bengtsson, 2013). Neither should any tenure favour any certain social composition, meaning that all types (stand-alone house, multi-story apartment, etc.) and sizes of dwellings should be available for renting as well as ownership. The principle was thus meant to promote a 'versatile composition of households'—that is, to create neighbourhoods with variation in forms of tenure which would imply a variation in the composition of households (for example, with regards to income, occupations, etc.). The principle of cost-neutrality could also be seen as creating equal conditions for capital accumulation among property owners of diverse

tenures, thus creating financial incentives for private housing companies to build and invest in rental properties.

As I will describe in part II, the principle of cost-neutrality was later sharpened as a reaction to financial benefits of owned housing in the early 1970s. As a remnant from old taxation policy, Sweden has a system of mortgage tax deduction, meaning that parts of the mortgage costs for loans on owned housing or cooperative apartments are deductible from the taxable income. In the 1970s, the households were able to deduct 100% of the mortgage costs. With the principle of cost-neutrality, the 1974 Housing Act implied that a tenant in a rental apartment should be subject to the same relative housing costs as a house-owner, which has led to a decrease in the maximum deduction for mortgage costs over time. Hence, the rental housing sector was not to be seen as less desirable than owned housing, neither by the tenant nor by the investor or property owner.

Universal Public Housing

Intertwined with the universal housing policy is then the constitution of the rental sector and, in particular, the system of *universal public housing*, constituted by municipal housing companies (MHCs)—that is, housing companies (to a majority) owned and politically governed by the local state. Swedish MHCs are not needs tested or selective—as opposed to dual rental markets (Kemeny, 2006), where state-driven or -supported housing actors as a rule provide social housing for low-income households through means-testing, while market operators provide rental housing for the rest of the households. Instead, public housing is available for the general public, is usually applied for by an open queue system, and is supplemented by housing allowance and a secondary housing market.

Being the research subject of the thesis, the model of public housing and MHCs has been introduced earlier, and I will return to the birth, characteristics, and development of the public housing sector throughout the thesis.

The Integrated Rental Market

The third pillar is concerned with the constitution of the rental market of which the public housing sector is a part. The Swedish rental market is regarded as the role model of what Kemeny (1995, 2006) calls an *integrated rental market*—where public and private landlords operate on the same market and under the same conditions, thereby also competing over and catering for the same (universal) target group. They are ruled by the same regulations and under the same model of negotiated rent setting. The recent development of market-adaptation of public housing has indeed strengthened this principle; however, it made it less useful as a signifier, which I will return to.

The System of Collectively-Negotiated Use-Value Rents

The fourth and final pillar in the housing regime is the system of *collectively-negotiated use-value rents*, introduced in 1969 and fully incorporated with the Housing Act in 1974 (see chapter 5 for a description of the development). The system consists of two interrelated parts. First, annual increases in rents—as well as rent levels for newly produced housing—are as a rule set through local negotiations between the property owners and the Swedish Union of Tenants. The MHCs have until 2011 been setting the benchmark in the negotiations, meaning that private property owners have not been allowed to raise rents more than the raise negotiated between municipal housing companies and the local union of tenants. Second, the system of use-value means that rents are not based on market values but on the use-value for the tenant, defined as objective characteristics that are considered relevant to the tenant. The aim with the system of use-value and collectively-negotiated rents is thus to emulate market principles but with a protection for ‘unreasonable’ rents raises (Bengtsson, 2013; Boverket, 2014).⁴ Rents are set in relation to other apartments which are regarded as having the same use-value. Factors affecting the use-value are size, layout, standard of appliances, and standard of repairs. The location within the house, in the city and the proximity to communication also affects the use-value of the apartment. However, the year of construction

⁴ According to the original idea, the principle of use value-rents would reflect the supply and demand of a market in ‘perfect balance’ (See, e.g., Bengtsson, 2004).

does not influence the use-value rent, a principle aiming to keep the rents down in newly produced buildings (Lundqvist, Elander and Danermark, 1990). The principle of use-value has no bearing on the yearly negotiations of rent adjustments, which as a rule is negotiated on the basis of inflation and costs for property management. However, if a negotiation is stalled due to the inability to reach an agreement, the rent for the individual apartment can be challenged in court, where the use-value is invoked (Bengtsson, 2004).

The use-value system has proven to be important for tenure protection against eviction and unreasonable increases in rents, but it has also been argued as dampening—but not hindering—socio-economic segregation (Lind and Hellström, 2006; Enström Öst, Söderberg and Wilhelmsson, 2014) although this was not a reason for introducing it. The system is however facing harsh critique. Although not regulated in its true meaning, the model is by above mentioned researchers referred to as a ‘soft’ rent regulation and is frequently referred to as a rent regulation by the critics of the system who argue for the perks of market-based rents.

Towards European Mainstreaming

When trying to categorize different national housing systems using the demarcation between universal and selective housing regimes, it becomes obvious that such a categorization is easier than ever. As I describe in my papers, the European commission’s demands on competition has led to a mainstreaming of housing regimes towards different degrees of selectivity (Europolitics, 2011; European Parliament, 2013). It could be argued that Sweden and Denmark is following the same path of competitive marketization of universal public housing. But while universal in principle, Denmark’s public housing is still state subsidized, in return for allocating 25% of their stock to low-income households (See, e.g., Nielsen, 2010; Jensen, 2013; Larsen and Lund Hansen, 2015). The development leaves, in my reading, Sweden as the only remaining ‘true’ integrated rental market and universal housing regime in Europe.

Thus, the dichotomies of integrated vs. dualistic rental markets, respectively universal vs. selective housing regimes, may be seen as a

bit obsolete. This has also been highlighted by Stephens (2016; 2017), who argues that Kemeny's model is dated as it has not developed with the changing core characteristics of what it is examining—for example, the development of social housing, the increased financialization of housing, and the increased generational divides. Moreover, says Stephens, the theory is 'curiously silent' on expected outcome of housing regimes (Stephens, 2016, p. 26).

While it is interesting per se that Sweden is the last truly universal housing regime in Europe, such a conclusion would also suggest that we revise the use of the concept of housing regime. While I take my point of departure in the concept of universal housing regime in one of my papers, I will here use housing regime in its broad sense for categorizing the empirical pillars that constitute a specific form of housing provision. From a critical realist perspective, there might be other alternatives for explaining the complex relations of housing provision. In the forthcoming, I will argue that the concept structures of housing provision (Ball, 1986) is an appropriate choice as it implies that forms of housing provision are subject to fluctuation, thus less rigid than what the term 'regime' implies. By analysing housing provision forms in terms of structures, SHP highlights the continuous relation between structure and agency—thereby creating room for an analysis of the actor's discretion of actualizing mechanisms having outcome on housing inequality, which I will return to in the third subchapter.

The Structures of Housing Provision Revisited

Ball's (1986) theory of structures of housing provision focuses on complex social relations and proposes that we look specifically at the relations of finance, property (land), and labour and welfare, as also suggested by Dickens et al. (1985) and Lawson (2006). Applying the critical realist demarcation between 'necessary' social relations and contingent conditions in open systems, we could now understand how—under certain circumstances—such relations actualize certain mechanisms leading to spatio-temporal clusters of emergent social relations (i.e., structures of housing provisions). Below, I lean on Lawson (2006) to draw out the necessary relations in the

Swedish structure of housing provision with a special focus on the rental sector and connecting the relations to housing inequality.

First, *financial relations* are relations which influence the distribution of credit, entitlement, and other resources amongst different societal groups in regard to housing; thus, they contain two circuits of capital, one between the lender and housing constructor/owner and one between landlord and tenant. The financial relations of interest for housing inequality are, as we can suspect, plentiful. Relations between the state and the market are, for example, tax regulations towards property owners and also subventions for and regulations of construction, which can have bearing on inequality. Constructing a house is costly, and there are significant relations between lenders and property owners. In the second circuit, there are relations between the tenant and housing company regarding the payment of rent, which also involves the Swedish Union of Tenants and state regulation on rental systems.

On a general note, linking financial relations to the idea of universalism and the state as a market corrective, a housing market not interfered with will, according to such an idea, generate inequalities. If no action is taken, the risk is that some people will have a housing standard that is unacceptably low, argue for example Lind and Lundström (2007). Thus, the bearing idea has been that in order to keep housing inequality at bay, the state needs to interfere with the capitalist housing market. As there is no state-subsidized parallel market, access to housing of good quality is to be guaranteed by the universal policy and general access to the integrated rental market. Universal public housing, spread out geographically, combined with a system of collectively-negotiated rents and housing allowances for low-income households are thought to decrease the significance of financial capital for getting access to good quality housing. In terms of quality, the national structure of housing provision relies on all operators to provide rental apartments and neighbourhoods of good quality and consequently has control mechanisms for this. The state's role in the necessary relation of housing finance is therefore of importance, considering that political decisions on state and local levels decide the nature of public housing and the housing

allowances and could interfere with the rental system. These relations between the state and housing actors also have consequences for the development of what is referred to as *tenure segmentation*—the uneven distribution of different social groups between different tenures (See, e.g., Skifter et al., 2016).

Second, *property relations* are the relations which influence the nature of use, exchange, and exploitation of land and, subsequently, patterns of investment in land development over space and time. We could pinpoint a number of relations of importance for housing inequality that is connected to the use and exchange of land. Traditionally, the state in the form of local municipalities are large land owners: A substantial share of all housing in Sweden can be traced to municipal land due to state policy that evolved after the second world war; municipal land ownership was a condition for the massive housing construction during the 1960s and 1970s (see chapter 5) and has been decisive in counteracting land speculation (Dickens et al., 1985, p. 109; Caesar, 2016, p. 20). In order to counteract inequality, land ownership has potentially large significance. Municipalities can in their allocation of land demand what type of tenures should be built and demand maximum rent levels. In this way, property relations are also of importance for the development of tenure segmentation.

Third, *welfare-labour relations* are relations which influence the cost of housing construction, the capacity to consume housing recourses, the labour conditions required to maintain housing costs, and the domestic services to reproduce productive labour. The development of welfare-relations obviously has great impact on housing inequality, as such relations influence the uneven possibilities to consume housing recourses as well as the labour conditions required to build and maintain housing costs. These relations are thereby strongly connected to the character of the welfare state since the conditions to access housing are linked not only to own income but to the role of the state, family, social networks, and other societal institutions that in different ways can contribute to the provision of housing (cf. Kemeny, 2006). Such a discussion could be expanded to, for example, the development of the relation between capital and the trade

union in the construction industry. Such relations fall outside the scope of this thesis. There are, however, some specific relations that are of interest—for example, socio-economic development, inequalities in wage development, and how such inequalities relate to housing costs. A welfare relation of great importance for this study is the housing allowance, which above has been argued as the central selective measure needed to actualize universal housing and promote housing equality.

While Lawson's distinction in necessary relations and contingent conditions operate on a high level of abstraction and is rather complicated, I have found it useful to structure the historical trajectories of Swedish public housing (see chapter 5). Moreover, the foundation in critical realism is useful for discussing how structures of housing provision emerge and develop.

A Structured Coherence with an Institutional Fix

According to Lawson's critical realist approach, each necessary relation, such as those I have given examples of above, is defined and developed through a number of contingent conditions. The necessary relations under contingent conditions create clusters of emergent relations, limited in time and space. Inspired by Lawson (2006) and Sum and Jessop (2013), I argue that such clusters are examples of structured coherences. A structured coherence is by Sum and Jessop discussed in terms of spatio-temporal fixations of stable structures and discourses. Such structured coherences include not only economic but also political interdependencies and joint discourses (See, e.g., Dannestam, 2009). The coherences are kept stable by institutional fixes. Institutions (concrete social structures) get fixed in time and space through well-defined boundaries. Thereby, I regard institutional fixes as complementary sets of institutions (See, e.g., Sum and Jessop, 2013, p. 247) that help preserve and secure structured coherence. The institutions can, via their character, offer provisional but stable solutions to problems emerging in the economic, political, and cultural order. In chapter 5, I will argue that *allmännyttan* has had such a specific institutional role in the structure of housing provision. However, as the contingent conditions change, so does the emergent outcome of the necessary relations and,

thus, the structured coherence and its institutional fix. Therefore, of interest for my analysis of allmännyttan are not only the changes in the structure of public housing but also the effect of the development of the structure of housing provision at large on public housing. Such an analysis is necessary for understanding the change of allmännyttan and my analysis of the actualization of mechanisms decisive for housing inequality.

Mechanisms of Relevance for Housing Inequality in the National Structure of Housing Provision

Each structure of housing provision has a specific configuration of its necessary relations—a configuration implying the reliance on the actualization of certain mechanisms, which might have a certain output in terms of counteracting housing inequality. In the case of the Swedish structure of housing provision, the overarching policy aim of ‘good housing for all’ clearly obliges a certain assumed commonality on low housing inequality. Throughout the thesis, I argue that the universal approach of the Swedish structure of housing provision depends on a norm that implies all citizens, regardless of inherited conditions or current income, should be eligible for obtaining a rental apartment. This is regarded as the foundation of keeping housing inequality at bay and, thus, captures the *potential significance* for counteracting housing inequality.

In order to result in an outcome aligning with such an approach, an *inclusive mechanism* would be needed. Other mechanisms that I argue are of relevance for housing inequality in this context are mechanisms counteracting tenure segmentation and stigmatization. While the structure of housing provision relies on inclusive mechanisms, it could be argued that mechanisms counteracting tenure segmentation and stigmatization are potential positive side-effects of the universal housing policy. In an integrated rental market—where neither private nor public rental operators would, ideally, be more likely to attract specific types of socio-economic households—segmentation would be kept low and no tenure would be subject to stigmatization. Further, if the public and private rental stock were geographically integrated, this would ideally have bearing also on segregation.

Nevertheless, many people are shut out from the Swedish housing market, which is also characterized by increasing segregation, segmentation, and stigmatization (Andersson and Hedman, 2016; Stigendal, 2016; Regeringen, 2017b). Seemingly, there are other mechanisms that counteract these mechanisms embedded in the nature of the universal housing policy and the generalist public housing.

In order to explain why these mechanisms are actualized or not, both necessary relations and contingent factors of the SHP need to be examined. In my research, the role and significance of public housing is dependent on both *endogenous* structural changes and *exogenous* contextual changes. Endogenous changes in the structure of public housing might cause changed mechanisms, for example, if a new actor becomes part of the structure. But exogenous changes in the contingent circumstances in which such a structure is actualized could also lead to new or altered mechanisms being actualized. Housing shortage, demographic development, immigration flows, strategies of municipalities' social services, and economic hegemonies are endogenous contingent factors influencing housing companies. Such circumstances could influence MHCs to refrain from, for example, renting apartments to low-income households, thereby contributing to the non-actualizing of the latent inclusive mechanism and leading to events that exclude low-income households from the local public housing market—in this thesis understood as increasing housing inequality. The study of contingencies thus includes the need for counterfactual questions. If other conditions would apply, would other mechanisms have been actualized? And would the consequences regarding housing inequality be different? As I will discuss below, the contingent conditions are of central concern for the discretion of MHCs.

Discretion for MHCs in the National Structure of Housing Provision

The third analytical concept of importance for the study is *discretion*. In order to understand the role of public housing in the contemporary structure of housing provision with regards to housing inequality, I argue that I need to highlight and examine the room for

manoeuvre for MHCs to counteract such inequality. For such an analysis, I rely on a critical realist understanding of MHCs as collective actors in a social structure, within which they are given a certain role and thereby are bound by certain expectations imposed on them but also are dependent on the contingent conditions applying in time and space. Such roles, expectations, and conditions imply certain limitations and possibilities. The results of these limitations and possibilities are in this thesis discussed in terms of discretion.

The term discretion is often defined as the freedom to decide what should be done in a given situation. The word originates in the Latin word *discerere*, which means to separate, discern, and distinguish. In *Leviathan* (1651), Hobbes wrote that discretion involves judging between ‘thing and thing’ and is required when ‘discerning is not easy’ (Hobbes, cited in Molander, 2016). In this sense, discretion becomes linked to individual reasoning that results in certain judgments. However, such reasoning must also be seen as linked to the space an actor has for making decisions, to an area of actions regarded permissible in a given context. Taking point of departure in Hobbes, Molander (2016) calls this kind of discretion structural, referring to a certain room for decision-making and action-taking on the basis of discretionary judgments—a view in my reading compatible with a critical realist perspective, which would regard discretion as the result of how actors identify the combination of possibilities and constraints in a social structure.

Identifying Discretion in the Relation Between Structure and Actor

This introduction of the concept of discretion leads to the classic conflict between social explanatory models that are based on social structures and actors, respectively. The question of man's dependency or independency of social structures has occupied social scientists for a long time and is considered one of the fundamental problems in explaining society. While theoretical approaches historically have been biased towards analyses of either actors or structures, later theories have mainly focused on the relationship between structure and agency (Lundquist, 1984; Danermark et al., 2002; Lawson, 2012; Bengtsson, 2015b). Perhaps the best known approach of such character is Giddens' (1984) *structuration theory*. According to

structuration theory, structures and actors are seen as a duality—two sides of the same coin, inextricably linked. Social structures are made of actors and thus cannot exist without them. Similarly, actors do not act in a vacuum but in specific situations that can qualify as social structures. Actors in a social structure are related to each other, implying that they can be affected and transformed. This relation is characterized by the actors positioning themselves to one another by having different roles, argue Sayer (2000) and Danermark et al. (2002), who define social structures as a set of internally related objects, meaning that the objects relate to each other in a way that constitutes them. The relation between the objects makes the objects what they are: it defines their roles. And objects cannot exist in their roles without each other. A landlord, for example, could not be a landlord without a tenant. An academic supervisor cannot be a supervisor without a PhD supervisee. These internal relations are thus necessary for the existence of the social structure.

Social structures exist in specific places, at specific times, and at specific scalar levels. A social structure at one scalar level can be a collective actor in a social structure on a different level; the boundaries between actor and structure are not always clear. As stated in the introduction, this thesis differentiates between the national and municipal scalar level of public housing. The former, which could be referred to as the ‘model’ of *allmännyttan*, is a social structure comprising the circa 300 MHCs nation-wide and the MHCs’ national organization SABO as collective actors having different roles. But what I refer to as ‘*allmännyttan*’ is also a collective actor in the national structure of housing provision, alongside private rental operators (organized by the association *Fastighetsägarna*), housing cooperatives, the tenant’s union, governmental institutions, et cetera. SABO also represents *allmännyttan* in various other social structures; when the future of *allmännyttan* was up for discussion in the European Commission, SABO was a key actor (see chapter 5).

The second scalar level dealt with is the municipal level. Here I regard the local MHCs as *institutions*—specific and concrete social structures. In such a structure, there are individual actors. A tenant has a role, the property manager another, the CEO has a third role,

and a fourth role is that of the accountant. However, a local MHC becomes a collective actor in certain other local structures; the local municipal development plans could be regarded such a structure where the MHC competes or cooperates with other actors. Another social structure is created when the MHC decides to build a new apartment building. Specific actors such as architects, various municipal departments, and contractors now become engaged in a social structure over a specific time.

Regardless the scalar level, it is the actors that constitute the structures, which change in time and space, through their social relationships. The relationship between the actors reproduces the social structure (Giddens, 1984; Danermark et al., 2002), for example, by the tenant paying rent to the accounting department at the local MHC or by SABO promoting the universal housing policy in the national and international debate. Returning to the concept of discretion, the actors are not free to act in any way they want as the structures restrict them from doing so by certain limitations and possibilities embedded in their roles. They have a certain amount of discretion. But this discretion is connected not only to their roles but to certain discourses. A tenant needs to relate not only to the amount and due date on his or her rent invoice but also to the company's codes of conduct for tenants. The company's controller has to relate to guidelines for late payment of rents. The caretaker has to relate to routines for maintenance, but perhaps also to guidelines for dealing with disturbance. The management needs to relate to ownership directives and objectives for housing construction, which in turn have been determined by a different social structure formed by the municipality's political leadership. While social structures obviously are the result of social relations between individual and collective actors, it is sometimes argued that physical items are part of social structures (See, e.g., Latour, 1992; Latour and Wennerholm, 1998). Indeed, items as regulations, legislations, and policies become important as they interfere with social structures when the actors need to relate to and interpret such items. Hence, in my research, I regard items such as the municipality's ownership directives and formulations in the regulation of MHCs as internal items that the actors need to interpret. Such items become connected to certain

discourses, and discourses imply certain steering principles. Hence, the interpretation of items limits and enables specific horizons of actions. This perspective on discretion being inherent in social structures is further developed in critical realist discussions on the structure-agency dilemma.

A Strategic-Relational Approach to Discretion

In my research, I follow the development of Giddens' structuration theory as suggested by critical realist thinkers (Sayer, 2000; Danermark et al., 2002; Jessop, 2005), who add the distinction between the ontological domains of the real and actual to Giddens' scheme. Critical realists treat structure and agency as something latent or underlying which needs to be actualized. Such a point of departure is central in the Jessop developed⁵ *strategic-relational approach* (SRA), described as an 'institutional turn' in political economy,⁶ underpinned by critical realism. The strategic-relational approach was developed by Jessop in his analysis of state theory (Jessop, 1990), heavily influenced by Poulantzas. SRA has since then been developed as an approach to the relationship between structure and agency, building on the critique of Giddens' (1984) structuration theory and the development of historical institutionalism (See, e.g., Pierson, 2004; Bengtsson and Ruonavaara, 2016), suggesting a 'dialectical duality'—meaning that actors and structures presuppose each other, are dependent on each other, and therefore must be analysed in relation to each other. Thereby, SRA explores structure in relation to actions and actions in relation to structure (Jessop, 2005).

The Selectivity of Structures—Implying a Certain Discretion

Central to the strategic-relational approach is a view of structures as *selective* in their form, content, and operation. This means that a given structure may privilege some actors, some identities, some strategies, some spatial and temporal horizons, and some actions over others (Sum and Jessop, 2013; Stigendal, 2018).

⁵ SRA was originally developed by Jessop (2005), who has since then elaborated this approach together with Ngai-Li Sum in the broad theoretical current Cultural Political Economy (Sum and Jessop, 2013).

⁶ Political economy is here understood in its basic configuration as that 'the economy' is embedded in a political and social context. The political-economic approach thus problematizes the artificial demarcation of the society in different spheres, such as economic, political, societal, cultural, environmental, etc. (Jessop, 2004, p. 162).

Correspondingly, the structures can constrain actors. How this occurs depends however on how the actors take account of the differential privileging when they reproduce the structure. The actors' underlying powers, ideas, desires, interests, and strategies are crucial to the appearance of the structural selectivity. Therefore, the selectivity is described as *strategic*. Actors make conscious and strategic choices depending on how they perceive the opportunities and constraints, taking advantage of such opportunities through 'strategic context analysis' (Jessop, 2005, p. 48). In line with CR, the selectivity must be seen as underlying, as something that is potential and needs to be actualized. Thus, structures do not fully predetermine actions but should be seen as containing variations; there is always a certain *discretion* for the actors to 'pursue their roles in the structures more or less differently' (Stigendal, 2018, p. 42). How such discretion is used is naturally decisive for the actual events taking place.

In my third paper, I use the concept of discretion to discuss the diverging paths of public housing companies when reacting to the changes in legislation from 2011. I use empirical case studies to pinpoint how different MHCs in the structure of public housing identify and make use of their discretion. In this analysis, I lean on the SRA and its differentiation between four modes of *strategic selectivity*, which are summarized below.

Four Selectivities

According to SRA, it is first possible to talk about a selectivity inscribed in social structures—a *structural selectivity*. With their positions and roles in a structure, actors have different power in relation to each other and thus different discretion. Second, the selectivity can be *discursive*: connected to how sense- and meaning-making limit and enable actors. To define discourse, I rely on Fairclough (2003), who argues that discourse involves the way in which social events, actors, social relations, time, and place are represented or reproduced. Central to the argument is that discourses are strategically selective as they favour, frame, limit, or extend actors' arguments and identities and, thereby, limit or extends the social relations in the structure. In social structures, different discourses emerge and these provide meaning for the actors. But certain

discourses are more powerful than others and thereby get effects; they provide what Sum and Jessop (2013, p. 215) refer to as ‘asymmetrical constraints and opportunities’ in terms of who is authorized to enunciate something and what could be enunciated. Thus, discourses must not only be considered as providing sense and meaning for actors but also need to be considered causally effective, not the least when they form certain hegemonies or discourse coalitions (Dannestam, 2009). In my case, discourses can thereby be selective in the way they generate events counteracting or causing housing inequality by giving precedence to certain views of certain actors.

Third, selectivity can be *technological*, referring to how man-made technology transforms our surroundings and thereby contributes to how social relations are formed. Sum (2015) here develops a Foucauldian analysis of technologies, starting from an emphasis on social technologies or ‘arts of governing’ to a more all-encompassing account of technologies. Technologies are selective as they enable and constrain actors. Take municipal property allocation as an example. Such allocation provides opportunities and constraints in how social relations can be developed; variation between different tenures and architecture might, for example, be more or less beneficial for the development of meetings between people with different backgrounds. According the Foucauldian line of thought, technologies also provide governmental power. Tools connected to the municipal property allocation (for example, manuals, calculation spreadsheets, and maps) provide governing principles which become selective. How this selectivity is done, however, is dependent on the actors—making the technological selectivity strategic.

Given that structures are made by actors, selectivity can and must always be linked to the actors as they ‘make’ the selectivity by taking advantage of the opportunities or refraining to act where limitations seem to hinder them. Actors make strategic choices in relation to the other selectivities. However, how successful they are in their strategies depends on their own potential, which is crucial for their ability to ‘make a difference’ (Stigendal, 2018, p. 5). Therefore, according to Sum and Jessop (2013), selectivity must also be discussed in terms of *agential selectivity*, which refers to the ‘differential capacity of

agents to engage in structurally oriented strategic calculation' (Sum and Jessop, 2013, p. 217), as some actors are more skilled in, for example, the arts of rhetoric and argumentation than others. The agential selectivity thus implies that actors have varied capacity for identifying, highlighting and challenging the limitations and possibilities connected to structures, discourses and technologies.

Social Imaginaries and Path-Dependency

The four modes of strategic selectivity come to have a more or less performative power: They together form what Sum and Jessop, 2013, p. 165) refer to as *imaginaries*—semiotic ensembles, or meaning systems—which guide actors in their strategic calculation of the social world. An imaginary is thus first and foremost a discourse, but it is determined also by the combinations of structural, technological and agential constraints and possibilities. Using concepts from evolution theory, SRA argues that, among a certain *variation* of such imaginaries, the four modes of strategic selectivity shape *selection* processes between imaginaries and influence the *retention* of a specific imaginary. In Jessop and Sum's (2013) later development of SRA to a broad theoretical current called *cultural political economy*,⁷ the authors argue that imaginaries are different from discourses as they enable a process from construals to constructions of the social world, for example, how collective actors (such as MHCs) make decisions or engage in strategic action based on specific construals.

In the third paper, I discuss how the strategic selectivity in the structure of public housing has led to the emergence of a specific imaginary among municipal housing companies, and how such an imaginary influence the perceived discretion among MHCs and subsequently trigger certain mechanisms leading to actual events of

⁷ Cultural political economy (CPE) is ontologically underpinned in critical realism and has been developed as a critique of traditional understandings of political economy as a tool for analysing and explaining the social world. CPE is an attempt of making a 'cultural turn' in political economy, departing from the structuralist view that common understandings of political economy represent. At the same time, CPE is eager to point out that such a cultural turn most not be too steep, as it might risk falling into constructivist models of explaining the social world. The cultural turn that CPE represents thus seeks to integrate culture—or what Sum and Jessop (2013, p. 215) call *semiosis*—with the study of political economy. Semiosis, defined as 'social production of intersubjective meaning' (Jessop, 2008, p. 13) is used as an umbrella term for language, meaning, and representations—in other words, how we make the world understandable and meaningful.

significance for housing inequality in the local setting. I argue that if and how the discretion is used are of significance for how the MHCs as actors maintain and reproduce, or challenge, the social structure of universal public housing, thus contributing to, or challenging, the *path-dependency* of allmännyttan. Path-dependency in housing research is often discussed in terms of how an institution's earlier development shapes and limits its future development (See, e.g., Bengtsson, 2013; Bengtsson and Ruonavaara, 2016). Widening such a discussion with the help of critical realism and SRA, path-dependency can thereby be discussed in terms of strategic selectivity by highlighting how, for example, structural settings as well as hegemonies and technologies contribute to the intertie of structures.

Summing Up: Allmännyttan and Housing Inequality in the National Structure of Housing Provision

The analytical toolbox which will be used in the continuation of this thesis can be summarized in the following two paragraphs.

First, housing inequality—understood from an explanatory, relational, contextual, and multidimensional perspective—is analysed as the result of actualized or non-actualized underlying mechanisms. While MHCs as local actors have a certain discretion which they could use to contribute to the actualization of certain mechanisms, they are not free to act in any way they want. The structure they are part of—and reproduce—is selective, meaning that it may privilege some actors, some identities, some discourses and thereby some strategies before others. The combination of constraints and opportunities inscribed in the structure affect the MHCs' discretion; that is, depending on what the structure allows, the MHCs might or might not be able to contribute to the realization of mechanisms which counteract or enact housing inequality. Therefore, an analysis of the contemporary discretion, and whether the *endogenous* development of public housing has changed this discretion, is of importance for my research.

Second, the analysis of public housing's significance for housing inequality must be done in relation to the structure of housing provision at large, which in line with critical realism is regarded as

containing contingent conditions for allmännyttan. The development of such contingent conditions might influence the perceived discretion among MHCs. Moreover, even if one institution in the SHP, such as allmännyttan, counteracts or enacts housing inequality, such actions can be counteracted by other mechanisms actualized in the structure of housing provision. One institution's actions and behaviour can become a contingent factor for another institution's actions. Therefore, changes of the SHP are *exogenous* changes of interest for allmännyttan, of equal importance for the analysis of the discretion of public housing. Before presenting this investigation on endogenous and exogenous development, there is however need for a discussion on how such an investigation can be made.

4. METHODOLOGY, METHODS, MATERIAL

As I now have articulated *what* subject I intend to research and how I understand this subject and the social world it is embedded in, I need to move on with the interrelated dimension of *how* such research is to be done. The research purpose and questions, grounded in the ontological approach of critical realism, have some epistemological and methodological implications.

Critical Realist Methodology

Ontologically, I have touched upon how the aim of critical realism is to see beyond the *empirical* and *actual* domains of reality—to uncover and describe the mechanisms in the *real* domain that produce events and their effects—and how such an approach highlights the necessity to abstract the conditions which make something that could happen really happen. Methodology-wise, the critical realist goal of explanation and the three interrelated domains of reality call for different studies.

First, in order to illustrate the phenomena that I seek to explain, empirical studies of manifestations of housing inequality are necessary. Second, I need to identify and examine events taking place in the social structures that encapsulate the underlying mechanisms. As structures are made by actors, such an approach also means identifying and examining relevant actors. Third, in order to explain an event, not only the underlying mechanisms for this event needs to be identified but also the contingent conditions required for a mechanism to be actualized. As earlier implied, there are many possible relations in the social world with the potential of activating mechanisms. Is it possible to catch them all? As Fitzpatrick (2005, p. 10) claims, critical realist studies are demanding since they require ‘not only a description of social relations and events, but also a

commitment to explaining them by means of uncovering “hidden” dimensions of social reality’. In practice, this means not only studying the structure of public housing but identifying and analysing connected structures and actors of relevance.

In order to explore such ‘hidden’ dimensions, critical realism rejects both induction and deduction as logics of inquiry. Instead, abduction and retroduction as modes of interference form the backbone of realist research. In short, abduction involves the interpretation and contextualization of a certain phenomenon. Like induction, abduction takes its point of departure in the empirical observation, which the researcher tries to explain in the simplest and most pragmatic way possible. However, empirical observations are not a guarantee that the conclusion of the explanation is right. Rather, the researcher moves between their theoretical framework and their empirical material. By observing and interpreting something using a specific conceptual framework, the researcher could understand the observation in a new way and, thus, reconsider the empirical phenomena observed. Conversely, empirical observations could provide the input needed for the researcher to refine their conceptual framework (Alvesson and Sköldberg, 2009; Sayer, 2000).

In a next step of inquiry, retroduction goes beyond abduction, taking the ‘new’ explanation of a phenomena deriving from the abduction process further by searching to abstract the basic conditions needed for these phenomena to occur and to be what they are. Thus, the researcher aims to identify the essential and constitutive factors for what appears to be happening to actually happen. Retroduction thereby also involves active reflection and restructuring of the research and refining, revaluating, and modifying the relation between the entry points and the empirical findings (Sayer, 2000; Lawson, 2006; Stigendal, 2018; Alvesson and Kärreman, 2011).

Explanatory Truth and Generalizations About Allmännyttan and Housing Inequality?

Using logics of abduction and retroduction, my ambition is to ‘go beyond’ observed patterns or regularities of the changes and course of events in allmännyttan to discover what produces such events.

However, the explanatory approach of critical realism does not mean that the critical realist makes claims of explanatory truth, as positivists do when pointing to observable causal connections (see chapter 2). Instead, the ontology of critical realism challenges researchers to ‘understand the complex, dynamic, and structured nature of their object to study in order to postulate, refine, and offer practically adequate explanations for continuing critique and development’ (Lawson, 2006, p. 19). Thus, my aim is not to provide a blueprint of causality between the actions of public housing companies and the unequal housing situation in cities. Rather, I search to explore the latent mechanisms inherent in the social structures connected to Swedish public housing and find the conditions that are necessary for such mechanisms to actualize into events. Such an epistemological approach can make it possible for me not to claim truth in a ‘positivist’ manner but to explore the contingent conditions needed for something to happen in a specific context.

Instead of searching for statistical correlation, critical realism promotes in-depth case study research which includes an openness for the shifting context (cf. Alvesson and Kärreman’s [2011] reasoning on historical case studies). In order to make explanations, the necessary social relations and the contingent conditions of each case must be empirically tested. The spatio-temporality and context-dependency of structures needs to be taken into consideration. What generalizations could then be made using a critical realist approach where the contextual parameters seem to be everything? Is generalization even possible? For a critical realist, generalization on explanation becomes dependent on comparing also the context of each case. Thus, I could rely on what Bengtsson and Hertting (2014) call thin rationality, meaning that two different actors supposedly act in the same way under similar conditions. Such an approach might be contested in relation to the explanations of critical realism and SRA’s selectivity of structures. Social structures are in a great state of flux. Actors are not bound by structures but constantly form them and, thus, ‘make’ the selectivity the structures impose on them. When examining causal connections, I need to take into account this dialectic relationship between structure and actor. Would two actors, independent of each other, in similar structures act in the same way?

Selecting Methods

In line with the research aim and the differentiated ontology of CR, method triangulation is needed for a retroductive study of the underlying mechanisms, the contingent conditions needed for the actualization of mechanisms, the actual events, and the empirical effects of events. Triangulation (the combination of methodologies in the study of a phenomena) makes it possible for the researcher to create a variation and a rich empirical data that allows for width and depth (Alvesson and Deetz, 2000; Stigendal, 2002; Silverman, 2011), as well as avoid the weaknesses of relying on subjective qualitative data or relying on 'lifeless' positivist records (Jick, 1979).

However, where housing outcomes are measurable, underlying causal mechanisms are not. Realist researchers mean that revealing the underlying causal mechanisms of change and difference can only be done by strategic case study research, also involving historical development. For that purpose, a five-year PhD project of following the development of public housing suits rather well. Case studies of public housing in eleven municipalities, some of them longitudinal, and the 'larger case' of historical development of the public housing sector in its political-economic context since the 1930s has given me possibilities to examine the structure of public housing on a local and national scalar level as well as place it in its political economic context.

In these case studies, triangulation through interviews, surveys, and literature studies has been conducted. In order to understand what housing inequality is about on the empirical domain of reality, I needed to consult statistics, but I also needed to talk to people who are facing housing inequality. In order to examine the events in the MHCs, I needed to perform interviews and surveys with the actors, as well as review documents, news articles, et cetera. And, finally, in order to identify key mechanisms and the contingent conditions that can actualize them, I needed to make historical document studies and make interviews with actors both within and outside the structure of public housing.

Such triangulation is arguably also suitable for abductive and retroductive logics of inquiry. For example, initiating the research with quantitative survey data can make it possible for me to better formulate the conceptual framework, laying the ground for a more refined qualitative research in local case study interviews. Thus, interviews, survey data, register data, and text analysis have all been equally important for my research and the abductive and retroductive process. Such a triangulation over five years has also rendered a large amount of data. In the forthcoming, I will discuss the data collection in my research, which has partly been dependent on the constitution of the research projects constituting the PhD project.

Three Projects Framing the Research

My PhD research project has been constituted and partly funded by three different research projects with different focuses and research aims. This specific setting has helped me form the research idea centring on the development of Swedish public housing in relation to social inequalities. Two of the projects have been directly connected to Swedish public housing at national and local levels. The project *Nytan med allmännyttan*, funded by SABO, had the research aim of examining the nexus between allmännyttan's dual demands on social responsibility and financial profit. The project *MKB i en ny tid*, funded by the municipal housing company in Malmö MKB Fastighets AB, had similar aims but focused on specific projects initiated by the MHC. The third project, the European FP7-project *Citispyce*,⁸ dealt with young people facing social inequality in cities across Europe and how this inequality is combated by 'innovative practices'. Thus, while two of the projects dealt specifically with public housing in Sweden but not with inequality, at least not explicitly, the third one dealt specifically with inequality but not with public housing, at least not explicitly. Combined, the three projects provided substantial and highly relevant empirical material regarding housing inequality and public housing on international, national, and local levels.

⁸ The Citispyce project has received funding from the European Union's Seventh Framework Programme (FP7/2007-2013) under grant agreement n° 320359

Data Collection

The three research projects have in different ways influenced the data collection process, as they had different focuses and research aims. Moreover, two of them have been designed in cooperation with several other researchers before my own research idea was formed. Thus, some of my early empirical material has informed and formed my conceptual framework, which in turn has formed the next steps in my data collection. Such an abductive approach has created a progression in my data collection.

Starting chronologically, the *Citispyce* project (2013–2015) was divided into several work packages, all with different aims. The first work in the project (spring 2013) focused on desktop research, aiming at analysing national and local policy documents related to the labour market, the welfare regime (including housing), and democracy. Later work packages had an ethnographical approach. During late 2013–2015, interviews were conducted by me and my project colleagues (Johanna Lindén, Jonas Alwall, and Mikael Stigendal) aiming to hear the voices of young people, politicians, civil servants, and representatives of NGOs regarding how young people face social inequalities in the area Sofielund in Malmö and also how ‘social innovations’ for and of young people combat these social inequalities. As the City of Malmö had been a partner in the project, we were able to cooperate with city officials when approaching young people in the area. Through employees within the City’s official institutions, we were able to reach young people who are involved in various unemployment or activation measures as well as young people in employment or education. Except for this controlled and representative sample of young people, random young people in the area were approached in the open space and in meeting places run by NGOs and the City district. Information about the project was posted in the area, at libraries, and at Malmö University’s different faculties all over the city in order to attract informants. The interviews were conducted at meeting places in the area, mostly during daytime. While most of the informants were individually interviewed, a couple of group interviews were completed. The *Citispyce* project ended in December 2015. In total, my colleagues and I have met with 50 young people living in Sofielund or seeing Sofielund as ‘their’ area.

Of these, 39 people were formally interviewed, individually or in groups, recorded and transcribed in full. The youngest of these (three sixteen-year-olds who still went to upper secondary school and lived at their parental home) were excluded from my research on housing inequality, limiting the case to 36 young adults (aged 19–28). In addition, a number of civil servants and representatives were interviewed. My work in the project has resulted in a number of work package reports (Grander, 2013; Grander and Alwall, 2014; Grander and Stigendal, 2014; Grander, 2015c, 2015d) and one published book chapter (Grander and Stigendal, 2018).

Second, the research within the project *Nyttan med allmännyttan* (2013–2015) utilized a combination of qualitative and quantitative methods. In the initial phase of the research project (late 2013), a digital survey was sent to all MHCs in Sweden (266 at the time for the study) with the purpose of examining the situation regarding social responsibility and the adaption to market principles. Of 259 valid respondents, 184 responded, giving a response rate of 71%. Non-response analysis shows that respondents represent the population as a whole in terms of share of public housing in the municipality as well as political and geographical variation. However, regarding size, the share of smaller companies is somewhat larger in the total population than among the respondents. A second survey was sent to the 290 Swedish municipalities, of which 108 (41%) responded. Although less answers than hoped for, a non-response analysis gives a good representation of respondents in relation to the country as a whole. All survey data have been compiled in a register file, together with additional register data from Statistics Sweden (SCB), The State Department of Housing, Building and Planning (Boverket), and Sveriges Kommuner och Landsting (SKL). The data have been analysed using the statistical-analytical software SPSS. During 2014, the surveys were followed up with in-depth case studies. MHCs in nine municipalities⁹ were selected for field studies, interviews, and document reviews, using a number of parameters for selection. MHCs in Sweden's three largest cities (Stockholm, Göteborg, and Malmö) were selected as segregation and social inequality

⁹ Malmö, Göteborg, Stockholm, Landskrona, Örebro, Södertälje, Berg, Kramfors, and Norrköping.

is palpable in these cities. Also, public housing has been of varied importance in these cities. Other parameters for selection were a variation in the size of companies and municipalities as well as geographical location. The selected MHCs and municipalities were visited between June and December 2014. Interviews and field visits were carried out together with my colleague Stig Westerdahl. In each municipality, between three and eight interviews were made. The MHCs Managing Director, the CFO, and the person in charge of 'social responsibility' were interviewed in each municipality. In addition, representatives from the political boards of the MHCs and the municipality administration have been interviewed. In some cases, both representatives from the political majority and the opposition participated in interviews. We also met with area developers, project managers, and various other employees. In most cases, the interviews were conducted in the MHCs localities and were recorded and transcribed in full. In total, we met with 46 people during 44 interview sessions. The last interview was conducted in January 2015, and the project ended formally in September 2015. My research in the project has resulted in two chapters in the anthology *Nytan med allmännyttan* (Grander, 2015a, 2015b).

Finally, the project *MKB i en ny tid* (2013–2017) has been labelled an on-going research project,¹⁰ where my task has been to follow a number of case studies with different character¹¹ initiated by the MHC MKB Fastighets AB in Malmö. The overarching aim of the research project has been to analyse if and how the different cases contribute to social benefit and simultaneously if and how they could be regarded as corresponding with the current legislation's demands on businesslike conditions. The research process, however, has been seen as equally important as the outcomes of the research on individual cases. On-going research is centred on the researcher's active participation during the whole project process and focuses on

¹⁰ On-going evaluation has been advocated by the European Union, for example, in the previous Structural programme period (2007–2013) and is defined by the European Commission as a series of in-depth studies, comprising successive analyses of evaluative questions which have appeared during the implementation. It is argued as advantageous since it 'allows for effective collaboration between the evaluator and programme managers, which in turn favours a better appropriation of conclusions and recommendations' (European Commission, 2013, p. 107).

¹¹ Örtagårdstorget, Holma torg, Greenhouse Augustenborg, and Bosociala utvecklingsgruppen (Workgroup of social relational developers).

not only outcomes but also the process itself. According to this approach, the evaluation of a project must rest on a view of results as something other than just reaching goals or fulfilling success criteria (Brulin et al., 2013). The methodological approach in the MKB project has thus taken an abductive form, where the research has been allowed to adapt to the proceedings in the four case studies and sees the process of them as important as the final outcome. Qualitative studies have been made with the aim to examine the strategies of the MHC when it comes to balancing social benefit and businesslike principles. Material for the study has been collected through interviews, group interviews, and participations in meetings and workshops as well as through observation. Among others, I have interviewed the two CEOs (a shift in management was made in 2014), the CFO, the CSR-responsible, property managers, accountants, valuers, the chief of property management, property directors, representatives from the political board, and a number of persons working close to the tenants. Several focus groups have been done with employees and tenants. Surveys with representative samples of MKB residents have been done in two of the areas. In addition, I have also interviewed city officials working with housing provision and city planning. I have formally interviewed 41 persons, either in group interviews or individual interviews, some of them several times. As an ongoing researcher, I have met with employees regularly, taken part in project meetings, and had more informal talks. A journal has been kept over all events connected to the project. In addition, a large number of texts, reports, and other secondary data have been analysed. A large longitudinal statistical material has also been obtained from the controller of the MHC, which has been analysed in relation to the four cases.

In line with the abductive and retroductive methodology, I have during the last years of my research come to the conclusion that additional perspectives than those planned would be needed. During the last years of the research, I was invited to present and discuss my research in a state investigation (SOU) and at several branch meetings. I was appointed a commissioner in the *Hyreskommissionen* (the rent commission), an independent commission launched by the Swedish Union of Tenants with the aim of suggesting development

of the rental setting system and the future rental tenure. These relations have provided me with many valuable insights but have also given empirical material in form of data of costs for property owners and access to key interview persons. Therefore, five additional persons have been interviewed; people working in other MHCs (Västerås and Botkyrka) than the previously interviewed, two representatives from private rental operators and an employee at The State Department of Housing, Building and Planning.

All in all, six surveys and 143 formal interviews, most of them recorded and transcribed, have been made by me or my colleagues in the projects. An overview of all interviews is presented in Figure 3. On several occasions, the respondents had wanted to read the transcripts of the interviews. In these cases, we maintained contact with the respondents to ensure that we have understood them correctly. In the research presented, the quotations from the informants are anonymous. I have translated all quotations, and customary linguistic adjustment of spoken language has been carried out.

Residents		Politicians		MHC employees		Private rental employees		Civil servants		NGO representatives		Total	
F	M	F	M	F	M	F	M	F	M	F	M	F	M
37	27	4	8	26	23	1	1	9	3	2	2	79	64
64		12		49		2		12		4		143	

Figure 3: Overview of research interviewees

Limitations and Excluded Material

Connecting to the research purpose, the research calls for a couple of spatio-temporal limitations. Starting with space, the research has been limited to the housing situation in urban environments for two reasons. First, this is a dissertation in urban studies, meaning that the city should be the focal point of the research. Second, urbanization has led to vast differences in the challenges of housing provision in cities and rural areas of Sweden. During the interviews in the projects, it became clear that problems of housing inequality were not comparable. Discussing housing provision in rural areas characterized by depopulation would be the subject for an entirely different study. Therefore, the material collected in interviews in the rural municipalities has been sparsely used in the analysis. Regarding temporal

limitations, the research papers have focused on the period of post-2011. However, earlier development of public housing and the Swedish system for housing provision will be depicted and related to in this framing chapter. In this study, the scope has been limited to post-1933. Although crucial events in Swedish housing policy naturally happened before this, I argue that 1933 saw the start of what came to define Swedish public housing.

Moreover, as the research progressed, the direction of the thesis has taken an approach focusing on housing inequality in terms housing provision and the model of public housing rather than on effects of the ‘social projects’ that MHCs are initiating and running on local level. Therefore, much of the rich material on such projects and activities is excluded from the thesis, especially data regarding the local case studies in MKB Fastighets AB. This data will instead be used in future writings covering more in detail the local aspects of public housing’s social undertakings.

Some Reflections on Methodology and Beyond

As shown above, I have chosen a triangulation of methods and turned to a large number of actors rather than commencing a comparative study of, say, a couple of MHCs. While such a comparative approach probably would provide more empirical detail, I argue that the chosen broad approach of trying to catch the multitude of approaches, strategies, and events has provided me with a more saturated data needed for understanding the complexity of the housing question—especially in the national context, where principles of municipal self-governance are fundamental and produce highly variegated output.

Further, such a broad approach has indeed provided me with in-depth data. I started this chapter by claiming that, in order to find answers regarding the manifestations of housing inequality and events causing it, I needed primary and secondary data of actors and events in the structure public housing and data on the outcome of such events. By interviewing potential tenants, representatives from MHCs, local political representatives, and representatives from municipal administrations; by studying documents from MHCs, SABO,

private rental operators, Fastighetsägarna, and public authorities; and by collecting surveys and register data, I have satisfactory material for drawing conclusions on what events cause what we empirically observe as housing inequality. Further, in order to pinpoint mechanisms of relevance for housing inequality and what actualizes such mechanisms, the triangulation and the broad perspective have provided me with data sufficient for identifying decisive spatio-temporal contingencies in the structure of housing provision. The analysis of register data, a review of the history of the MHCs placed in the structure of housing provision, and the interviews with key actors outside the structure of public housing have been sufficient for allowing me not only to analyse the underlying mechanisms of allmännyttan but also to examine the contingent conditions needed for them to be actualized. In total, the variation in methods and the depth and width of data should guarantee the validity of the study.

Looking back on the years of research, it now becomes evident how the process, methodology-wise, has been characterized by abduction and retroduction. Empirical observation of housing problems—that a lot of people became shut out from public housing—came early in the research. I used this observation as a point of departure in the examination of the events by MHCs and related actors through material obtained via mixed methods case studies. I then moved back and forth between my empirical material and a theoretical ground, which had developed underhand. For example, the analytical concept of housing inequality did not appear until later in the research process. In this way, the empirical material allowed me to understand and develop the theoretical framework, which made it possible for me to reconsider the empirical phenomena observed and to make new inquiries. Certainly, during the years of the research, I have read, tested, written, and discarded. I have started over again just to discard again—be it thoughts, ideas, hypothesises, or conclusions. Following such process, I have tried to understand my results from new perspectives, which included the endeavour to abstract the conditions needed for a public housing to counteract or enact housing inequality.

Being a housing researcher in times of housing ‘crisis’ has meant a lot of interest for the research field and my work. During my whole scientific journey, I have presented my research at various conferences, lectures, and seminars. Many of them academic, but the lion’s share has been ‘out there’, for an audience of practitioners. Policy makers, MHCs, SUT, SABO, and private and cooperative property owners have been interested in hearing about my research. I have also presented my research in hearings and debate articles and, as mentioned, been invited as a commissionaire in Hyreskommissionen. This has given me the opportunity to—in an abductive way—test my ideas, refine my research questions, and continuously get new empirical input.

Finally, I would also like to elaborate on being dependent on research funding from external contributors. Being externally funded and dependent on different projects with their aims and constitutions has had its perks and perils. All projects have had financial backers with different expectations: the European Union’s 7th framework programme, SABO, and the local MHC in Malmö. Thus, my research has been made possible by the financial capital from the very branch that I am researching. In many cases, the context of these financiers has offered me easier access to interviewees and material along with a certain legitimacy in the organization. On the downside, the national financiers (SABO and MKB) might have had opinions on what to research and what not to research. This had been handled by strict formulation in the contracts on research sovereignty and the researcher’s rights to produced material.

On the whole, the perks of being ‘close to practice’ have overshadowed the perils, and by being rather integrated in the field, I have had a favourable position for gaining insights in the complex relations that are decisive for how mechanisms of relevance for housing inequality are actualized or not.

Part II: Results

5. ALLMÄNNYTAN—IN A STATE OF FINANCIALIZED UNIVERSALISM

This second part of the thesis will present my results. It will start out with a chapter containing an analysis of the development of public housing since 1933 in relation to the development of the structure of housing provision as a whole. Although the aim of the research is to analyse the role of *contemporary* public housing, I argue that in order to understand its present state, we need to understand its birth, its life, its crises, and its renewal. And in order to understand the significance of public housing of today, we also need to place it in relation to the development of the world at large. While the three papers focus on the endogenous changes and outcome of Swedish public housing, this chapter puts the changes in context by also describing the exogenous changes of significance: the development of the structure of housing provision. It should be noted that this chapter does not have the ambition to exhaustingly depict the development of the Swedish structure of housing provision but to pinpoint crucial events in the context that municipal housing companies exist in and are a key part of.

The Past and the Pending Allmännyttan

The history of allmännyttan has been told several times and in comprehensive ways. Therefore, I aim in this chapter to give an up-to-date rendition which builds on the critical realist-perspective to housing inequality in the national structure of housing provision. According to the proposed framework of understanding SHPs as structured coherences with certain interdependencies and institutional fixes, I will in the following argue that allmännyttan, since its birth in 1935, has been an institution existing in at least five such coherences: *the age of crisis-responsive selectivism* (1933–1945), *the age of state-financed universalism* (1946–1973), *the age of*

bracketed universalism (1974–1990), *the age of marketized universalism* (1991–2010), and *the age of financialized universalism* (2011–). These different eras of structured coherence will be presented below, adding up to a point of departure for the presentation of the research papers in the next chapter.

1933–1945: The Age of Crisis-Responsive Selectivism

As portrayed in the introduction of this book, the idea of state-provided good housing for the general public is deeply rooted in the Swedish soil. The idea of *allmännyttan* is strongly affiliated with term *Folkhem*, which translates into ‘the people’s home’. Initially a term used both by German National Socialists and Socialists after the first world war, Swedish Social Democratic Prime Minister Per Albin Hansson launched the Swedish *Folkhem* during a famous speech in January 1928 (see introduction) as a motto for the Social Democratic view on society—a society characterized by equality and consensus, the feeling of a common home. During the 1930s, the Social Democratic party filled the term *Folkhem* with notions of justice and righteousness, gradually connecting it materially to housing and, more specifically, the right to housing of decent quality and hygiene (Ekström Von Essen, 2003). As Grundström and Molina (2017) state, ‘even if the term *Folkhem* could be, and indeed was, used as a metaphor for Social Democratic politics in general—it conveyed the image of a home built on solidarity and rationality, in an economically and socially equitable society—housing was certainly its central pillar’ (Grundström and Molina, 2016, p. 5).

The background of the ambitious housing programme emerging in the setting of the *Folkhem* was the precarious national housing situation, believed to be among the worst in Europe in the beginning of the 1930s. The industrial revolution in the late nineteenth century had led to increasing working class population in urban areas, often resulting in households cramped in small apartments without electricity or toilets. The economic crisis that arose in the early 1930s therefore had severe consequences. Many that lived in poor conditions now also became unemployed. On behalf of the Social Democratic party, the couple Alva and Gunnar Myrdal wrote their well-known text *Kris i befolkningsfrågan* (Crisis in the question of the

population), published in 1934 (Myrdal and Myrdal, 1934). The Myrdals were concerned about the low nativity, which they saw as a result of the economic decline and lack of adequate housing. Low nativity was argued to cause decrease in production and, further, worsened living conditions for the population. Thus, they argued for an increase in birth rates—although only among the middle class, not among poor families which they considered already having too many children. The ideal situation would be to encourage the households to give birth to three children, they argued. In order to promote such a strategy, the Myrdals suggested a number of support structures for families with children. Beside welfare provision, they pointed out the urgency of a housing policy where the state interfered in the (at the time unregulated) housing market to solve the situation of acute overcrowding and low quality of housing, which they argued affected children's living conditions severely (Myrdal and Myrdal, 1934).

The Myrdals' writings had consequences on the future housing policy, not the least since Gustav Möller, the minister of social affairs at the time, was informed and influenced by their writings. In 1933, one year before the Myrdals' text was published, the parliament decided on governmental loans and grants for construction of housing in cities and larger towns, as well as for improvement and construction of housing in rural areas. With the actions, the government wanted to revive the country's economy. 1933 also saw the start of an extensive governmental housing investigation—'*Bostadssociala utredningen*' (Investigation on social perspectives on housing)—initiated by Minister Gustav Möller (Ekström Von Essen, 2003). The investigation had two overarching aims. First, to solve the acute precarious housing situation and, second, to find a new long-term strategy for the Swedish housing policy. Among the specific aims were to increase space and raise equipment standard, to keep rent levels low, to discourage speculative building, and to encourage publicly owned housing (Regeringen, 1945).

The investigation consisted of 'radical' economists, architects, and builders. It lasted 14 years, from 1933 to 1947, and came to lay the foundation for the post-war housing policy in Sweden. Already in

1935, the investigation proposed the construction of '*barnrikehus*' (houses for large families), houses intended solely for poor families with three or more children. The investigation revealed early on that several property owners were decreasing their number of rental contracts to families with numerous children, arguing that such families imply an extra wear and increased costs for the owner. Therefore, the government suggested special loans—known as tertiary loans—managed by the governmental authority '*Statens byggnadslånebyrå*'. The loans were to be applicable for for-profit or non-profit companies who wanted to construct inexpensive rental apartments with at least two rooms and a kitchen, designated for less privileged families with three or more children. The proposal was embraced over the political spectra (See, e.g., Bengtsson, 2013) and barnrikehus soon began to be built all over Sweden. In addition, poor families from 1936 also got substantial rent discount based on the number of children in the family—a subsidy which could be regarded the first type of housing allowance (Regeringen, 1945; Ramberg, 2000).

The municipalities were to supply the land to the constructor, free of charge. Moreover, the constructing company had to commit to a certain degree of municipal control. As a result, several municipalities developed their own housing companies, designated for constructing and managing the barnrikehus. Familjebostäder in Stockholm, established in 1936, is often regarded as the first municipal housing company in Sweden (Ramberg, 2000). However, in many cities the barnrikehus came to be built and managed by private operators or housing cooperative associations, most notably the cooperative housing actors HSB and later also Riksbyggen—both of which had ties to the labour movement and the social democratic movement¹² and had experiences, resources, and a history of constructing cooperative housing on a non-speculative basis. Indeed, the kind of tenure that would take the lead in providing housing for low-income households was yet to be defined. Cooperative housing was at the time price-regulated and had a clear 'social' aim, not only in the sense of providing non-speculative housing for the working class,

¹² HSB (Hyresgästernas sparkasse- och byggnadsförening) was founded by workers as a cooperative response to the private actors making large profits on housing construction during the severe housing situation in the 1920s. Riksbyggen was founded in the 1940s by LO, a compilation of trade unions.

but also fostering the cooperative owners in a democratic way through being members of a housing cooperative association (Sørvoll, 2013; Bengtsson, 2013; Billing and Stigendal, 1994).

Between 1935 and 1948, a total of 12,000 apartments in *barnrikehus* were built (Hedman, 2008). In many aspects, the situation for low-income households became better. In parallel, private actors were also increasingly active in constructing houses in a general sense. The housing shortage was built away, and 1939 is often regarded as high-water mark in housing construction (Ramberg, 2000; Ekström Von Essen, 2003). However, the Second World War had its consequences. The conjuncture soon turned and increased interest rates and construction costs led to a halt in housing construction, building up a housing deficit once again. New crisis politics emerged. In 1942, the governmental tertiary loans for housing construction were expanded. Most importantly, the maximum amount of loans became differentiated between municipal, private, and cooperative housing borrowers, where municipalities got the most generous conditions (Regeringen, 1945; Ramberg, 2000; Lind, 2015b). In addition, rents which had been under market principles since 1923 now became strictly regulated, meaning that the rent levels practically were frozen. This was accompanied by a general stop in price and wage increases (Bengtsson, 2013). The crisis politics had effects. In 1942, the housing market started to recover again.

A Structured Coherence of State-Financed Selective Crisis Response

In sum, this era of Swedish housing policy constituted a certain set of emergent relations characterized by a high degree of state-capital corporatism, which gave the public housing sector a fixed role. Recalling Lawson's (2006) categorization in financial, property, and welfare-labour relations in the SHP, the decision of establishing *barnrikehus* was triggered by the contingent circumstances influencing the *welfare-labour relations*. Low nativity, the high share of low-income families, and poor housing conditions in general was not deemed worthy for a welfare state in the uprising. Regarding *property relations*, the municipalities, who were substantial land-owners, were now obliged to hand over land for free to any constructor who wanted to build houses for poor households, as long as they agreed

to be under municipal control. As for *financial relations*, the financial aid in terms of beneficial loans to actors wanting to contribute to new housing became considerable. Thus, the 1930s structure of housing provision was formed through rather radical, but not controversial, political decisions on housing finance and property assignment based on the contingent welfare development. The *crisis response* could be argued to form a structured coherence with a certain institutional fix and economic interdependencies between the state, housing constructors, and households. As we have seen, the three types of relations were characterized by a selective approach, pinpointing and supporting low-income households with many children through both brick-and-mortar subsidies and in-kind housing allowance. The selective approach which characterized this coherence was, however, soon to be abolished.

1946–1973: The Age of State-Financialized Universalism

In 1945, Bostadssociala utredningen presented their first of two final reports: *Allmänna riktlinjer för den framtida bostadspolitiken. Förslag till låne- och bidragsformer* (General guidelines for the future housing policy: Proposals for forms of loans and benefits) (Regeringen, 1945). Overall, the investigation seconded much of the Myrdals' conclusions on the housing situation ten years earlier, arguing that there was a need for a profound governmental responsibility regarding housing construction. The investigation concluded that the state needed to take certain financial risks to guarantee a long-term perspective on construction of housing, counteracting the contemporary tendencies of concentration of housing construction to periods of economic upswing.

With regard to business forms for building and management of housing, the report's proposals aim at preventing the speculative degradation of the housing market, which previously has been the case, to be repeated in the following developments. The need to keep speculative profit interests from housing construction and housing management with public support, the preparedness for risks of crisis in connection with housing deprivation, the rationalization of construction and operation and other circumstances are, according to the report's opinion, reasons for that

the majority of residential housing management, in the case of multi-family houses, are to be transferred to companies that work without profit, in cooperation with and under supervision of the municipality. This does not mean that the municipality builds homes in its own right; in the case of the construction of housing itself, different forms of business should be allowed to compete freely. (Regeringen, 1945, p. 574, my translation)

The investigation also stated that the ‘right kind of housing’ needed to be built, and that such kind of housing was to be rented at cost price principle. Therefore, rather than private rental operators, municipal housing companies were suggested to take a lead in the construction as public ownership could counteract speculation, provide the benefits of large-scale operation, guarantee a serious management, and provide a rate of housing construction less sensitive to conjuncture. Further, central in the investigation, the establishment of the MHCs pointed out the municipal responsibility and influence over the realization of national housing policy. While some of the municipalities had installed MHCs already after 1942, when loaning conditions were changed in favour of municipalities, the investigation confirmed such a strategy and must therefore be seen as a ‘critical juncture’ in Swedish housing policy (Bengtsson, 2013).

From Selectivity to Universalism

Most importantly, and counter to the Myrdals’ conclusions ten years earlier, Bostadssociala utredningen recommended the abandonment of the selective focus on particular groups in the national housing policy. While Social Minister Möller’s housing policy was greatly influenced by the Myrdals, they clearly disagreed on this point. This was arguably due to the experiences of stigma that came to afflict the barnrikehus and the families who lived there (Åsberg, 2010). The investigation wanted to avoid a situation where certain new housing had character of ‘institution and slum’ (Regeringen, 1945, p. 488, my translation). Instead, the investigation advocated a universal policy, where the dwellings of public housing would be common good, i.e., accessible to everyone. Support to households with reduced circumstances would from now on be distributed through cash support (e.g., the housing allowance) instead of special categories of

dwellings (Bengtsson, 2015a). The investigation was concretised in new legislation in 1946. Allmännyttan, 'for the benefit of everyone', was born.

Allmännyttan would be embodied by municipal housing companies, run as non-profit companies, with the main task of providing 'good housing for all'. With the establishment of MHCs, the selective and needs-testing approach of barnrikehusen was to be gradually abolished; the particular loans for barnrikehus were phased out and stopped in 1948. Instead, the state now provided substantial financial support in form of the tertiary loans for construction of rental and cooperative housing, flanked by stimulating loans for construction of owned housing. The tertiary loans were continuously most beneficial for the MHCs, who now became allowed to take loans for 100% of the estimated value of construction—compared with 85% for private operators and 95 % for cooperative associations—with a fixed interest rate of 3%. The differentiated conditions of loans were up for debate. Bostadssociala utredningen had suggested that cooperative actors would have the same conditions as MHCs, but Social Minister Möller argued for benefits of allmännyttan. The 1946 Housing Act was taken in line with Möller's suggestion and the differentiation of conditions for loans was motivated by the different preconditions for the tenures. As public housing actors were not allowed to make profit, the costs for taking loans would thereby be smaller than the for-profit actors (although cooperative housing was price-regulated), the investigation reasoned (Bengtsson, 2013). In that sense, the 1946 legislation could be seen as the birth of the idea of cost-neutrality between tenures, seen from the household's perspective.

By promoting public ownership, the share of speculative housing would decrease, the investigators suggested. However, as stated in the quote above, capitalist actors should not be discredited in the construction process; it was suggested that public housing should also be built by the private capital through competition. Another recommendation from the investigation was that of a reasonable relation between income and housing expenses. A maximum of 20% of the working-class household's gross income should be spent on

housing, the investigation stated. Further, renovations leading to better standard should be made by property owners without affecting the rent (Regeringen, 1945, p. 414f). Indeed, the housing policy now formed was part of a wider programme for increased welfare, much of it orchestrated by Social Minister Möller. A universal retirement programme, universal child allowance, mandatory health insurance, and an employment policy aiming at full employment were the bearing pillars of such a welfare strategy that to a great extent was based on decentralization to municipal level (Ramberg, 2000).

MHCs or Cooperative Housing? The Social Democratic Divide

Establishing a municipal housing company was not mandatory for the municipalities. However, most municipalities chose to form MHCs. In 1947, the government inaugurated the '*bostadsförsörjningslag*' (law on housing provision), which made the municipalities responsible¹³ for providing housing and managing governmental loans. This reinforced the incentives for municipalities to form MHCs. In 1950, over 100 companies had been formed. Managing housing companies was, however, for many municipalities a new experience. In several cities, the cooperative-ownership companies HSB and Riksbyggen therefore became the actors who built and managed the municipal housing companies.

Indeed, the development of the cooperative housing sector during this era was of central importance for the expansion of public housing. Hitherto being under price-control, the cooperative apartments had clearly had a social purpose in the social democratic housing policy. However, after the government decision on tertiary loans in 1946, the cooperative sector came to play 'second fiddle' (Sørvoll, 2013) to the municipal housing companies. This role was also strengthened as the socialist fraction of social democracy in most cases had larger influence in forming the local housing policies than

¹³ What this 'responsibility' implies is and has been debated since the current legislation states that the municipalities should be 'planning the housing supply in order to create opportunities for everyone in the municipality to live in good housing, and to promote that appropriate measures for the housing supply is being prepared and implemented' (my translation). Essentially, the legislation in 1945 meant that the municipalities now were *allowed* to interfere in the question of local housing provision. Previously, this was a matter for the state, out of bounds of the municipalities' jurisdiction.

the cooperative fraction (See, e.g., Billing and Stigendal, 1994; Gustafsson, 1988). The schism was also evident when the organization SABO was formed in 1950 as an initiative from MHCs in the city of Göteborg. SABO would serve as a support structure to the MHCs, providing cohesion and guidance. But what should qualify as an MHC and who could join SABO was up for discussion. In the preceding meetings leading to the establishment of SABO, Riksbyggen and HSB were part of the organization, but they were left out when the organization eventually settled (Ramberg, 2000). The cooperative sector gradually lost its role as an actor of importance for the social aspects of housing policy. The price regulation was lifted in 1968, meaning cooperative flats could be sold at prices determined by the market. While the deregulation is characterized as a ‘quiet revolution’ (Bengtsson 2013), not preceded by much of a public discussion, the conflict between cooperative actors (Riksbyggen and HSB) on the one side and SABO and SUT on the other was evident as the latter feared the price deregulation would decrease the attractiveness of public housing among the large bulk of households, drawing instead only rather low-to-medium income households (Sørvoll, 2013). As statistics show, the consequences were that the construction of cooperative housing started to increase, raising its share from 9% in 1960 to 14% in 1980.

The political weight of SABO soon became evident. As *allmännyttan* developed to the vessel through which the social democratic Folkhem should be built, SABO became a counterweight to the private rental operators, who had started to become unsatisfied with the housing policy and new municipal housing companies—arguing that the beneficial loans MHCs were given were unfair (Ramberg, 2000). Nevertheless, the MHCs under the umbrella of SABO became the main instrument for the implementation of the governmental housing policy that was established after the war. ‘Good housing for all’ became the overarching goal of the social democratic national housing policy and an important element of the social welfare policy, thus connecting housing to the universal principles of the social democratic welfare regime (cf. Torgersen, 1987; Esping-Andersen, 1990; Kemeny, 1995; Esping-Andersen and Korpi, 1986). Originating from Gustav Möller’s devise ‘only the best is good enough for

the people', the basis of the universal principles of the welfare regime was that no directed services should be targeted on specific groups (e.g., the working class or unemployed). Such a principle was from 1946 also transferred to the housing policy. However, the main implementation of this policy did not come until in the 1960s, when housing construction came to full bloom.

The Rise and Decline of the 'The Million Programme'

Despite investment in public housing and increased housing construction, the lack of housing became a problem of acute character in the 1960s. Increased nativity coincided with industrialization, urbanization, and comprehensive labour immigration. To eliminate the housing shortage and improve housing conditions, the government identified a need to build large-scale housing areas in the outskirts of metropolitan areas and in cities with growing industries. In 1965, the government decided on '*Miljonprogrammet*' (The million programme) to solve these problems. During the ten-year period 1966–1975, a million homes would be built. The municipal housing companies and the cooperative housing companies HSB and Riksborgen, became the largest actors in the venture that created more than 1.3 million homes, of which 877,000 (or 65%), were units in apartment buildings, mainly in the periphery of the cities. The rest, almost a third of the dwellings in the programme, were stand-alone houses (Åsberg, 2010; Johansson, 2012) which, as pointed out, also had favourable conditions for loans. The million programme made allmännyttan the country's dominant manager of apartment blocks, and the share of public housing increased from 14% in 1960 to 24% in 1975. The MHCs' task to address the lack of housing worked. Queues disappeared and almost all who needed an apartment got one (Hedman, 2008). The housing shortage was solved and thousands of households could move in to spacious and modern apartments. The Folkhem was now utterly materialized.

However, the housing crisis faded out during the early 1970s. Workforce immigration changed into refugee immigration and the housing needs of young households became saturated. This coincided with economic stagnation, which affected the industry when employment rates fell drastically. Inflation rose and interest rates went

down. In order to prevent substantial financial losses for house owners (home ownership was—and still is—the dominating tenure), house owners became entitled to deduct 100% of the costs for interest rates from their income taxation. This came to have consequences. The rented housing in the million programme areas became the first to be affected by the crisis through high vacancy rates in the housing stock. Despite signals of over-construction, many municipalities chose to continue building as a significant amount of people were employed in the construction sector (Boverket, 2008, p. 13). Letting go of the historical housing project would be devastating for the local welfare in times of an emerging crisis, the municipalities argued (Aunér, 2001, 2009). Thus, even before the construction of the million programme areas was completed, many chose to move from the apartment blocks. Families with savings moved to owned housing since this form of tenure was heavily favoured by the financial circumstances. In fact, the low inflation, low interest rates, and tax deduction on home mortgages meant that people owning these houses during a time practically got paid to live there (Södersten and Sandelin, 1978; Birgersson, 2008; Lilja and Pemer, 2010). Since one-third of all the constructed dwellings in the million programme was owned housing, there was quite a supply at the time.

Eventually, the large number of vacant apartments all over the country affected many of the MHCs hard. They lacked own financial reserves to manage the rental losses. In most cases, the MHCs had built the houses financed to 100% by the governmental tertiary loans. Thus, it took prompt action to fill the empty houses, which was done in cooperation with the municipal social services. A growing proportion of the apartments now came to be increasingly populated by households that had a difficult time financially and specifically by immigrants and refugees with no or low income (Lilja and Pemer, 2010). The areas were however built for a population who were supposed to work. They were planned according to a functional division—work places and commercial centres were placed apart from residential areas and street networks in the areas were adapted to cars. There were few opportunities for social activities in these areas (See, e.g., Billing and Stigendal, 1994). The large-scale million programme areas were thus—unintentionally—developing

into one side of the now increasingly segregated cities, while the opposite extreme was constituted by the owned stand-alone houses, which were built as part of the same million programme but heavily favoured by the taxation policy and interest rates.

The Birth of Collectively-Negotiated Use-Value Rents

This era was also decisive for the Swedish rent setting system. 1945 saw the instatement of a rent committee who had power to decide about raises from the rent levels settled in the 1942 regulation (Boverket, 2014; Forsman and Svanberg, 2016). But rent control was not dismantled until 1958 and then only for companies connected to SABO, who now became free to negotiate the rents with the Swedish Union of Tenants, who began to gather members and offer collective negotiations of yearly rent raises with the MHCs. SABO and SUT established a committee, *Hyresmarknadskommitten*, aiming to resolve disputes that arose.

However, the discontent with the rent regulation was strong, not only among property owners. A state investigation initiated by the Social Democratic government suggested in 1968 an abolishment of the regulation. But the Social Democratic government withdrew the proposition in the last minute after a quarrel with the Liberal party, who applauded the proposal but wanted a longer transition time for the deregulation. The new legislation that eventually came in place replaced rent regulation with the system of use value (see chapter 3), which was regarded as a third way, a kind of ‘curbed’ market rents. The rent regulation was however not completely abolished until 1978 (Forsman and Svanberg, 2016).

A Structured Coherence of State-Financed Universalism

This second era of housing provision has a lot in common with the first, in terms of strong dependency on state financing for solving the housing issue. Thus, the *financial relations* established before and during World War II were maintained and strengthened through political decisions on streams of capital. The state took the risk of housing construction through beneficial loans (especially for the MHCs) to a fixed interest rate. The state put great responsibility in the local governments to build and manage this state-financed

housing. Municipalities were still to provide land, and the new law on housing provision 1947 could be seen as reproducing the earlier established *property relations*. As the state housing loans were particularly beneficial for MHCs, construction of public housing accelerated substantially. But the purpose of allmännyttan was not only to build apartments. As the housing policy was also made an integral part of the state's economic policies, including labour market policy, the MHCs became important instruments in the social, economic, and geographical restructuring process that came to characterize Sweden for several decades. Thus, the *welfare-labour relations* were tightly linked to the financial relations of the structure of housing provision.

However, the core of *financial relations* was entirely changed. Since public housing would from then on be available to everyone, not just for special groups, MHCs were to be seen as market actors, co-existing with private operators in competition of tenants—albeit with benefits for housing construction. Thus, housing became a subject primarily financed by the welfare state, primarily actualized by the municipalities, but distributed on the market through individual transactions. As Bengtsson (2001) argues, the state now mainly came to have a market corrective function. By its interventions through differentiated financial streams, the state began to correct the housing market in order to include all societal groups. The principle of universalism depended on such correctives, such as the beneficial loans to MHCs and the directed housing allowance. Thus, although universal in character, the Swedish housing policy being established in 1946 could be said to aim especially for including people who did not have the means of entering the regular housing market through its specific interdependencies and institutional fix.

Universalism was however the key word of the coherence during that era. What were the contingencies that worked in favour of this specific coherence? Initially, pretty much everything. The Swedish social democracy had its finest hour. The labour market was categorized by full employment. Municipalities had large estates which could be used for housing. There were governmental prerequisites and public capital enough to finance the construction of one million dwellings,

and there were private capitalists willing to invest. Thus, the housing problems of limited access and low quality disappeared. Also, the structured coherence at the time indeed was favourable for actualizing not only the inclusive mechanisms of public housing but also mechanisms counteracting tenure segmentation, segregation, and stigmatization as the new housing areas were meant to attract all kind of households. Such mechanisms thus engendered events that promoted low inequality, not the least as a result of the institutional fix, where *allmännyttan* stood as the centrepiece.

However, the best laid plans of mice and men often go awry. Despite having potential mechanisms for counteracting segmentation, segregation, and stigmatization, the contingent factors during the late 1960s and early 1970s did not work in favour of the actualization of these mechanisms. Miscalculations on housing demand; the abolishment of price-regulation on cooperative housing; skew governmental taxation policies coinciding with certain inflation and interest rates; an economic crisis coinciding with refugee immigration; and for the in-moving population, a non-purposive city planning—all of these factors interplayed as counterforces to such mechanisms. The emergent relations instead caused instability and crisis in the structure of housing provision. While the contingent circumstances during the first phase of this ‘golden age’ of universalism were in favour of counteracting tenure segmentation, segregation, and stigmatization, the changing contingent circumstances eventually led to mechanisms causing these phenomena rather than counteracting them.

1974–1990: The Age of Bracketed Universalism

The crisis of the million programme’s empty apartments, the bleed to owned and cooperative housing, and the subsequent segmentation and segregation soon had political consequences in form of new housing policy legislation. With the 1974 Housing Act, the principle of neutrality between tenures (introduced in previous chapters) was formally established. In practice, the neutrality reform did not refer to decreases in the possibility for home owners to make tax deductions on mortgage costs—such a policy change would affect more than half of the population and was consequently (and still is) seen as jeopardizing the popularity among the electorate. Instead, the

government aimed at promoting rented tenure by a system of subsidized interest rates for the construction of new housing more favourable for rented tenures (Bengtsson, 2013). Although, as a result of a broad political negotiation on tax reforms in 1981—the so called ‘underbara natten’ (the wonderful night)—the maximum tax deduction for mortgage interest costs was cut from 100% to 50% of the interest costs. These tax reforms certainly slowed down the price increases of owned housing, but only temporarily (See, e.g., Sørvoll, 2013).

The 1974 legislation sharpened the funding requirements of public housing. It became a requirement that the MHCs should be owned, not only managed, by the municipality. However, the characteristics of support to MHCs remained. Already a major player through their MHCs, the municipalities now gained increased significance in the housing question. From 1974, the municipal ‘*markvillkoret*’ (property condition) introduced the principle that governmental loans could only be given if houses were to be built on land allocated by the municipality. The *Planning and Building Act* was inaugurated in 1986, giving the municipality increased power when it came to planning.

As mentioned, the early 1970s saw a structural crisis for industry, to a large extent explained by increased competition. Production moved abroad to low-wage countries with developed Fordist principles. Unemployment rose, social problems rose, and so did the discontent among the population. The Social Democratic government fell in the 1976 elections after being in power for 44 years. For MHCs, changing times required a new economic thinking. Empty apartments, almost no housing construction, and increased competition meant that the MHCs had to better their control and tighten their spending. In the wake of depopulation of the million programme areas, which arguably still triggers cautiousness when it comes to housing construction, the coming years became characterized by a change of focus for many MHCs from construction to management and maintenance (Bengtsson, 2013). Energy conservation measures and physical regeneration of housing areas to make them more attractive became a major issue for 1980s public housing

(Boverket, 2008; Hedman, 2008). At the same time, SABO saw the need for refining and defending the rental tenure, which was increasingly criticised of being obsolete—a remnant of pre-war social politics—as more and more households had the financial possibility to own housing, which increased its share on the housing market (Ramberg, 2000).

The 1980s were characterized by political, ideological, and structural changes in many municipalities and MHCs (Lindberg and Karlberg, 1988; Bengtsson, 1989). The year 1985 saw a deregulation of the credit market, and in combination with the stock market boom, a new financial horizon for real estate owners, private as well as public, emerged (See, e.g., Englund, 1990; Ramberg, 2000; Stigendal, 2016). The tertiary loans became of less importance and MHCs came to use other financial instruments. Many MHCs started to stress businesslike principles, and budgets became increasingly important as steering tools. Several politicians started to question public ownership of housing companies (Hedman, 2008), and municipalities began to sell MHC apartment houses to private operators or made MHC tenants eligible to convert their houses to cooperative housing.

As described, the universal approach of public housing is often listed as a key characteristic in the ‘success’ of the Swedish housing system. It has seldom been questioned, not even by its opponents. However, during the 1980s, the universal approach was put under stress and was also in practice put aside more often than not. According to my interviewees, the financial uncertainty during the 1980s made MHCs stricter in their rental policies. This led to the establishment of the municipal secondary housing market, where municipal social services started to rent apartments from property owners and sublet them via restricted ‘social contracts’ with short lease times to households who could not enter the regular market (see chapter 3). Several MHCs also had ‘black books’, pointing out specific unwanted groups of tenants (Aunér, 2001; Regeringen, 2014a). As with many other policy areas, the Romani population was regarded an exception from the universal approach during the 1970s–1980s. In Stockholm, most Romani families were present in the black books of the

local MHCs in the late 1970s. The companies in Stockholm persuaded the social department in the municipality to set up special trial-contracts for the Romani population, who thereby lost their first-hand contract (Regeringen, 2014a).

A Structured Coherence of Bracketed Universalism

While much of the *property relations* stayed intact during this period in comparison with the earlier period, the changes in legislation with the 1974 Housing Act contributed to important changes of the *financial relations* by introducing the principle of tenure neutrality, which changed the way loaned capital was steered from the state to property owners. Regarding the financial relations between landlord and tenant, the changes in the rent-setting system affected allmännyttan's possibilities of actualizing inclusive mechanisms in a favourable way as they now became leading in the rent development, which was also seen by the SUT as favourable for the tenants. With this development of the economic interdependencies, the institutional fix that emerged under the previous era got cemented with the MHCs as the figurehead of the structure of housing provision.

However, taking into consideration the contingent conditions affecting the financial relations in terms of housing inequality, the segregation and tenure segmentation did not decrease as a result of the strive for tenure neutrality. Rather, it increased. While non-speculation, variation, and cost-neutrality characterized large parts of housing *construction*, implying low housing costs for households, the housing stock *post-construction* came to be subject to increased speculation. Primarily with regards to increases in price of the owned and cooperative sectors, but also due to the deregulated credit market, MHCs started to emphasize new financial tools. Moreover, the period of 1975–1991 saw changes in the contingent development affecting *welfare and labour relations*. The structural crisis for industry, increased unemployment, and social dismay in combination with the emerging marketization led MHCs in several municipalities to increase their demands on tenants for signing contracts and became more cautious in their housing construction.

In total, the structured coherence from 1974 to 1990 could be summarized with the term *bracketing*. The inclusive mechanisms were not always actualized, and the contingent conditions caused continued segmentation, segregation, and the associated stigmatization of *allmännyttan*, which gradually lost its reputation as a ‘solution’ to the housing question.

1991–2010: The Age of Marketized Universalism

The early 1990s are in the literature described as a critical juncture in Swedish housing policy, often in terms of a grand restructuring—a radical turnaround from the social democratic housing policy, which had dominated the scene from the Second World War, to a policy described in terms of deregulation and neoliberalism (Turner and Whitehead, 2002; Turner, 1997; Hedin et al., 2012; Bengtsson, 2015a; Grundström and Molina, 2016). After the national elections in 1991, the right-wing government led by Carl Bildt took office during an emerging financial crisis. The recession originated in the changes in deregulation of the credit market in the late 1980s but developed into a crisis due to a number of events that then took place, especially connected to the real-estate sector—not the least the changes in the taxation policy, which I will return to.

One of the new government’s first decisions was to abolish the housing department, which had been established in 1974, and allocate housing issues to other ministries. This decision clearly marks the end of an era and the beginning of a new one. The housing question went from being part of the Swedish Folkhem to being a subject for the market. This was clearly a deliberate strategy from the new government as the key actors in housing (HSB, Riksbyggen, the trade unions of construction industry, SUT, SABO, etc.) were considered part of a social democratic hegemony setting the playing field for national housing provision (Gustavsson, 1980; Bengtsson, 2015a). Housing as an area of state politics was abandoned; the responsibility for housing was completely decentralized from the state to the municipalities. It should be noted that, while the new right-wing political leadership was the architect behind this radical change, the changes were not revoked by the following Social Democratic governments, which returned to power only three years later.

With the restructuring followed a number of changes to—and of direct importance for—the model of public housing. As a remnant of the over-construction during the million programme, thousands of MHC apartments stood empty, and MHCs all over Sweden began to demolish apartment houses as it was more expensive to have them vacant than to tear them down (Ramberg, 2000). The system of use-value rents also made rental apartments in these areas over-priced in comparison with other tenures, where market prices now dropped radically. Public housing was at the time highly stigmatized.

While the initial suggestion from the new government was to abolish the notion of ‘allmännyttan’ in housing policy, the MHCs were to remain and have a central role, but on different conditions. A key idea of the change of housing provision was to transfer the risk of construction from the state to the market actors and to decrease the local municipalities’ obligations to interfere with housing actors and instead to increase their self-governance, their freedom of choice when it came to engaging in housing and planning. The municipal responsibility to provide housing (‘bostadsförsörjningslagen’) was abolished, and their possibility to control the assignment of empty apartments (‘bostadsansvinningslagen’, legislation on housing assignment) was revoked. The latter legislation, instated in 1980, had made it possible for municipalities to force housing companies—private as well as public—to announce all empty apartments in selected housing areas to the municipal queue. The municipality could propose a suitable tenant but could also force the landlord to let the apartment to the municipalities’ social services in order for the authorities to sublet the apartments on the secondary housing market. After the legislation was abolished, the private housing companies stopped assigning apartments to the queue. Moreover, the private housing companies started to apply stricter rental policies—partly due to the skewness in taxation policies, partly due to the decline in economy.

The 1990s crisis is often connected to the drastic change of governmental taxation, initiated by the previous Social Democratic government but completed by the Bildt office, reducing taxation on income

and increasing taxation on commodities. With the reform, the ceiling for deduction on interest rates was lowered from 50% to 30%; the motivation was that such deductions would correspond to the governmental property tax, which was seen as an ongoing capital taxation. This change would also imply increased cost-neutrality between tenures, in line with the 1974 Housing Act. However, house owners were still in favour when comparing tax deductions with subsidies aimed at rented housing, and the development during the 1990s continued to steer households to the owned sector—especially cooperative housing (see figures 7 and 8), partly of a result of policies making it easier for tenants to convert rented housing into co-operatives (Bengtsson, 2013). While the deductions on mortgage costs after the 1990s tax reform were motivated by being in symmetry with taxation on property, such symmetry was broken in 2008 when the property tax for house ownership was replaced by a fixed taxation fee—a change clearly favourable for households with highly valued properties. The tax deduction for mortgage costs has however remained, implying that households with highly valued properties and large loans pay a relatively small taxation fee while they get access to a large tax deductive.

The governmental changes on taxation on commodities meant that public housing was now ‘conventionally’ taxed. The new taxation rules also implied that the MHCs’ ability to put aside reserves for renovation in tax-free funds was removed. According to my interviews, this meant that the cost-based principle started to be dismantled in the rent negotiations between MHCs and the SUT. The result of changes in taxation rendered a 50% increase in rents over three years:

Figure 4: Rents in relation to the consumer price index (Source: Statistics Sweden)

The economic crisis in the 1990s had severe consequences for the households. Rocketing interest rates and high unemployment resulted in many households having problems paying their housing costs, especially those with large loans on owned housing. Homelessness rose, and the cost of housing in relation to disposable income started to become increasingly variegated. Poor households have since the 1990s seen an increase in relative housing costs, while rich household have seen a decrease (Riksrevisionen, 2017). As homelessness rose, Sahlin (2006) shows how the secondary housing market increased, albeit in very diverging ways between local housing markets.

The 1990s also saw changes in the subsidy directed to consumers—the housing allowance. When rents increased rapidly after 1991, so did the state’s expenses for housing allowance. Subsequently, the state issued a reform to increase the accuracy of the allowance by lowering the income-ceiling for the allowance—making it increasingly directed to the most poor households, implying what Bengtsson and Rothstein (1997) refers to as the ‘problems of precision bombing’. Looking at statistics, the numbers of families receiving allowance subsequently decreased drastically after 1997, despite population growth and a duplication of the share of households with low economic standard.

Figure 5: Number of households having housing allowance (Source: Försäkringskassan)

The changed conditions for the municipality naturally had implications for the MHCs. The governmental loans were phased out, starting with the dismantling of ‘markvillkoret’ (Boverket, 2007) and eventually ending all favourable conditions for loans. The year 1998 saw an addition in the municipal legislation (Riksdagen, 1990) which made the municipalities more market-oriented—going from a cost-based principle to demands on ‘balanced budget’, meaning that the municipality would aim for surplus. Any deficit must be covered by surplus in subsequent years. However, if an excess would occur at the end of the year, it could not be used to offset future deficits. In other words, the municipality could not save during good times in order to spend in bad times, which had implications for the MHCs’ possibilities to renovate their houses.

The system of rent setting stayed intact until 2011, which I will return to. However, an adaptation of the use-value system was initiated in 2006, when the city of Malmö became the first city to develop the system of use-value rents in a more market-oriented way through what is called ‘systematic rent setting’. The MHC, in cooperation with the local tenant’s union and the private rental operators, introduced a system of points where the apartment’s location

(both geographically and in the particular building) had increased significance on the rent (Bergsten and Josefson, 2006). Since then, many municipalities have introduced some sort of differentiated rent system, and both SABO and SUT have recommended such a development, arguing that differentiation is in line with the use-value-principles of ‘reflecting the tenants’ values’ (Regeringen, 2008) and makes the setting of rent levels more transparent and pedagogical. Moreover, a rent reform in 2007 enabled rent in newly-built apartments to be based on full coverage for construction costs rather than the use-value system. This type, called *presumption rent*, is presumed to be fair during a period of 15 years and cannot, during this time, be challenged in court. After this presumption period has passed, the rent becomes part of the ordinary rental system and can thus be challenged.

Allmännyttan in Transition

In the above, I have described changes in a number of contingent conditions which I argue are exogenous but of great importance for the development of Swedish public housing during the era. However, the most profound changes during this period have been endogenous; directed at the core of public housing itself. The 1991 political regime shift and crisis response marks the start of the development of allmännyttan into a market actor—even if such development had started on the local scale already in the 1980s. With the state-level de-politization of housing initiated by the new government, the beneficial conditions for loans, tax rules, and funding opportunities that the MHCs previously had were now taken away. Several interviewed MHCs state that they needed to become more commercial and regard their tenants as customers to emphasize that the residents have different preferences and needs. The municipal companies had hitherto had a strong backing from the state, which took much of the financial risks. Not even vacancies had been a problem because MHCs could previously get state support for empty flats as well (Boverket, 2008). Such support was withdrawn, and the companies would now follow the same rules as private rental housing companies. The MHCs now faced new challenges. Without giving general support to the companies, the state no longer had any reason to motivate the municipalities to keep their MHCs. Renters

with financial abilities increasingly moved to other tenure or sought to restructure rental apartments to cooperative flats, increasing the share of cooperative housing on the expense of rented housing, especially the public housing sector.

At the same time, the consequences of the million programme areas (where rental apartments as a rule were not converted into cooperative housing) appeared more and more problematic. Many of the houses (mostly owned by MHCs) were run-down, and the social impact of the functional division became increasingly visible: there were few natural meeting places in the areas. The million programme areas—and in many cases the notion of public housing—had become cemented as one of the sides of the segregated cities, including a certain stigma.

The economic crisis ascended in the mid-1990s, creating large unemployment and increasing the share of households dependent on benefits. Despite the increasing share of poor households, the bracketing of the MHCs' universal principles, as described under the previous era, continued under the 1990s and 2000s as the rental policies of MHCs became stricter. Although there is limited data showing the shifts over time, my interviewees argue that the rental policies have altered between strict and generous over time since the 1980s. It could be argued that stricter local rental policies could be a strategy in order to enhance the reputation of public housing. Such a strategy was clearly chosen by the MHC Gårdstensbostäder, who during an extensive renovation and overhaul of the residential area Gårdsten starting 1997 (for which they have been acclaimed) also raised rental policies in order to 'get rid of the disorderly tenants' (Borelius and Wennerström, 2009, p. 229). In Stockholm, Romani households were identified in a 1995 municipal action plan against social unrest as a certain ethnical group who could cause social unrest in the apartments and areas. The action plan led to many Romani families, despite economic situation and rental history, being denied apartments by the Stockholm public housing company Familjebostäder, who referred directly to the action plan when motivating such actions (Regeringen, 2014a). In Malmö, the MHC was discovered to have records of unwanted tenants which the

employees were to avoid when assigning apartments from the queue (Aunér, 2001).

Since the changes in the 1990s meant that the privileges that public housing earlier had were lifted, it was for a time unclear what defined a public housing company. The ‘commercial public housing’, which the MHCs were supposed to act as, was difficult to interpret (Boverket, 2008). Some MHCs clearly took the commercial path seriously. In 1998, MKB in Malmö became the first MHC to undergo credit ratings (Aunér, 2001). The uncertainty of the tenure’s existential grounds also led to the start of a massive sale of MHC apartment houses to the tenants. Such transformation to cooperative housing became most common in right-wing governed municipalities, especially in Stockholm. The municipality of Nacka sold the whole stock in 1996. The Social Democratic government reacted by introducing the ‘stopplag’ (stop law), which brought to a halt the large-scale disinvestment of public housing by requiring that Länsstyrelsen, the County Administrative Board, had to approve the sale of public housing apartments. In order to clarify the role of public housing, 2002 saw the instatement of the first specific law on allmännyttan, the *Allbolagen*. This legislation stated that a public housing company no longer needed to be owned by a municipality. However, my interviewees state there were few consequences of such a change. The right-wing coalition, which regained political majority in 2006, revoked the stop law; this led again to increasing tenure conversion. In total, the share of public housing in Sweden has decreased from 25% to 17% nation-wide after 1990 (see Figure 8). The change is especially evident in inner city Stockholm, where the share of public housing decreased from 19% to 7% during the same time span and the rental tenure as a whole decreased from 73% to 36% (Andersson and Turner Magnusson, 2014).

Enter: The European Union

As mentioned, governmental aid to municipal housing companies had ceased by the late 1990s. At the same time, it also proved problematic for municipalities to provide special support to their own housing companies. This was primarily connected to the European Union’s legislation on competition and state aid rules, which now

applied since Sweden had become a member of the EU in 1995. In 2002, the private operators on the Swedish rental market, via the national organization Fastighetsägarna and The European Property Federation (EPF), filed a report to the European Commission claiming that Swedish public housing did not comply with European legislation on competition. Municipal support directed at MHCs—combined with the model of rents in public housing constituting a benchmark for negotiation of rents in general—was claimed to dampen the development of rents. This was argued to be in conflict with EC competition law, which demands a ‘level playing field’ between private and public actors that act on the same market, such as the Swedish integrated rental market (See, e.g., Elsinga and Lind, 2012; Grander and Stigendal, 2012; Kjellström, 2015; Salonen, 2015b). In 2005, a new report was filed by the EPF, this time focusing on the observation that municipalities did not apply market demands on revenue from their MHCs.

In 2005, a state investigation titled ‘EU, allmännyttan och hyrorna’ (EU, allmännyttan and the rents)—also referred to as ‘Kochska utredningen’ after the lead investigator Michael Koch—was initiated by the Social Democratic government, aimed in particular at analysing the possibilities for conducting a national housing policy within the framework of the EU membership. When national political leadership shifted in 2006, the new right-wing government added two additional directives for the investigation in 2007. One of them gave the investigator greater freedom to propose changes that were necessary for harmonization with EU legislation. The government established in the additional directive that there was a need to reform not only public housing but the rental market as a whole.

In April 2008, the investigation report SOU 2008:38 (Regeringen, 2008) was handed to the government. Two proposals regarding the future of public housing were presented in the report. The first one suggested that the Swedish public housing would become commercial, which meant that companies could operate without what EU legislation regards as state-support and that they should ultimately make as high a profit as possible with regard to the risks which municipalities choose to take. The proposal also suggested a change

towards a 'demand-driven' rent-setting system. The second proposal was that the MHCs would continue to be cost based, that is, not having to make a profit but only being required to cover their costs. It was stated by the investigation that it is 'uncertain—but not excluded—that the cost based model would be accepted in an EC judicial review' (Regeringen, 2008, p. 30, my translation).

It should be noted that the investigation report did not suggest that Swedish public housing should develop into a subsidized selective sector for households with reduced circumstances and thus abandon the integrated rental market. In fact, the directives to the investigation were clear about how 'changing model' was not an option. Both alternatives suggested different alternatives of keeping the universal approach of public housing. Thus, the universal approach of Swedish public housing seems to be deeply rooted and could thus be argued to spring from the universal principles of the social democratic welfare regime, which has been established in political consensus during the post-war era.

Allmännyttan's member organization SABO had negative opinions of both proposals presented in the investigation report. SUT was also critical, not the least against the suggested rent-reformation, and argued that the risk was apparent that the Swedish model of public housing would be undermined and that the result could be a Swedish model of 'social housing'. The criticism of SABO and SUT led to the two organizations formulating a joint proposal (SABO and Hyresgästföreningen, 2009). The proposal was drafted by the organizations as a compromise between their different interests. The organizations thus departed to some extent from their previous demands, such as principles of cost-based MHCs and their benchmark-setting role in rent negotiations. The proposal's main feature was that public housing should keep the system of negotiated use-value rents but be run according to business principles and be required a 'businesslike' return to the owners—all in order to be compatible with EU law. The proposal also suggested that a limitation of the profit transferable to the owner (i.e., the municipalities) should be introduced. The proposal came to have great significance. When the joint proposal was presented in April 2009, it was received positively

from most actors—including Fastighetsägarna, who had filed the EU-report. Hence, the suggestion for legislation that eventually came from the government was to a great deal based on the joint proposal, described as a ‘historical agreement’ between SABO and SUT (See, e.g., Pagrotsky, 2010). According to my interviews, the ‘historical agreement’ meant that the MHCs through SABO and the tenants through SUT agreed to what they considered to be the best development of the public housing sector and thus the whole rental market, given the option available—the abandonment of universal public housing and the integrated rental market.

The new legislation, *Lagen om Allmännyttiga Kommunala Bostadsbolag* (AKBL) (Riksdagen, 2010), was instated January 1, 2011. The universal approach of Swedish public housing (which now again had to be municipally owned) and the principle of negotiated use-value in the rental system were kept. The benchmark-setting role in rent negotiations was abolished in favour of a system of collectively-negotiated rents without any specific running order. A rule of escalation was instated to protect tenants from drastic increases in rent (Boverket, 2014). The cost-based principles of public housing were replaced by ‘businesslike principles’ and requirements on ‘market return on investment’ (Regeringen, 2010, p. 1), which replaced the earlier formulation that MHCs should be cost-based but driven on ‘businesslike foundation’. Moreover, the legislation introduced a limit on how much revenue could be transferred from the MHC to the owner, a limit however possible to circumvent if the revenue is to be used for municipal actions aiming at ‘integration and social cohesion’ (Grander and Stigendal, 2012; Boverket, 2018).

As the Swedish government withdrew all advantages toward public housing in order to create what the EU calls a ‘level playing field’, it avoided having allmännyttan tried in the European Commission, thus dodging the ‘European threat’. What would have happened if the government had decided to try the cost-based model, we will not know. However, the reluctance to try has been contested in juridical research. Kjellström (2015) argues that the Swedish model would have prevailed in EC court and that the process between 2002 and 2011 is a case of ‘juridification’ of a political question of national

concern. Thus, the development could be argued as part of the Europeanization of welfare politics (See, e.g., Graziano and Vink, 2008).

A Structured Coherence of Marketized Universalism

The post-1991 changes of public housing and the contingent development of the structure of housing provision described in this subchapter must be seen as dramatic. The contextual factors in form of political decisions and negotiations between housing actors has first and foremost affected the *financial relations* in the structure of housing provision, as distinct financial relations ceased to exist between the state and the municipal housing companies. The subsidies in form of favourable loans with fixed interest rates were dissolved in 1992. Housing construction has since then been primarily dependent on financial relations between lenders and constructors. The changes in the rent-setting system (systematic rents on local markets and the introduction of presumption rents for new constructions) have become contingent factors for the financial relations between tenant and landlord, which now have become increasingly marketized. In fact, I would argue the introduction of presumption rents should be regarded ‘beyond’ market-based rents as it completely takes away the risk for the constructor, who is guaranteed cost coverage *and* reasonable return for at least 15 years.

The increase in rents during the 1990s has continued at a pace strongly departing from the consumer price index (albeit not taking actual costs for property owners in consideration), which connects the development to the *welfare and labour relations*—which were highly transformed during this era. Increases in housing costs have not been compensated by corresponding changes in the welfare provision, for example, through the housing allowance. New legislation on municipal housing provision also made private operators withdraw from public queues, which I argue is the starting point of what I call the ‘disintegrated’ rental market, which I will return to.

Regarding *property relations*, the abolishment of governmental loans also meant that the abolishment of the principles of building subsidies could only be directed to housing on land owned by the

municipalities. As municipalities faced demands on balanced budgets, municipal land prices started to increase.

In sum, the structured coherence of 1991–2010 could be characterized by *marketization*. This coherence was made possible through endogenous development of the financial relations between the state and public housing, in combination with exogenous contingent development; an economic crisis and political decisions on taxation have been most important, not the least since rental housing has been continuously disfavoured, steering households with financial capital to owned and cooperative housing. The role of allmännyttan in this structured coherence has been altered as political changes have removed the favourable loans and incentives for local municipalities to keep their MHCs. It could be argued that the housing policy during this period started a shift in scale, becoming disconnected from the national welfare state and instead entrenched in the strategies of the 290 local municipalities.

2011–: The Age of Financialized Universalism

What is the trajectory after the 2011 changes in legislation? In this last subchapter, I will show the current exogenous conditions of public housing in order to pinpoint the institutional fix and its economic interdependencies of the SHP. Thereby, the contemporary allmännyttan is put ‘in place’ in order to be able to say something about its possibilities to actualize mechanisms of relevance for housing inequality. The endogenous changes and the outcome will then be dealt with in the three papers (summarized in chapter 6) and in the concluding chapter 7.

Continued Lack of Tenure Neutrality

First, we could see a continuation of the failure to fulfil the principle of cost-neutrality between tenures. While we, during the last years, have seen general bricks-and-mortar subsidies (‘*Investeringsstöd*’, investment support) aimed at rental operators who construct small apartments and student housing with a rent ceiling (Regeringen, 2015), the governmental tax policies are still in favour of owned and cooperative housing despite the question being increasingly addressed by politicians from diverging political standpoints. The 30%

tax deductible for owned housing, together with historically low interest rates, has until recently led to a continued sky-rocketing of prices on owned and cooperative housing as well as an increased debt among the population. The increasing debt has gained attention, resulting in actions from *Finansinspektionen*, Sweden's financial supervisory authority—such as the limitation on mortgages to 85% of the total cost for housing purchases, mandatory amortization on all loans exceeding 50% of the market value of the house or apartment, and a limitation of the housing mortgage in relation to the annual income. Still, house owners have been able to make capital gains on their housing during the main part of the period since 1975. The European Commission ranks Sweden as the country with most favourable tax policy for owned housing in Europe and has several times recommended that the Swedish government abolish the tax deduction for mortgage costs and increase the taxation on owned housing (European Commission, 2018).

While the increased debt ratio among households (which such a development implies) could be seen as an incentive for consumers to turn to rental housing, and thus for constructors to build rental apartments, the result has rather been the opposite. As illustrated by the young adults in my research, the cost development of the owned and cooperative sector has seemingly created increased incentives for joining the race in order to ‘get paid’ for being housed—thereby increasing incentives for constructors to invest in cooperative housing. Again, the principle of cost-neutrality between tenures is nothing more than a chimera, making the average cost between equivalent rented and owned housing differ with €300 per month in favour of a house owner (Regeringen, 2014b). A study by OECD (2017a) on housing costs over income shows that Sweden has the fourth highest costs as share of disposable income for rented housing but the lowest costs for owned housing (including mortgage costs). The cost for housing in different tenures could also be visualised by data over time:

Figure 6: Development of housing expenses in owned and rented tenure compared to the consumer price index (Source: Statistics Sweden)

A Watered-Down Rental System

While rent setting depends on complex mechanisms and the costs for a property owner does not follow the consumer price index (Hyreskommissionen, 2018), the development of housing costs could be connected to implications of the 2011 legislation on rents, central for the second circuit of capital in the financial relations of the structure of housing provision. With the 2011 legislation, businesslike principles were formally replacing cost-price principles. This clearly influenced the rent setting system.

The biggest implication of the death of the cost-based principles was definitely how it affected the rent negotiations. As we couldn't use our actual costs for a basis, we suddenly didn't know what we would negotiate about. (CEO)

My interviewees point to this change as decisive for increased rents in public housing. Furthermore, as the norm-setting role of MHCs

was abolished, the private owners could now negotiate on their own merits. Moreover, systematic rent setting and presumption rents in the construction of new housing have increased and are arguably leading to increased flow of capital from tenants to housing companies, according to the interviewees at MHCs and the SUT.

Regarding rent setting in new housing, statistics (Regeringen, 2017a) show that the vast majority of newly-produced rental housing today is built with presumption rents, especially among the MHCs. Statistics also show that the second most common rent setting in newly-produced housing is individual rent setting, meaning that the landlord agrees directly with the tenant about the rent level, bypassing the SUT. It goes without saying that the rents set by presumption principles and by direct agreements are significantly higher than in rental apartments where rents are set by negotiated use-value rents.

The changes should be seen as a process of watering-down the rental system of its main characteristics, albeit with the blessing of all actors involved. And more changes of the rental system are likely to come. The system of negotiated use-value rent is, despite the adaptation towards more market-based rents, under pressure and subject to critique. The system is pedagogically difficult, argues the European Commission (2018), who recommends a more flexible model. My interviewees in MHCs and the SUT claim that the main problem involves the difficulty for all parts in the negotiations of annual rent increases to agree on the actual grounds for negotiating, now that the norm-setting role of cost-based MHCs is gone. Subsequently, SABO (2018) and Fastighetsägarna (2018) are suggesting a variety of further changes.

Increased Residualization of Rented Housing

The changes in the rental system have seemingly increased the flow of capital to rental property owners, contributing to increased costs for households in rented housing, albeit seemingly necessary for property owners to cover their cost. Together with the taxation policy for owned and cooperative housing and the low interest rates on housing mortgages, the changes in rents and thus the increased housing expenses since the 1990s have implied a bleed to owned housing for those who have the possibility. I conclude that such a development has been amplified since 2011. Subsequently, we have seen an amplification of segmentation between tenures, illustrated by an increasing share of low-income households in rented housing:

Figure 7: Share of households residing in rental housing, per income quintile
(Source: Statistics Sweden)

The figure reveals that 30% of the poorest quintile of households, but also 30% of the richest quintile, lived in rented housing in 1980. Until 1992, the variation of income groups remains intact as rental apartments also appealed to the richest households. However, after the tax reform and the economic crisis in the 1990s, we see how the rental market becomes increasingly conform in terms of income distribution. The poorest quintile in rented tenure increases, from 30%

to almost 50% between 1992 and 1998, and the richest quintile drops by 10 percentage points over the same period. This trend has continued, and today we see a clear correlation between income and form of tenure. The richer a household, the less likely the household lives in rented tenure; it is four times more common among low income than among high-income people to rent their homes. As I describe in my papers, this residualization of rented housing is especially evident in public housing. It could, however, be discussed whether this is a problem. The MHCs still have the social responsibility inscribed in their mission, and if public housing does not cater for these households, who would?

The Entrance of Financial Actors in the Rental Sector

During the past few years, we have seen an increasing interest from new actors in the rental market. As I describe in the papers, the past decades have seen the emergence of slumlords with short term revenue aims and low maintenance ambitions. The housing shortage has seemingly attracted financial actors with limited experience in housing to invest in low-rent apartment houses. There has also been an increasing interest from financial capital to invest in housing blocks in ‘disadvantaged’ areas, especially those owned by MHCs. Several private investors seem to be seeing business opportunities in the municipal housing stocks, especially those built during the million programme 1966–1975, which are often in need of comprehensive renovations. Large private or semi-private actors—such as Rikshem and Willhem (both partly respectively fully owned by national public retirement funds, AP-fonderna) and the risk-capital company D. Carnegie, owned by the American private equity firm Blackstone—are the most active buyers. One of my interviewees from a smaller private housing company claims that buying these properties is a far better investment than traditional assets and that the large financial investors are therefore outbidding smaller companies who ‘have a genuine interest in the housing question’.

Many of the companies have clear and transparent business models for these properties; what is significant are their financialized modes of entering, renovating, and exiting the rental properties. On Blackstone’s webpage (Blackstone.com, accessed 2018-06-15), they

explain how they *buy* ‘high-quality, income-producing assets at discounts’, they *fix* the assets to unlock value through ‘aggressive asset management’ and ‘*sell* the investments to long term real estate holders and return capital to [their] investors.’ Taking advantage of the housing shortage, it becomes profitable for the investors to buy at a relatively low price, renovate apartments to high standard when they become unoccupied, and then lease to a significantly higher rent (Fastighetsvärlden, 2017). Here, the use-value rental system comes in. The system implies the tenant’s protection from a drastic raise in rent. However, there is a loophole. If a landlord makes a renovation which is not regarded as ordinary maintenance but as increasing the standard of the apartment, they are able to raise the rent as the use-value increases. Rent increases by 40–50% are not unusual. Moreover, the shift in ownership is often accompanied by stricter rental policies. The owners intend to change the population of the area, attracting more purchasing power to the area—which in the long run could increase market values, the area’s attractiveness, and thus the basis for rent negotiations. Researchers who study this process warn about gentrification and ‘renoviction’ (See, for example, Baeten et al., 2017; Westin, 2011) when the new owners gradually renovate the apartments and raise the rents. Interviewed property owners on the other hand argue that such a ‘steered city development’ is counteracting segregation as more well-off households are moving into areas characterized by low income.

Increased Land Competition

The 2011 AKBL legislation and its background in The European Commission’s regulation on competitiveness also had an impact on the property prices. The EC’s demands on competition means that municipalities in their allocation or sale of land to developers as a rule must apply the principle of highest bidder, implying that MHCs need to become more competitive in relation to private rental operators. The municipalities are able to make other demands on bidders, such as correspondence with the aims of the city’s urban development plans, tenure requirements, or specification of a rent ceiling. Regardless the demands, the MHCs as ‘clients’ must compete on a level playing field with private actors and are not given any special benefits. According to an MHC CEO interviewed, this has implied

that the MHC is directing large amounts of money on a ‘competitive portfolio’ in order to be able to race with private investors over municipal land. While there are no reliable statistics on municipal property allotments or prices, my interviewees at municipalities and MHCs claim that most municipal land allocation during the latest decade have been directed to developers building private rental or cooperatively owned housing. Consulting statistics, there have been more than four times as many cooperative flats as public rental flats constructed in the three largest cities since 2011. In 2005–2010, 25% of all constructed apartments was public housing. During 2011–2017, the rate was 14%, compared to 28% for private rental and 58% for cooperative apartments (SCB, 2018). While this data refers to construction in total, not just on municipal land, it gives a hint that MHCs are facing tougher competition.

A Housing Allowance of Less Significance

Finally, the development of the housing allowance is a factor of interest. The changes to the allowance (see Figure 5) have not corresponded to the increase in rents, wages, and consumer price index—meaning that less people can qualify for the allowance, that the allowance is insufficient for households to get above low economic standard, and that the allowance might only partially help its recipients in paying their housing expenses (Riksrevisionen, 2017). Moreover, OECD (2017b) shows how the income inequalities have increased during the period, accentuated by the drastic increase in refugee immigration during 2015–2016, contributing to the aforementioned segmentation between tenures and steering low-income households to rented housing, which naturally is the more expensive tenure.

A Structured Coherence of Financialized Universalism

Judging from the research presented, I argue that the structure of housing provision after 2011 can be categorized as a *structured coherence of financialized universalism*. Returning again to the categorization through financial, property, and welfare-labour relations (Lawson, 2006), I argue that all relations have been subject to change in terms of financialization but that the most drastic changes in the structure of housing provision after 2011 are connected to the *financial relations*.

The 2011 AKBL legislation should be considered as a fixation of the financial relation between the state and the rental operators that was settled in the early 1990s, as differentiated transactions are no longer made from the state to specific companies or organizations on the rental market—thus cementing the integrated rental market in its purest form (Kemeny, 1995; Stephens, 2017). While during the last years we have seen general subsidies for investment in new rental housing, neither public housing nor private rental actors are receiving any special subsidies due to their specific roles in the SHP. In other financial streams, the untouched interest rate deductions for owned housing, accompanied by the national bank's decisions to keep a negative key interest rate leading to low interest rates on housing mortgages, has led to a continued steering of households into the owned and cooperative sector. Incentives have been low for constructors to build rental housing and high for households to enter the cooperative sector. This has arguably led to speculation in the cooperative housing sector and rocketing prices and, subsequently, increased housing consumer reliance on financial capital. Thus, the continued lack of national politics to create cost-neutrality between tenures has led to increased thresholds to the housing market, smaller share of rental apartments, residualization of rented housing, and increased debts among households in cooperative and owned tenure.

Other changes in the financial relations are the changed system of rent-negotiation and the limited trajectories of certain actors in the privately owned rental sector—especially with regards to international financial interest for the low-cost segment, which has a

potential for increasing in rent through extensive renovations and increasing the value of properties in a short time span—as well as the increased strictness of rental policies due to the increasing share of poor households.

The European Commission's regulation on competitiveness also had an impact on *property relations*, more specifically the ties between the municipality and the landlords regarding land allocation, where competition now should be strict. Regarding *welfare-labour relations*, the housing allowance is of little help, not the least when housing costs are increasing in pace with income inequality.

In sum, the last decade has seen an accentuation of the earlier-started alteration of financial relations—from a relation primarily between state and households to a relation primary between the finance capital and the households, moving the moment of risk from the state, via the lenders, to the individuals, arguably changing the scene for the MHCs.

Although key relations and the economic, cultural and political interdependencies in the structure of housing provision have gradually turned from state marketization to financialization, the empirical pillars remain. The universal housing policy, the model of universal public housing, the integrated rental market, and the use-value principles of rent-setting are—as principles—unchanged. Thus, the universalist approach is still present in the structure of housing provision, but it is dependent on a new logic. What we have seen is a transformation from state-financed universalism via marketized universalism to *financialized universalism*. The municipal housing companies of today exist in a financialized context, which they need to relate to and operate within. In the forthcoming, I will argue that this financialization has worked as a facilitator for a certain development of allmännyttan.

I now approach the contribution from the three papers of the thesis. In the next chapters I will, based on the findings in the articles, argue that the development towards financialization of the structure of housing provision has potentially changed the discretion for MHCs

to actualize the mechanisms decisive for counteracting housing inequality. But I will also argue that MHCs both reproduce and resist such financialized logic, thus becoming a fluctuant and hesitating actor in the institutional fix of the contemporary structure of housing provision.

6. SUMMARY OF PAPERS

Paper 1

Grander, M. (Submitted 2018, pending second review) 'Inbetweeners of the Housing Markets: Young Adults Facing Housing Inequality in a Neighbourhood of Malmö, Sweden'

The first paper looks into the empirical outcome of housing inequality. It examines the lived experiences of housing among young adults, who throughout the thesis are described as an especially vulnerable group. The paper takes its point of departure in the theoretical concept of housing inequality and the possible emergence of such inequality in the Swedish structure of housing provision, which with its general character, universal public housing, and integrated rental market has been reputed as a close-to-flawless model in international comparisons.

In the paper, I categorize manifestations of housing inequality empirically in terms of (a) *access to housing*, including aspects of dependency of financial recourses and possibilities to choose type and location of housing; and (b) *quality of housing*, including aspects of quality of the dwelling itself and also the quality of surrounding houses and the neighbourhood. Based on a contextual, relational, and multi-dimensional view on inequality, I argue that housing inequality needs to be seen not only as differences but as contextual norm-deviating differences that limit the life possibilities of the disadvantaged by influencing *resources* as well as *vital* and *existential* parameters. In the paper, housing inequality is analysed accordingly. The contextual norms are important as a point of departure. In the social democratic welfare regime, young people are expected to move out from their family homes at an early age to become independent and start their own lives. They are not obliged, for example, to take care of the elders in the family. However, the past decades have seen a drastic change in the median age of leaving the parental

home. I argue that young adults' increasingly precarious situation should be taken seriously.

Building on interviews with 36 young adults in Sofielund, Malmö—a so-called disadvantaged neighbourhood—the paper explores how the young adults navigate the housing landscape and what possibilities they have for accessing housing of good quality and discusses the findings from the aforementioned perspective of housing inequality. The findings reveal that the interviewees exemplify ending up on the losing side of the rising housing inequalities. They have increasingly limited possibility to gain secure access to housing of good quality. They seem to be stuck in a no-man's land where they have limited access to any tenure. As none of the young adults in the study have their own financial recourses (few have parental support) to enter the increasingly financialized *owned* housing market, they are heavily dependent on the rental housing market. However, the local rental market is characterized by high thresholds. The young adults are outsiders on the *public rental* market—not having sufficient queue time or qualifications for obtaining an apartment on the general rental market, not having enough income to demand newly-constructed public housing, and still not being poor enough or having enough social problems for a 'social' contract on the secondary housing market. The paper further gives evidence to how young adults are also outsiders on the *private rental* market. Entering here on a formal basis is equally difficult: The private operators' models for assigning contracts are arbitrary and thus demand not only regular income but also social networks and skills. Moreover, some of the private operators are also increasingly financially exploiting the situation of housing shortage by exploiting the loopholes in the use-value rent setting system to raise rents through extensive renovations, thus limiting access for low-income households. As most secure forms of housing are ruled out, a dead end emerges where the informal—most often illegal—housing market of second, third, or fourth-hand rental contracts is the remaining option. Here, possible access is compensated by steep rents, insecurity, and in the local case, precarious quality. The results suggest the existence a number of parallel housing markets—each with its own characteristics and qualities, its own formal and informal barriers, and its own type of

transactions. The young adults are increasingly excluded from all formal housing markets. They appear as *inbetweeners* of the markets, often having no choice other than the precarious informal housing market.

The results of the interviews confirm the research on housing inequality in terms of *access* as a result of the financialization of both owned and rented housing leading to the shortage of affordable rental apartments and the consequent dependency on financial resources and parental wealth (the ‘Bank of Mum and Dad’) to get access to the owned market. Thus, being young is not the common denominator for facing housing inequality; rather, it is the differences in recourses in terms of money, networks, and queue time. The lack of these resources is, however, amplified by being young.

To this inequality in forms of access, the paper claims that the other dimension of housing inequality—*quality* of housing—is to be added. Such inequality has previously been relatively undiscussed in the contemporary Swedish housing context. I claim that the local setting of Sofielund represents a neighbourhood-specific situation of fragmented ownership of rental apartments, where many private landlords’ neglect the apartments and houses in line with a financialized logic of property ownership. Such neglect possibly accentuates the physical decline of the neighbourhood and the social turbulence and criminality in the area. The limited access to public and private rental housing, the poor quality of private rental housing, and the limited influence of the local state to deal with problems are the bearing pillars of a *local housing regime*, where housing inequality is affecting young adults particularly hard.

Based on the findings, the analysis gives that while *resource inequality* is a condition for the emergence of housing inequality, the current housing situation also reproduces such inequality. The young adults are stuck within rented tenure, often sublet and insecure, and are facing more relative costs for housing than those who have the possibility to enter the owned market and join the ‘real-estate-as-an-accumulation-of-wealth’ race. Further, the local housing regime seems to create, reinforce, and reproduce also other types of

inequality. In terms of *existential inequality*, the transition to adulthood is postponed due to the lack of own housing, which means that the young adults' right to self-development and autonomy is cut short since staying in the family home diminishes one's sense of what it means to be an adult. Additionally, the increasing view on ownership as the more desirable tenure and as a generator of wealth accumulation might stigmatize young adults who, voluntarily or involuntarily, live in rented housing. Moreover, with regard to the stigma of the area, the inbetweeners may be regarded as second-class citizens; this could have far-reaching consequences in terms of access to the labour market, which limits the opportunities and future outlook in general for young adults living in Sofielund.

Overall, factors connected to resources and existential matters generate *vital inequality* between those who live in Sofielund and those who live in other parts of the city, both in the short-term perspective and in the long run. The young adults' experiences of sofa-surfing and poor housing conditions clearly affect their physical and mental health. More importantly, limiting the access to education (living too crowded to get peace and quiet for doing homework) and employment might increase vital inequality since access to education and employment is directly connected to health, life expectancy, and of course to income and wealth accumulation. Again, fewer resources means more limited access to housing—and the cycle of housing inequality starts over again.

Paper 2

Grander, M. (2017) 'New Public Housing: A Selective Model Disguised as Universal? Implications of the Market Adaptation of Swedish Public Housing', *International Journal of Housing Policy* (17:3) pp. 335–352.

This paper focuses on the development of *allmännyttan* in terms of the universal approach. The paper takes its point of departure in theoretical concepts of *universalism* and *selectivity* in housing policy. It describes how the Swedish model of public housing is a cornerstone of the universal approach of the national housing regime, with its general aim of 'good housing for all' and thus its departure from other housing regimes in Europe that have a selective approach signified by a model of means-tested social housing.

Based on national surveys and 47 interviews with MHC representatives, the paper highlights the development of Swedish public housing and discusses the recent development in terms of uneven access to public housing. The paper shows that the gradually increased demands on businesslike principles and market return on investment introduced with AKBL 2011 have made MHCs less likely to take financial risks. This has in turn resulted in increased financial demands on those who seek to live in public housing. The rental policies—which decide who can sign a contract for an apartment in the MHCs—were sharpened after the changes in legislation, increasing the demands on *levels* of income of potential tenants to be able to sign a contract and also disqualifying several *types* of income. In many cases, housing allowance and social benefits, as well as temporary income, are not regarded by the MHCs as legitimate income. The sharpened demands led to a substantial share of the population being excluded from public housing. The research especially points out young adults, often having limited income or temporary employment, as a special group at risk of exclusion from public housing. Another group is single parents, dominantly female, who statistically are more often dependent on the benefits that MHCs increasingly reject in their higher thresholds for entering.

The research further finds that the raised thresholds were compensated by an increase in secondary-market rental contracts ('social contracts'), where municipalities rent apartments from public housing companies and, in turn, sublet to individuals in need. While the secondary housing market was originally designed to complement the universal housing policy by providing housing to people who cannot gain access through the regular market, due to for example substance abuse or other kind of problems leading to the interference of municipal social services, it is now increasingly used for people whose sole problem is lack of housing. Such contracts are strictly conditioned, are valid for a limited time, and have low probabilities of being transformed to ordinary rental contracts.

As a result, I contend that there are more than an 'A Group' and a 'B Group' on the public housing rental market, as often is claimed in the debate; rather, there are three different groups—A, B and C. Where the A Group can pass the barriers to public housing by having sufficient income and stable employment, the C Group can enter via social contracts. However, in the B Group, a large number of individuals with low or average wages, irregular income, or insecure employment conditions are increasingly being excluded by the barriers built up by stricter rental policies while at the same time not having 'problems enough' for a secondary market contract.

The paper argues that this ambiguity of target groups is connected to the market adaption of public housing. I discuss how the changes in financial demands, the introduction of financialized logics, and the eagerness to be inspired by managerial ideas of private housing companies are signs of an altered approach among the MHCs—leading to the emergence of what I call *New Public Housing*. The common denominator for the dual target groups of New Public Housing is financial security: By increasing the financial demands on 'regular' tenants, the risk of the non-payment of rent becomes smaller. Also, by increasing the number of social contracts, the MHCs fulfil the legislated, albeit vague, demands of social responsibility without the risk of losing any revenue since the municipal social authorities pay the rent. While the municipalities take the

economic risk, the MHCs claim social responsibility and an inclusive ambition.

The shift is seen in this paper as a transition from a universal model connected to the social democratic welfare regime to an ambiguous model with universal discourse but with selective outcome. New Public Housing could be argued to be losing its inclusive character of 'for the benefit for everyone' and, instead, is contributing to a more exclusionary rental system. The selectivity is, however, different from that of the traditional selective housing regime as the target group is not only the most vulnerable, but also the financially stable middle class.

Paper 3

Grander, M. (2018) 'Off the Beaten Track? Selectivity, Discretion and Path-Shaping in Swedish Public Housing', *Housing, Theory and Society*.

The third paper looks further into the potential limitations of the universal approach after the instatement of AKBL in 2011, based on the observation that different MHCs make divergent decisions in relation to mutual financial regulation. I argue that a deepened understanding of the agency of the MHCs is necessary to understand the variation, an understanding made possible by a study of the dialectic relationship between structure and agency. The point of departure is that there is a certain degree of *discretion* (room for manoeuvre) for actors in relation to the structures they are part of and continuously create and transform. Theoretically grounded in the strategic-relational approach and its differentiated *strategic selectivity* (combinations of possibilities and constraints related to structure, agency, discourses, and technologies), the paper seeks to highlight the discretion of municipal housing companies. By investigating the actions (and non-actions) of MHCs, the paper examines how the companies construe the discretion in the current political-economic landscape, how such discretion is used in practice, and further, what the implications are in terms of outcome of the universal approach of public housing.

Based on a survey directed to all MHCs, interviews with representatives of eleven MHCs, and an analysis of documents produced by these MHCs, the paper provides a number of examples of how the MHCs identify and use (or refrain from using) the discretion when manoeuvring in the landscape of the new conditions and 'market return on investment' that the legislation from 2011 has established.

I argue that the changes in legislation have introduced a new logic in the structure of public housing, shifting many of the MHCs' steering principles from market-based towards a logic of financialized economy. New financial actors such as accountants and external valuers have gained increased influence in the MHCs, changing the roles and the power relations in the structure. The financialized

logic is thus firstly discussed in terms of *structural selectivity* in the structure of public housing. New roles and new social relations have further engendered a change in the *discursive selectivity* as new financial semiotics became increasingly decisive. In the lack of definition of 'market return on investment', most MHCs have adapted to norms and standards present in the real estate business. 'Risk' and 'yield requirements' have become incorporated in the semiotics and affiliated figures become truths. The discursive selectivity thereby gives precedence to certain views of certain actors, in this case favouring a discourse of financialization. The discursive selectivity, where financial logic of risk-awareness is particularly enunciated, is dialectically connected to a distinct *technological selectivity*. I describe how the real estate branch norms become increasingly operationalized as the consultancy firms perform estimated market-value calculations of real estate properties which result in calculations of market values and figures of expected yield. These figures become governing technologies as they are sold in form of datasheets and geo-economic maps (models of calculation) to housing companies, who use them a benchmark for real estate business, where fictional urban borders become decisive for what actions are businesslike and not. My analysis shows how such technology has clearly influenced the characteristics of production of housing. I argue that the consequence of the technological selectivity introduced with spreadsheets of expected return is a continuation of the lack of affordable housing, especially in the peripheral parts of cities.

The changes in selectivity introduced with the new legislation have favoured the selection of a certain *economic imaginary* among the MHCs. The economic imaginary is based on the logic of a financialized economy and consists of increased reliance on financial actors, discourses on risk and yield, and affiliated technologies of short-term calculative practices based on fictional geo-economic borders within cities and estimated market value of real estate property, which is put in relation to book value or calculated cost of production.

I contend that this economic imaginary narrows most of the MHCs perceived room to manoeuvre when it comes to maintaining the

obligation of ‘good housing for all’. This imaginary limits the MHCs’ ability to apply open rental policies (thus supporting the results of the second paper) and to build housing for others than those with financial recourses to live in more attractive areas of the cities. However, while the majority of the MHCs have become bound by the new economic imaginary, I show how the imaginary can be questioned, challenged, and even revoked by some MHCs. I give examples of how certain companies are taking advantage of the selectivity in a certain way in order to contribute to a housing provision of universal character when setting rental policies and constructing new housing. These could be understood as cases of *agential selectivity*, the ability of actors to make a difference. The structure of public housing has undoubtedly quite a substantial degree of discretion for promoting universalism—despite the structural, discursive, and technological constraints. Thus, agential selectivity is fundamental for identifying and using such discretion.

The economic imaginary presented in the findings is argued in the paper to be a result of the joint and dialectic outcome of the changed selectivity. Such an outcome is further discussed in terms of a process of variation, selection, and retention of specific construals. The legislation from 2011 on businesslike principles initially overturned the social and economic reality of MHCs. A *variation* of possible construals existed after the legislation was enacted, and it still does. The selective process that followed resulted in a situation where discourses of ‘businesslike principles’, ‘risks’, and ‘yield’ took hold in a majority of the MHCs—thus introducing a financialized real estate logic within the structure of public housing. The *selection* between construals thereby favoured a discourse operationalized through new economic instruments and calculative practices. Through this process, the economic imaginary of financialized economy emerged, leading from construals to construction in form of stricter rental policies and the building of housing mainly directed at middle- to high-income households, thus endangering the universal character of public housing and the structure of housing provision.

The findings lead to the conclusion that the new imaginary could signify a possible break of the path-dependency of the universal

character of Swedish public housing. Many of the MHCs become bearers of a new economic imaginary. As these actors gain influence in the larger structure of public housing, they could contribute to endangering the universal character of public housing and thus the structure of housing provision. This gives signs of a possible break in the path-dependency, contributing instead to path-shaping in the ambiguous-selective direction described in the previous papers. However, the new economic imaginary has been contested by several MHCs. The ample discretion which exists is used by some to negotiate an economic imaginary based on risk assessments and yield requirements when setting rental policies and constructing new housing. Such discretion can thus be used to maintain the universal character and challenge the potential break in path-dependency—thus returning to the beaten track. Therefore, the imaginary of financialized economy cannot be said to have reached the phase of *retention* in the larger structure of public housing—it has yet to go from construal to construction. I conclude with claiming that the form and content of public housing is a matter of negotiation on a local level that reflects a national model which is not only hybridized but also highly variegated, implying that large differences exist between various municipalities when it comes to fulfilling the task of providing ‘good housing for all’. Thus, while the discretion might be enjoyed by MHCs on the local level, it might stand in contradiction with housing policy aims on the grander scale.

7. THE SIGNIFICANCE OF CONTEMPORARY PUBLIC HOUSING FOR URBAN HOUSING INEQUALITY

The three papers have led to a number of independent conclusions. It is now possible to see how these findings contribute to something more than just the result of individual papers and, further, to see how such an emergent result answers to the research purpose and the guiding questions. What is the potential of *allmännyttan*? What is the actual significance of *allmännyttan* for counteracting housing inequality in the local and national setting? Does *allmännyttan* live up to the ambitious motto of ‘good housing for all’ and remain the centrepiece of the national structure of housing provision? In this chapter, I will first put the results of the independent papers ‘in place’, before providing answers to the four research questions. Finally, I will elaborate the empirical and theoretical contribution of the work and propose some future research.

New Public Housing—Ambiguous and Hesitant

The analysis of the contingent circumstances of public housing in chapter 5 has shown how the financial strain on *allmännyttan* has increased during the past decades. Public housing exists in a context of *financialized universalism*. And, as described, *allmännyttan* itself has gradually and incrementally adapted to—and adopted—competitive market principles since the 1990s. So, how has the 2011 legislation changed the scene? What is the role of public housing in the current structure of housing provision?

Financialized Universalism on the National Scale

According to my first interviews with MHC and SABO representatives, the 2011 change in legislation did not have much consequence as they argued MHCs were already applying business principles and had been doing so since the 1990s. Such a result of AKBL has also

been argued by Boverket (2017). However, on the basis of the results of my case studies over time, I argue that the transformation of public housing that started in the 1990s has been heavily accentuated by AKBL in 2011. While being market-oriented since the 1991 deregulation and increased decentralization, I would like to stress an important difference: the seemingly small notion of ‘businesslike principles’ replacing ‘businesslike foundation’, and the affiliated demand on ‘market return on investment’ which was incorporated with AKBL. This change has had ample implications for the role of allmännyttan in the institutional fix and its significance for housing inequality.

An MHC is now structurally equated with any other housing company on the rental market. In principle, acting on businesslike conditions means that the actions commenced must be economically justified; investments cannot be undertaken if they are not calculated with certain return. At least, this has become a common interpretation of AKBL. As described in the papers, the new legislation has led to increased financial demands among more than half of all municipal housing companies in terms of increased requirements on yield and or expected financial results. I have in my research described how an imaginary of financialized economy has emerged in the wake of the new legislation, a ‘meaning system’ which guides most MHCs in their strategic calculation and decision making. This economic imaginary is characterized by short-term yield estimates and calculations on return on investment, by fictional estimates of property values, and by dependency on fictional geo-economic borders within cities. In the research, I have shown how this imaginary has had impact in terms of stricter rental policies and limited construction of apartments affordable for the many. Regarding rental policies, the imaginary has in many cases strengthened the view of poor households as unwanted tenants associated with a certain risk of non-payment of rents. In the case of housing construction, the economic imaginary and its limitations associated with geo-economical borders have been amplified with the changes in accountancy regulation fully implemented in 2014. With the new rules (Bokföringsnämnden, 2012), MHCs now needed to perform market valuations of their assets (i.e., houses) each year, which is to be

related to the book value in the accounting. My interviews show how this regulation has been aligned with a common interpretation of AKBL that restricts construction of housing in areas where demands on market return can't be met. If the construction costs (book value) of the house are expected to exceed the immediate market value after construction, the investment renders a financial write-down, which is regarded 'not businesslike' and should be avoided. But even when the housing is constructed with a planned surplus, if the forthcoming valuation is negative, a write-down must be done. In order not to affect the MHCs revenue, according to the interviews, this is recouped by raising the rent of the newly constructed housing.

Furthermore, the interviews show that that the construal of new financial demands for return on investment are making renovations in the least attractive parts of the cities harder to do in a businesslike manner. This implies that renovations need to be financed to a greater extent by rent increases. Consequences are that several MHCs cannot perform such renovations without raising the rent to levels that some existing tenants cannot afford—thus they are not able to move back after the renovations and need to find other housing solutions. Although such (temporary) solutions are often provided by the MHC, the feeling of being disconnected by force from one's home is in the literature described as traumatic.

The legislation has increased pressure on the majority of the MHCs from their owners regarding revenue and, subsequently, increased the flow of capital from MHCs to municipal owners. As the AKBL legislation also made it possible for the owners to withdraw a virtually unlimited share of the MHCs annual revenue for financing actions aiming at 'integration and social cohesion' (Grander and Stigendal, 2012), a possibility which often is utilized (Boverket, 2018), I argue that the 2011 legislation has been a concluding step in reverting the financial relations between the state and public housing. While the municipalities before 1991 gave MHCs financial advantages in order to fulfil the municipal responsibility for housing provision, the MHCs are after 2011 rather contributing to the municipalities' reserves.

Another developing set of events connected to the financial relations of MHCs are what I refer to as the ‘second wave’ of sales of MHCs apartment houses, merely touched upon in the papers. If the ‘first wave’ of sales was the extensive transformation of MHC flats to co-operative apartments in the period of 1991–2011, the second wave is connected to the housing shortage, the changed financial demands, and the increasing interest from foreign financial capital (see chapter 5). During the first wave, many municipalities reacted to the unclear status and purpose of MHCs by selling substantial parts of the stock. A dozen municipalities,¹⁴ most under conservative local political governance, have sold their whole stock of MHC apartments. In the currently ongoing second wave, the sales are seemingly not as ideological. In times of rental housing shortage, municipalities demand large and rapid construction of new apartments from their MHCs. In order to finance the production of new housing, several municipalities have decided on selling parts of their housing stock to finance such construction, as their solidity—their ratio between own and borrowed capital—needs to be high. In other cities, the MHCs have sold in order to create a more diverse ownership structure in disadvantaged areas. Regardless the reason MHCs have for selling, there are buyers willing to step up. As explained in chapter 5, a number of investment companies—often foreign—see business opportunities in buying and renovating apartment houses in the MHC stock, raising the rents but also raising the income barriers for becoming a tenant, before selling the apartments on.

Thus, despite the increasing construction of MHC housing in recent years, we see how public rented housing is decreasing its share of the national housing stock since 2011 at a rate previously not seen:

¹⁴ There are 14 municipalities that lack a municipal housing company or that have dormant MHCs (as of August 2018): Borgholm, Danderyd, Grästorps, Hjo, Lerum, Lomma, Markaryd, Nacka, Salem, Staffanstorps, Täby, Valdemarsvik, Vaxholm, and Ätvidaberg.

	Owned	Cooperative	Private rented	Public rented	Total
1945	38	4	52	6	100
1960	34	9	43	14	100
1970	34	13	30	23	100
1980	41	14	21	24	100
1990	40	15	20	25	100
2000	39	17	21	23	100
2005	39	17	21	22	100
2011	39	17	21	23	100
2016	39	23	20	17	100

Figure 8: Share of tenures in Sweden 1945–2016 (Sources: Bengtsson, 2013; Salonen, 2015b; Statistics Sweden)

Simultaneously, as discussed in the papers, the apartments remaining in municipal ownership seem to be subject to residualization, meaning that households residing in rented housing become poorer in relative terms. The residualization of public housing has been accentuated by the increase of refugee immigration during 2015–2016, which put pressure on Swedish municipalities to provide housing for the newly arrived immigrants. This pressure was often politically steered towards the MHCs as private rental operators have few incentives to provide housing solutions and have provided limited number of social contracts to the municipalities. While the residualization of public housing is not necessarily a problem per se, it clearly undermines the idea of the integrated rental market, where public and private housing companies are tightly bound to each other and compete over the same of tenants. In addition, combined with the sales of public housing in ‘disadvantaged’ areas, what we might experience is the rise of a *segmented oligopoly* in these parts of the cities, where a residual public housing stock is contrasted by a stock owned by international financial capital with higher rents and higher entrance barriers.

To sum up, not only is allmännyttan situated in a financialized context, but the core of allmännyttan is indeed going through a process where marketization has developed into financialization. The financialized context has naturally favoured this development—it is not

only the change in legislation but the contingent conditions for such a change that is of importance. If the housing market in general is becoming increasingly characterized by financialization, the MHCs—as market actors—will have a hard time not following the lead.

However, and of utmost importance, social responsibility is still inscribed in *allmännyttan*. The current legislation states that public housing should offer a ‘varied supply of housing of good quality that can attract various tenants’ (Regeringen, 2010, p. 40, my translation). This, I argue, is what is left of the universal housing policy after 2011 and, thus, must be seen as the essential *core* of contemporary universalism in public housing and the structure of housing provision at large—the contemporary rendition of the deep-rooted motto ‘good housing for all’, including the strive for a ‘versatile composition of households’. As these obligations clash with endogenous and exogenous processes of financialization, contemporary public housing becomes an institution of clearly ambiguous character. This has strengthened the view that MHCs are hybrid organizations (See, e.g., Blessing, 2012), in the sense that they must not only relate to business requirements on a competitive market characterized by profit motives but also have the aim of societal benefit. Contemporary public housing must be understood as not only being in a context of financialized universalism, but indeed part of and contributing to such a state of universalism.

Thus, regardless of financialization, the *potential significance* for counteracting housing inequality by mechanisms promoting inclusion and counteracting segregation, tenure segmentation and stigmatization in the national structure of housing provision remain. Universalism has prevailed as an idea and as a potential. However—as argued throughout the thesis—potential is one thing, the actualization of potential is another.

The interpretation of businesslike principles that has been described here is merely one of several construals of the new political economic landscape of public housing. Of central importance for the results is that the formulations in AKBL have been interpreted differently by

actors in the structure of public housing. Immediately after the change in legislation, Fastighetsägarna wrote a booklet (Lind and Lundström, 2011) stating their definition of how a housing company would act ‘businesslike’. SABO (2011) responded with a booklet with the same title, giving their view on how MHCs would apply stricter financial demands. While Fastighetsägarna claimed that MHCs would now act in a profit-maximizing way, SABO highlighted the priority of social responsibility to financial revenue, arguing that businesslike principles are not equivalent with maximizing profits. My research shows that such divergent construals are highly evident on the local scale.

The Weight of Discretion on the Local Scale

The endogenous changes of public housing and the exogenous change of contingent conditions have resulted in a variation of what mechanisms are actualized. Recalling critical realism’s three interrelated domains of reality (Bhaskar, 1989), the *real* domain entails the underlying mechanisms which might or might not be actualized, depending on the context. The new financial demands of the legislation have interfered with the structure of MHCs, influenced the selectivity (opop, 2005) of the structure, and in many cases formed an imaginary of financialized economy, which has limited the discretion to actualize certain mechanisms. Contemporary public housing is, in general, less eager to take financial risks and now puts larger emphasis on financial assets, differentiation between fictional market value and book value, geo-economic boundaries and estimated yields, and projected increases in market values for financial transactions.

The financialization has had consequences on the core obligation of the MHCs. In many local cases, it has led to the actualization of mechanisms of exclusionary rather than inclusionary character—leading to events in the *actual* domain which increasingly shut people out from the housing market. I have described events of MHCs regarding both the existing housing stock and the construction of new housing. The general conclusion is the new economic imaginary has taken hold in most of the companies and has been limiting their perceived discretion when it comes to providing ‘good housing for

all’ as we have seen a decreased construction of housing with reasonable rents and stricter demands on who can sign a contract in public housing.

More importantly, the events taking place are highly divergent from MHC to MHC. The local variations thus embody the ambiguity of financialized universalism inscribed in contemporary public housing. This ambiguity is central in the findings and connects to the inherent discretion of the structure. Depending on the local structures and local contingencies, discretion is identified, interpreted, and used in a variation of divergent ways between different MHCs—rendering a variation of events which have consequences in terms of both counteracting and enacting housing inequality. While most MHCs seem to be bound by a financialized imaginary, some have made construals that challenge such an imaginary and what it seemingly permits. Reconnecting to Bengtsson’s (2015) scenarios of adaptation, resistance, and regime shift in public housing, I claim that the ambiguous contemporary *allmännytt* shows signs of both adaptation to and resistance against the new imaginary. The neoliberal trajectory (See, e.g., Hedin et al., 2012; Christophers, 2013; Grundström and Molina, 2016) is thus not inevitable, but indeed possible to challenge on local level. This further highlights how discretion is both structural and epistemic (Molander, 2016)—discretion is a way of reasoning where discerning is not easy.

Indeed, reasoning and interpreting are crucial as the legislation is a fuzzy one. I would like to stress the following quote from the regulation:

A single investment can be in itself unprofitable, but it contributes positively to how well the company can otherwise fulfil its goals. (Regeringen, 2010, p. 46, my translation)

This passage in the proposition is of central concern for the interpretation of ‘businesslike principles’ and thus the discretion of the MHCs. As I exemplify in the third paper, some of the companies in the study have relied on this passage (which has been tried in court,

creating a precedent for such actions¹⁵) in order to be able to construct housing which according to the financialized imaginary should be subject for a write-down and thus not considered businesslike. Thus, quite some degree of discretion for the MHCs as actors in the given structure is formally stated in the legislation; in other words, there is room for MHCs to contribute to the actualization of mechanisms that could counteract housing inequality. But, how this discretion is identified and used is highly variegated. It depends on the contingent factors.

A special contingent factor that needs to be discussed in depth is the bonds between MHCs and private housing companies. On the integrated rental market (Kemeny, 2006), public and private housing companies are tightly bound to each other and compete over the same tenants. However, I have shown that the financialization of the private rental market has set up a narrow playing field for many MHCs, for example, when doing calculations on expected return. Often the MHCs apply the principles of the integrated rental market by letting the private operators dictate the terms of such a market. But being part of the market, the MHCs have the possibility to take the lead and give their rendition of how an inclusive housing provision could be combined with business principles. Such opportunities are seldom taken. This logic applies also to risk-taking on rental policies. One of the MHCs in the study argues that they are restricting their rental policies just because the private property owners are doing so. As I have shown, private rental operators have applied stricter rental policies over time, arguably as a result of the increased financialization and the governmental taxation policies favouring house ownership, steering poor households to rental tenure. Thus, an MHC might bracket the universal approach, thereby limiting the outlook for housing inequality, as a result of strictly applying the principles of the integrated rental market. Other MHCs are doing the opposite—letting go of rental restrictions, regardless the policies of private operators. This has, however, had limited effect on the

¹⁵ When the MHC in Karlstad built student apartments which rendered in a write-down demand, the construction was appealed by a private person (who wrote the appeal in rhyme). The appeal became subject for a process in the administrative court, which eventually judged to the MHC's advantage, arguing that the building contributed to the development of the company at large (see bill 1428-14 at the administrative court in Karlstad).

private counterparts, who are mainly still rejecting new tenants who are dependent on benefits. Thus, the complexity of the integrated rental market is key for understanding the actualization of mechanisms of housing inequality. As of now, the integrated rental market is rather *disintegrated*. If only MHCs are accepting tenants with low income or dependent on social benefit, the rental market cannot be seen as integrated, simply as the operators do not compete over the same type of tenants. The integrated rental market is dependent on a truly universal public housing and not too large a difference between public and private operators. Without an integrated rental market, the advantages of public housing dissolve. I therefore argue that the integrated rental market is the Achilles' heel of the national structure of housing provision.

The *empirical* outcome of the variation in actualization of mechanisms into events has been indicated in the papers. I've shown how certain groups with low income, uncertain employments, and dependency on one or several benefits are facing the perils of the housing market. Young adults are proof of the increasing housing inequality and how housing inequality subsequently creates and reproduces multidimensional inequality in terms of financial recourses, existential matters, and health and well-being. This, however, also becomes evident in a city where the MHC has low barriers. Seemingly, the MHC is not sufficient to provide young adults with access to housing of good quality. But the outcome of housing inequality becomes even more visible in other municipalities where MHCs exclude households with reduced circumstances, or people with irregular income, through their rental policies. I have shown how different MHCs thus attract different income groups. In certain municipalities, the MHC attracts only middle-to-high income earners, leaving others dry. In other cases, MHCs fulfil the obligation of 'good housing for all', contributing to a more differentiated composition of tenants. And, depending on the context, MHCs in some cases become the only option for low-income households, making the MHCs residualized and perhaps introducing a kind of social housing through the back door. Thus, the variation and ambiguity between MHCs create a national scene of public housing consisting of not

one case but rather 276—there are as many configurations as there are municipalities who have MHCs.

New Public Housing—Centring the Housing Question at the Local Scalar Level

To conclude, I argue that the legislation from 2011 has steered public housing not only in the direction of further marketization (which has been on-going since 1991) but rather towards increased financialization. And such a development has been accentuated by the financialization of the contingent circumstances in the structure of housing provision at large. The financialized imaginary that has emerged is the key driver of what I call *New Public Housing*¹⁶—the hybrid child of the universal allmännyttä and financialized capitalism, inspired by the key characteristics of New Public Management: managerial ideas gathered from private sector corporations, the increased focus on businesslike principles, the view on end users as customers rather than citizens (tenants), and the delegation of power from central to local level. Thus, New Public Housing is the local essence of financialized universalism.

The shift to local power is crucial in the analysis. As I have shown, what could be called the de-politization of the housing question (See, e.g., Turner, 1997; Bengtsson, 2013; Salonen, 2015b) should rather be seen as a reallocation on a scalar level. The development found in this thesis has implied a shift from *national housing politics* to *local housing policies*. Such a shift in power highlights the significance of the discretion of local actors, in compliance with how Clapham (2018) argues that housing policy is made not by the state but by a variety of organizations. I have shown how local MHCs make different interpretations of the legislation, how they in varied ways and depending on the contingent conditions make use of the discretion to contribute to the actualization of key mechanisms and thus create a highly variegated approach to contemporary public

¹⁶ Obviously, the naming is meant to draw attention to the similarities between the development of public housing and the development during the 1980s and 1990s of public management to New Public Management. While NPM as an idea of effective management might be dead and buried (See, for example, the debate on post-NPM, e.g., Christensen and Lægreid, 2011), we still see how its ideas are intruding with social structures and institutions. In the case of contemporary Swedish public housing, it is clear how MHCs are inspired by NPM's key characteristics.

housing. Thus, there cannot be said to exist one institutional fix, or a specific role of *allmännyttan* in the national structure of housing provision. The role of New Public Housing is the hesitant, divergent, and ambiguous one.

Therefore, the significance of *allmännyttan* for contemporary housing inequality is dependent on how the discretion on the local level is identified and used. While the national aim of providing ‘good housing for all’ remains, the actualization of such an aim is up to the local municipal housing companies—who are now operating in a state of financialized universalism. That is the lot of the ambiguous New Public Housing.

Answering the Research Questions

1. *How could housing inequality be understood in the national structure of housing provision and how is it empirically manifested?*

Throughout this thesis, I have discussed housing inequality as contextual norm-deviating differences regarding *access to* and *quality of* housing—differences that limit the life possibilities of the disadvantaged in terms of what Therborn (2013) refers to as vital, existential, and resource inequality. To understand housing inequality in the Swedish context, I have argued that the national structure of housing provision with its motto of ‘good housing for all’ implies a certain normativity embodied by the universal housing policy and the model of public housing directed at all income groups. Housing inequality is to be kept at bay through a combination of general and selective measures adding up to a universal approach, where everyone should be able to obtain housing on the general market, making the individuals independent from inherited conditions.

In relation to this contextual norm, my analysis of the contemporary state of Swedish housing gives, however, that housing inequality in terms of access is highly evident. I have described how young adults are especially vulnerable to housing inequality as they often have insecure and unstable income, limited social networks, and insufficient queue time. Another group highlighted in the research is single parents as they are often dependent on a number of benefits which in many cases are disallowed as income in the housing companies’ rental policies, leading to them being rejected as tenants. These groups form what I call the *inbetweeners*—a middle group on the housing market who do not have enough resources to enter the formal market but do not have enough ‘problems’ to enter the secondary housing market, where the social services rents apartment from MHCs and sublets ‘social contracts’ to individuals who cannot gain access to the regular housing market.

The common denominator for these individuals is thus not age or parenthood but lack of economic resources. These inbetweeners are

shut out from the owned and cooperative housing markets due to credit restrictions. They are shut out from the private rental market as most of these landlords have high barriers or make arbitrary decisions on who can obtain a rental apartment—low income households are not seeded in such a competition. And they are increasingly shut out also from the public rental market as many MHCs have long queues, strict rental policies, and only produce new apartments which are too expensive for most of these individuals. My studies find that the housing inequality in terms of lack of access could also contribute to a lack of quality of housing as neglectful landlords and private sub-letters take advantage of the acute housing shortage for more or less desperate individuals. Increasingly, those who suffer from the lack of access need to pay expensively for living in poor and uncertain conditions.

While *resource inequality* is a condition for the emergence of housing inequality, resource inequality is also reproduced as the development of the exchange values inherent in housing the past decades have created an accumulation of wealth among those who own their housing. Such a development has, naturally, increased the resource inequalities between households in rented and owned tenure. Those who have the least gain the least and pay the most. It remains to be seen for how long such a development will continue. Moreover, housing inequality creates, reinforces, and reproduces *existential* inequality, making individuals in insecure housing feel like second-class citizens. Finally, the emergent resource inequalities and existential consequences of the current housing situation have implications in terms of *vital* inequality. Being excluded from the formal market, having to rely on the informal second-hand market and paying expensively for it, or being displaced by renovation clearly influence your physical and mental health.

2. *How do municipal housing companies contribute to increased or decreased housing inequality?*

The housing inequality described above is the result of a number of actions, several of which are performed by public housing. I describe how the legislation from 2011 has accentuated the ongoing market

adaptation and formed a new *economic imaginary* (Sum and Jessop, 2013) of financialization among the MHCs. This economic imaginary is characterized by dependency on financial actors, a financialized semiotics, short-term estimates, and calculations on return on investment based on fictional estimates of property values which are compared to book values; it is also characterized by dependency on fictional geo-economic borders within cities. The new economic imaginary in allmännyttan has had at least four implications of housing inequality.

First, rents have increased far more than the consumer price index and more than the costs for property owners since the 1990s. A specific point of interest here is that the rent increases have been accentuated by the changes in legislation in 2011. Several MHCs have interpreted the legislation's shift from cost-based to businesslike rent-setting logic as crucial when negotiating the annual raise of rents with the local tenant's union—leading to larger increases in rents than before the changes in legislation. The housing allowance has not followed this development. In terms of housing inequality, this development increases inequalities as higher rents in relation to income decreases the access to the general rental housing market for low-income households and contributes to a larger increase in housing expenses for households in rented tenure than in owned housing. Considering the increased commodification of cooperative and owned housing and the ongoing residualization of rented housing in general and public housing in particular, this has the consequence that people with the least income get the highest living expenses.

Second, MHCs' rental policies did initially become stricter as a result of the new economic imaginary. After the 2011 legislation, MHCs increased their financial demands on tenants through stricter rental policies in order to minimize the risks of the non-payment of rents. While several companies have lowered their demands on income in later years, four out of ten MHCs still reject new tenants who are dependent on housing allowance, which is clearly not in compliance with the universal approach. In terms of housing inequality, strict rental policies eradicate the main idea of 'good housing for all' and leave a significant share of households dry as there is no other formal

tenure for them to turn to. However, one reason for this development is the contingent conditions in the structure of housing provision. The private operators on what I call the disintegrated rental market have even stricter policies. Private operators have in some cases influenced MHCs to become stricter but in other cases created a situation where public housing is the sole option for households with very low income.

Third, the MHCs' construction of apartments for households with low or average incomes stalled after 2011. New housing is generally built in more attractive areas and to expensive rents, connecting the strategies to national and local governmental aims of *how many* apartments needed to be build, not what *kind* of housing that is needed. MHCs refer to the AKBL legislation and the changed regulation on accountancy when they, despite political demands from the municipal owner, refrain from constructing new housing in less attractive areas because the governing technologies on market return on investment state that such construction is non-businesslike. The new economic imaginary is also influencing the financing of new housing construction. The building that essentially takes place is increasingly financed by the sales of MHCs inexpensive housing stock. The implications on housing inequality of this reluctance to construct affordable housing and the sale of the existing stock is yet to be seen; however, the share of inexpensive rental housing is inevitably decreasing, and the geographical distance between the property owner and the tenant is increasing—in some cases to across continents.

Fourth, the cost for renovation of properties, most evident in the areas built during the million programme of 1966–1975, is to a larger extent than before 2011 ending up on the tenants' rent notes. The changed economic imaginary is restricting the MHCs to making major renovations in a 'businesslike' manner—implying that the renovations need to be financed to a greater extent by rent increases.

Placing the development of allmännyttan's higher rents, stricter rental policies, construction of more expensive new housing with the subsequent selling of affordable stock, and tenant-paid renovations

in the theoretical concept of housing inequality, this has clearly limited the access to housing for certain groups. Those who do not have enough money or the ‘right kind’ of money are exceedingly being excluded from public housing and could thereby face an increasing risk of also being excluded from the housing market as a whole. Thus, the contemporary allmännyttan is increasingly contributing to housing inequality. However—and most importantly—there are several examples of MHCs also counteracting housing inequality. This has to do with how the discretion of the structure of public housing is identified and used.

3. What is the discretion among MHCs to actualize mechanisms decisive for the outcome of housing inequality, and how is such discretion used?

The significance of contemporary public housing for urban housing inequality is in this thesis discussed in relation to changes in legislation of allmännyttan, accentuated by the financialization of the structure of housing provision at large. The emergence of a new economic imaginary among most of the MHCs must therefore be seen as the actualization of mechanisms of financialized economy rather than mechanisms of social inclusion, made possible by the contingent circumstances. The structure of housing provision has been going through substantial changes over the decades. This exogenous change of environment has accentuated the endogenous changes to allmännyttan by enabling a certain interpretation of regulations which has operated as a catalyst for the emergence of a financialized economic imaginary of the MHCs. A counterfactual question of interest therefore follows: had the response to the ‘European threat’ been the same if it were not for the marketization and financialization of housing since the 1990s? My answer would be no.

Nevertheless, this study has found that the development has inscribed a changed selectivity—new combinations of constraints and opportunities—in the structure of public housing, introducing new actors and changed relations, affecting the discourses and governing technologies of MHCs, and adding up to an economic imaginary of financialization. My findings are that this economic imaginary has

limited the experienced discretion of many of the MHCs. The reinforced enunciation of the semiotics of financialized capitalism is contributing to an economic imaginary among the companies that tell us about capitalist firms with a social responsibility rather than societal institutions guided by business principles. The imaginary narrows the perception of what actions MHCs think they can do within the framework of ‘businesslike principles’, a limitation connected to the contribution of actualizations of the inclusive mechanisms that are of central concern for the universal approach and thus the foundation for counteracting housing inequality in the nation-specific context. For example, in terms of thresholds for entering public housing and the characteristics of construction of new housing.

Does this imply the end of public housing as we know it and of the universal approach of the structure of housing provision? Not necessarily. The analysis must be done with regards to the spatio-temporality of social structures. Actors continuously explore, negotiate, and transform structures; this implies that the inherent discretion is a matter of interpretation and mediation. While my initial findings showed that a majority of the MHCs seemed to be bound by the new imaginary and had less discretion to actualize inclusive mechanisms, a closer and longitudinal analysis contested such findings. Some of the interviewed MHCs provided evidence on how the economic imaginary can be questioned, challenged, and even revoked by MHCs as actors. And some MHCs are identifying the discretion in a different way as the years have gone by. They are challenging the structural, discursive, and technological constraints—thus also widening their discretion. The conclusion is therefore that the contemporary MHCs have a quite substantial degree of discretion despite the constraints inferred with financialized logic—discretion which can actualize the inclusive mechanisms needed to counteract housing inequality. How this discretion is identified and used is, however, differing from one MHC to another.

We must not forget that there has always been large discretion among the municipal housing companies; housing policy has been local since 1946. But the development of the structure of *allmännyttan* and its contingent conditions has led to a narrower

perception of the discretion. Contemporary public housing is increasingly curtailed—its freedom to act has decreased over time. However, as stated, the discretion is used to counteract housing inequality by some actors but not by others. Thus, in addition to the question of *how* discretion is used, I need to ask *why* the discretion seems to differ. Is the discretion identified differently? Or are the actors making conscious choices of refraining from using the discretion that they know exists?

This study has shown that the discretion in local MHCs is different, or at least interpreted differently, based on the contingencies that each local context mobilizes—such as the local political majority, the economic conditions of the MHC, the shortage or surplus on the rental market, the relation to the local welfare state’s distribution of secondary housing market contracts, the actions from private rental operators, but also the path-dependency, the culture, tradition and self-image of the MHC and municipality.

Indeed, local politics matter. Companies in left-wing governed municipalities are for example using the discretion to a larger extent when it comes to steering the rental policies of the MHCs in a more open direction. Local political decisions have proven to be crucial in strategies for constructing (more) affordable rental housing and lowering barriers to public housing. The selectivity of the structure has naturally to do with the political governing of the companies. But I have also shown that the weight of politics should not be overrated. The discretion of the MHCs is to a greater extent dependent on the influx of financialized economy in the organizations—now a constant condition for the MHCs—and how this is dealt with. The new governing technologies of financialization have been used by MHCs as a rationale not to include certain groups in the rental policy or not to build less expensive housing. Thus, these MHCs are refraining from using the discretion inherent in the structure of contemporary public housing. But other MHCs take advantage of the discretion, which could lead to the actualization of inclusive mechanisms. I have given a number of examples of how MHCs challenge the imaginary and perform events promoting a universal approach, for example, when it comes to construction of affordable housing by revoking the

principles of yield expectancy over short-time horizons or questioning the causal connection between specific income and risk of non-payment of rents. Such decisions clearly deviate from the financialized economic imaginary, although some actors are able to show how such actions are possible to justify within the logic of financialized economy. The study shows that the MHCs challenging the imaginary and widening the discretion have a self-image of major societal players in the pursuit of a more equal housing market rather than businesses with a social responsibility.

The local variations are perhaps the most important results of the research. To return to the research question, the discretion of MHCs to actualize mechanisms counteracting housing inequality still exists, but it is differently identified and taken advantage of depending on the local context and its contingent circumstances—not the least of which are the events of private operators on the disintegrated rental market. The consequences of using or not using the discretion are rather dramatic. With its variations, contemporary public housing seems to simultaneously—and contradictorily—both counteract and enact housing inequality. The outcome in terms of housing inequality depends on how the discretion is identified and used. Subsequently, if nothing changes, the future of *allmännyttan*'s significance for housing inequality is—more than ever—in the hands of the local municipalities and their housing companies.

4. How could allmännyttan's role in terms of counteracting housing inequality in the contemporary structure of housing provision be understood?

In order to answer this final question, it is important not only to highlight the changes in the configuration of *allmännyttan* as an institution but also to understand *allmännyttan* in the context of the developing national structure of housing provision.

Starting with the structure of public housing, I claim that it has changed incrementally since its birth, but of utmost importance have been two critical points: First, the marketization after the regime shift in 1991 and, second, the financialization after the introduction

of the 2011 legislation on businesslike conditions. This development has left *allmännyttan* in limbo. With the regulated dual undertaking of social responsibility and competitiveness—its potentially contradictory demands on market return on investment on the one hand and the universal obligation of providing rental apartments for tenants with different needs on the other—I argue that the contemporary *allmännyttan* is in an ambiguous state of financialized universalism.

Further, I have analysed how the structure of housing provision from 1933 has developed and how this development operates as a contingent condition for public housing. I have described how the structure over the decades has gone through a number of changes in its key relations. Political decisions, economic growth or decline, and social development have promoted certain financial relations, property relations, and welfare relations. Examples of this have been the development on taxation policy on cost-neutrality between tenures, the housing allowance directed at low-income families and young adults, the system of rent negotiations, and the (dis)integrated rental market—all of great importance for the role of public housing in the structure of housing provision. Such contingent conditions have influenced structured coherences with institutional fixations, where public housing has had a certain role.

I have argued that *allmännyttan* during the period of 1946–1990, and especially before 1970, had a large significance in the Swedish structure of housing provision when it came to providing a housing situation characterized by keeping inequality at bay. The specific role in the institutional fix was made possible through contingent conditions which favoured the actualization of inclusive mechanisms: MHCs were able to construct, develop, and rent out housing of good quality to all citizens, embodying the universal approach of the structure of housing provision. The contingent conditions during this period formed a large potential for counteracting housing inequality. However, while the potential is one thing, the actual is another. It is important to point out the continuous historical bracketing of the universalist principles of the municipal housing companies. Rental policies have in several municipalities excluded large

groups of people over time, the Roma population have periodically been denied entrance to the formal rental market, and extensive renovations by MHCs have caused rent levels to rise more than the tenants have been able to afford, thus forcing them to leave their homes. Thus, while the inclusive mechanisms have latently existed in allmännyttan, they have not always been actualized—not even when the conditions were most favourable.

Just as with public housing, I argue that the most drastic changes in the structure of housing provision at large have taken place after 1991. The changing financial relations between the state and the housing actors in form of tax policies have developed a skew between tenures—where rented housing, public housing in particular, has lost its attractiveness and increasingly became associated with housing for the poor. Private rental operators have adapted to such a development by increasing financialization and risk-minimizing, increasing barriers for low-income tenants, and thereby invalidating the integrated rental market. Changes in the model of collectively-negotiated use-value rents have also altered the financial relations, increasing the rent costs drastically over the consumer price index. In addition to these financial relations, I have described how property relations and welfare relations have developed in a way that has made it harder for MHCs to contribute to the actualization of underlying mechanisms decisive for counteracting housing inequality. The financialization of public housing has developed dialectically with the financialization of the structure of housing provision at large.

A key finding is therefore that the latent mechanisms of importance for housing inequality—mechanisms promoting inclusion and counteracting segregation, tenure segmentation, and stigmatization—are not evenly actualized in the current structure of housing provision. Rather, they are counteracted by other mechanisms, actualized by contingent exogenous circumstances. Therefore, the output of the structure of housing provision might be unequal regardless of whether public housing itself still promotes mechanisms counteracting housing inequality or not.

The question is now, have the changed characteristics of public housing—combined with the changed contingent conditions in the structure of housing provision—changed the role of public housing? Was *allmännyttan* ‘a child of its time’, of limited relevance for our current time? My conclusion would be no. The fundamental task of public housing in the system of housing provision is still intact. My research contends that endogenous and exogenous changes have created less slack for MHCs to contribute to an inclusive housing provision, but the latent underlying mechanisms are still there. *Allmännyttan* still has the potential to maintain its historical role. The role and significance of contemporary public housing in terms of housing inequality thereby depends on if and how underlying mechanisms are actualized. If and how they are actualized has to do with how local MHCs identify and make use of the—still inherent—discretion in the structure of public housing. Thus, the significance of public housing for housing inequality is decided on the local level. But—more importantly—public housing cannot counteract housing inequality by itself. It is dependent on other actors in the contingent structure of housing provision.

The Contribution of the Thesis

In the introduction, I stated that my research aimed at contributing empirically with answers to *how* public housing have changed and the implications of such changes in terms of housing inequality. I also stated that I aimed to contribute theoretically with a critical realism-based understanding of *why* public housing counteracts or enables housing inequality—based on an explanation of the changes in structures of housing provision and its institutions—and also with an expanded discussion of housing inequality in the context of the national structure of housing provision with its universal principles.

The empirical contribution is covered in the answers to the research questions above and could be summarized with two claims. First, public housing has seen a change from state-financed universalism, via marketized universalism, to financialized universalism—a trajectory caused by endogenous changes of public housing and reinforced by exogenous changes in the structure of housing provision. Second, the contemporary *allmännyttan* still has large significance for

counteracting housing inequality, but it also increasingly contributes to housing inequality. Existing in the shape of financialized universalism, discretion is harder to identify; therefore, the potential of *allmännyttan* is unevenly actualized. The actual significance depends on how the local MHCs interpret their social structure and its selectivity and how they take advantage of the discretion to actualize the—inherent—potential of public housing.

Following this line of argument, the thesis can contribute with theoretical explanations of the change of housing institutions through an analysis of not only its institutional (structural) changes but the contingent factors that have been necessary for such a transformation. By applying the stratified ontology of critical realism (Bhaskar, 1998), I have been able to show not only how Swedish public housing has changed as a result of new legislation but also how the contingent conditions have stimulated a certain construal of such a legislation. The legislation has latent powers and mechanisms, but what powers and mechanisms that become actualized depend on the contingent circumstances and what such circumstances favour. In this case, the contingent circumstances of a financialized universalism have, in general, been in favour of a financialized interpretation of the legislation. On a local scale, critical realism and the strategic relational approach (Jessop, 2005) have contributed with an understanding of how collective actors identify discretion in social structures. Hence, the contribution of SRA would potentially be of interest for researchers interested in the concept of discretion, not only in the field of housing. While one downside of critical realism and strategic relational approach is that they are highly (perhaps unnecessarily) complicated and operate on a high level of abstraction, the main benefits, I argue, are in relation to social constructivist approaches. CR and SRA make it possible not only to analyse discourse as providing meaning and enabling or restricting actors but also to discuss how agential, structural, discursive, and technological selectivities of social structures combine into specific imaginaries which guide collective actors in decision making and strategic action.

Thus, by exemplifying how critical realism can help us understand change in abstract structures and concrete housing institutions by also analysing what the surrounding context favours and disfavors and what this implies for individual and collective agency, the work could contribute not only to the structure-agency debate, but should also be seen as an example of—and a call for more—ontologically grounded empirical housing research.

Further, the results could contribute to the housing literature through the discussion on *housing inequality*. The thesis has put the concept in place, discussing housing inequality in the light of the characteristics of the national structure of housing provision, a contextual approach which I argue has been absent in the hitherto canon of literature. Moreover, the combination of such a contextual dimension of housing provision with the multidimensional understanding of inequality provided by Therborn (2013) would be regarded as valuable for housing research. I would also suggest further research on the multidimensional approach to inequality based on a larger population and comparative approaches between different contexts where norms of inequality would perhaps be different.

Finally, the thesis adds to the literature a way to understand different forms of housing provision. Rather than reproducing the arguably outdated dichotomy of universal and selective housing regimes (Bengtsson, 2001; Kemeny, 2006), the application of structures of housing provision and the findings on *financialized universalism* contribute with nuances and need for further and complementary definitions. As I have argued that financialized universalism in housing not only is shutting certain households out but is ambiguously selective towards the middle class and the most poor, the results highlight the need for universal housing solutions—and welfare distribution at large—to be selectively complemented in order to become all-encompassing, in line with Marmot's (2010) proportional universalism and Titmuss' (1974) positive selectivism. Furthermore, the research could add the perspective of housing to the literature (See, e.g., Lindbom, 2001; Béland et al., 2014) on if, how, and why the Swedish welfare state has lost its universalist character. Thus, the development of public housing illustrated here is a case of the

development of the welfare state at large. What we see are consequences of the rising economic inequalities, arguably caused by the financialization of the common. Similar development could be seen in a number of policy areas. Hence, future research of interest would also include an updated discussion of the linkage between housing and local and national welfare in times of a financialized economy.

8. CONCLUSIONS

Plus ça change, plus c'est la même chose.

Jean-Baptiste Alphonse Karr, 1849

I started this thesis by arguing that public housing has had a special place in the heart of the Swedish welfare state. 'Good housing for all' has been the overarching motto of the Swedish structure of housing provision, a motto which has been embodied by the universal model of public housing—allmännyttan—constituted by municipal housing companies. Throughout the thesis, I have also argued for the potential of allmännyttan, claiming that its social structures on different scalar levels have the inherent capacity of counteracting housing inequality through its latent mechanisms—potentially guaranteeing access to housing of good quality as well as counteracting segregation, tenure segmentation, and the associated stigmatization. I have argued that the fixation of allmännyttan as an institution in the national structure of housing provision has the potential of engendering a housing situation where differences in housing between social groups do not affect the life opportunities of any group in a negative way, by creating or reinforcing resource inequality, existential inequality, or vital inequality. Thus, I have claimed that allmännyttan has a potentially large significance for counteracting urban housing inequality.

However, the term 'potential' must not be mistaken as inevitably good. Throughout the thesis, I have also shown that allmännyttan indeed has the potential for also enacting and contributing to housing inequality through more exclusive mechanisms and by causing segregation and tenure segmentation. What I have sought to do in this thesis is to analyse if, how, and why allmännyttan is actualizing different mechanisms of relevance for housing inequality, and what the outcome of such actualizations are. In this final chapter, I will

draw three summarizing conclusions and discuss some policy implications of the work.

Everything has Changed, Yet Nothing has Changed

I have argued that the significance of public housing for counteracting housing inequality is considerably lesser today than during the previous distinct policy eras of 1946–1973 and 1974–1990. Allmännyttan was born and constituted in an era of housing policy when the contingent circumstances for actualizing its essential mechanisms were most beneficial. But circumstances have changed, and so has the core of allmännyttan. A main finding of this thesis is that the role of public housing in the national structure of housing provision has changed as an emergent and dialectic result of (a) the development of contingent conditions within the structure of housing provision from state-financing via marketization to financialization; and (b) a new economic imaginary among the municipal housing companies, formed as a consequence of the changing selectivity of the structure of public housing due to the introduction of legislation on businesslike principles and the influx of financialized logics in the structure of housing provision.

Thus, everything seems to have changed. The exogenous context of public housing has changed as the financial, property, and welfare relations have developed in a way which—together with endogenous changes through altered legislation—has put strain on the MHCs and in most cases limited their perceived discretion when it comes to actualizing mechanisms in favour of a housing provision counteracting inequality. The preconditions for maintaining a universalist approach of housing provision has drastically changed.

Yet, nothing has changed. The national housing policy is still the universal one—perhaps the last one standing in Europe. The political reluctance to let go of the universal housing policy and universal public housing has seemingly been solid. The municipal housing companies are still expected to be significant institutions in the structure of housing provision, supported by their close bonds to private counterparts, by the housing allowance, and by the system of collectively-negotiated use-value rents.

The first conclusion is thus that while everything has changed, nothing has changed. In the state of *financialized universalism*—the interface between financialization and the deeply rooted universal principles with the obligation of ‘good housing for all’—the contemporary allmännyttan takes on a hybrid and ambiguous character. Existing in such a tension and establishing such a hesitating form, it comes as no surprise that the contemporary allmännyttan both enacts and counteracts housing inequality.

New Public Housing: Enacting Housing Inequality

The research has shown that the economic imaginary that many MHCs have adopted engenders exclusive mechanisms, causing events that are manifested in housing inequality, mainly in terms of limiting access to housing due to higher thresholds and less affordable housing stock. Connecting to the universal approach of ‘good housing for all’, I argue that such universalism is increasingly bracketed and thus that contemporary public housing in many cases enacts housing inequality, which is my second conclusion. Although it is questionable if public housing has been truly universal in the first place, the introduction of demands on market return on investment has increasingly endangered its universalism. Combined with the increasing share of the secondary housing market, we seem to inevitably be moving into a more selective housing regime—although not selective in the way we usually understand it. Instead of a social housing model catering only to households with reduced circumstances, the ambiguous New Public Housing caters to both the poor and the wealthy but leaves a large middle group of households in limbo—becoming the inbetweeners of the housing market.

Based on such findings, the research proposes an expanded definition on housing inequality—suggesting that housing inequality must be seen as contextual, multidimensional, and relational. In order to be unequal, the differences in housing outcome must negatively affect the life opportunities of the disadvantaged part of the relation. The housing inequality that so many individuals face has its origins in resource inequality, but it creates and reproduces not only such inequality but also existential and vital inequality. The housing

situation for the inbetweeners of the housing market is characterized as a catch-22, as those who are most in need of good quality housing are precisely those with the fewest possibilities to obtain it. However, there are MHCs trying to solve this catch.

New Public Housing: Counteracting Housing Inequality

My third, final, and most important, conclusion is that mechanisms counteracting housing inequality—despite the emergence of a new imaginary of financialized economy—are still latent and can be actualized and, in several cases, are so.

As stated in the introduction of this thesis, there is a certain amount of literature which debates the de-politization, neo-liberalization, privatization, and marketization of Swedish public housing and the outcome of such a development. While this development in general terms is seconded in this thesis, I contribute with the results of *allmännyttan* as something that is also characterized by nuances and diversification. The shift from national housing politics to local housing policies is of central importance. In many local cases, public housing is characterized by stubbornness and resilience towards the financialized economic imaginary. There still clearly exists ample discretion within the structure of *allmännyttan*, which is taken advantage of by some of the local actors for creating routes in their navigation of the current political economic landscape in order to maintain the universal approach and also contribute to a structure of housing provision that keeps inequality at bay.

Hence, the economic imaginary of financialization is not cemented in *allmännyttan*, but is contested and negotiated on the local level. What *allmännyttan* is and will become is a matter of negotiation.

Standing at the Crossroads: Policy Implications

Universalism in Swedish public housing has prevailed. The 'historical agreement' between SABO and the Swedish Union of Tenants eradicated the possible threat from EU. Swedish public housing could remain a specific, yet integrated, subsector within the rented housing system, without an income cap that signifies public and social housing in other European countries—but also without any state subsidies whatsoever. As a result of this political path, Sweden appears to be the only European country without any designated subsidized housing actors on the rental market, thus being the only integrated rental market in Europe. And with the possible exception of Denmark, Sweden is the sole remaining universal model of public housing. The Swedish *allmännytt* is probably more unique than ever.

However, the 2011 legislation, seen as the culmination of a development starting in 1991, is potentially a game-changer for the role of *allmännyttan* in the national structure of housing provision. Judging from the research presented, it could be argued that the changes in *allmännyttan* have been incremental, yet today possibly compromising the existence of Swedish public housing as we know it. While the universal character has prevailed, the playing field is different—which might, but does not necessarily have to, influence the MHCs' possibility to counteract housing inequality. I have argued that, despite the endogenous and exogenous changes of financialization, *allmännyttan* still has potential significance to counteract housing inequality. Whether this potential significance becomes actual is, however, variegated to say the least. Diverging paths are chosen by municipal housing companies, depending on how they identify and use their discretion, which in turn depends on local political leadership, power relations and institutional path-dependency. In several cases, the path chosen has led to increasing inequality. In other cases, local companies have found alternate routes and are able to counteract housing inequality in the local context.

The disparate local outcome will also have consequences at a larger scale. If only some cities have MHCs who takes advantage of using discretion to actualize the potential of public housing, we are

inevitably going to see increased segregation between cities and municipalities. Where MHCs in certain cities do not comply with the universal approach but rather attract only medium- and high-income households, MHCs in other cities become increasingly residual and associated with a certain stigma. We have seen how this affects the character of the municipalities at large and how the MHCs (or the lack thereof) become tools used for city development and city branding. Thus, the local differences are a key in the future development of *allmännyttan* and the housing provision.

Allmännyttan is approaching a historical crossroads. The state of public housing is in limbo. Currently, the paths at the crossroads are taken by municipal housing companies, and their diverging choices are crucial for urban housing inequality but are also undermining what is left of the coherence in the national structure of housing provision. Indeed, the perks of discretion for an MHC on the local level are the perils for the structure of housing provision on the national level. Thus, in order to retain a coherent structure of housing provision, the state would need to choose paths at this crossroads by deciding where the decisive power of housing is located. If power is to remain local, then municipalities and MHCs need carrots and sticks to counteract housing inequality. If the power is to be returned to the state, then the government needs to decide what kind of housing provision is sought after.

Standing at these crossroads, it is possible to draw out three potential lines of development for Swedish public housing. The first one would be a *status quo*, where ambiguity and local differences would continue to characterize the situation and the use of discretion would be significant for local—and national—housing inequality. The second line of development would be a *return to universalism* by changing either the regulation of public housing or the contingent conditions; Correcting the ineffective housing allowance, the disintegrated rental market, the misused secondary housing market, and the failed principle of tenure neutrality. The third scenario would be the *abandonment of universalism* in favour of a fully or partially selective model, providing housing for the most vulnerable—probably implying that *allmännyttan* as public housing would cease to exist. The

path taken will be decisive for the outcome in terms of housing inequality.

Recently, discussions on the future trajectory of public housing have been seeing an intensification. The State Department of Housing, Building and Planning has suggested the government to initiate a new scheme of providing housing for low-income households, ‘which in practice means a model for housing targeting specific audiences, not all households’ (Boverket, 2015b, p. 106, my translation). In spring 2018, a state investigation (Regeringen, 2018) recommended a change in the responsibilities of the state and municipalities for housing provision, implying an alteration from the municipal responsibility to provide conditions for everyone in the municipality to live in good housing to a responsibility for ‘households that cannot, without the support of society, solve their housing needs’ (Regeringen, 2018, p. 19, my translation). In practice, this would mean that municipal housing companies would be responsible for low-income households only. Thus, what is suggested is the end of a seventy-year long era of universal housing policy for the benefit of everyone.

However, what is at stake here is not only the question of how low-income individuals are to be housed, but indeed the place of housing in the heart of the Swedish welfare state. Increased poverty, inequality, and refugee ‘crises’ are used as arguments for abandoning the universal housing policy in favour of a selective one. While such a solution might seem appealing, we need to critically review the implications of the road to be chosen—also beyond the question of housing. Before we claim that universalism does not ‘work’, we must be sure that we want it to work. This thesis has hopefully shed some light over what is still possible to achieve within the current configuration of *allmännyttan*. It has perhaps also provided thoughts for the deepened discussion on the relation between housing and welfare. Thus, before dismantling the universal model, we might need to consider what the Swedish structure of housing provision has contributed in terms of welfare development and what it could contribute with in the future—given the choice of paths. Of central concern here stands the question of possible implications of the universal

welfare regime at large if housing is removed as a—albeit wobbly—pillar.

The crossroads are closing in. Hopefully, this thesis has contributed with knowledge about the ambiguous New Public Housing—knowledge which could have benefit for discussing and selecting the future path of allmännyttan, as well as knowledge of use for discussing whether housing still deserves a special place in the heart of the welfare state.

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Part III: Papers

I

The Inbetweeners of the Housing Markets: Young Adults Facing Housing Inequality in a Neighbourhood of Malmö*

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ABSTRACT Throughout Europe, reports of a problematic housing situation for young adults have been emerging during the last decades. This paper explores housing experiences among young adults living in a disadvantaged area of Malmö, Sweden, taking as its point of departure the concept of housing inequality. The paper analyses how young adults end up on the losing side of such inequality and utilizes the empirical findings to advance a multidimensional understanding of housing inequality. The results suggest the existence of a number of parallel housing markets, all difficult to access for young adults, which often leaves them no choice other than the illegal rental market – characterized by steep rents, insecurity and precarious quality. The consequences may be wide-reaching, as the housing inequality facing young adults reproduces inequality in a broader sense: It influences potential wealth accumulation, the possibility to lead independent lives, access to work and education, and thereby, the young adults' health and well-being.

KEY WORDS: *Young Adults, Housing Inequality, Housing Market, Social Housing, Generation Rent*

Introduction

‘Housing has a crucial significance for young people. Their progress towards full independence involves finding – and paying for – their own home’. With such a statement, the EU youth report (European Commission, 2012, p. 54), pinpoints housing as a policy field of great importance for young adults today. However, the housing opportunities for young adults are increasingly precarious. Sofa-surfing at friends’ apartments, subletting with insecure conditions and staying involuntarily with parents all appear to be common experiences from all over Europe, which has made the housing opportunities of youth and young adults a question of increasing concern also for academics (See, e.g., Mackie, 2016).

The literature on the housing opportunities and pathways of young adults has described in detail the limited access to both home ownership and the social rented sector (Ford, Rugg and Burrows, 2002; Clapham et al., 2014) and how such limitations create a dependency on parental wealth for access to owned housing (Enström Öst, 2012; Druta and Ronald, 2017; Hochstenbach and Boterman, 2017; Hoolachan et al., 2017). The term ‘Generation Rent’ has increasingly been used in the UK context for describing how young adults are at the mercy of the private rented sector as no other tenure is available (Cole, Powell and Sanderson, 2016). Young adults lack the financial resources to enter the owned market (McKee, 2012; McKee et al., 2017). At the same time, young adults also face limitations in the rental market, as queues for social rented housing become longer and private rental housing in the UK is expensive and highly insecure (Clapham et al., 2014).

The literature thus portrays a picture of young adults being particularly affected by rising *housing inequalities*, a field gaining interest lately (See, e.g., Dorling, 2014; Filandri and Bertolini, 2016; Hochstenbach and Boterman, 2017; McKee, 2012). While the existing literature describes the complex causes of housing inequality, this paper explores also the outcome of such inequality in a multidimensional way. It places its focal point on the case of Sweden, which makes an interesting case since the structure of housing provision differs largely from the UK, from where the concept of housing inequality stems. The study is based on qualitative interviews with 36 young adults living in a ‘disadvantaged’ neighbourhood in the city of Malmö and connects their area-specific experiences with the concept of housing inequality and the specificity of the national structure of housing provision. The first aim of the paper is empirical and involves exploring the actual housing situation among young adults in the local context. The second aim is to discuss the findings through a multidimensional perspective on inequality, providing a contribution to the theoretical discussion on housing inequality.

The paper starts out with a discussion of the concept of housing inequality and suggests a possible extension of how to understand it. The second part briefly presents the Swedish structure of housing provision and connects housing inequality to this context. Thereafter, the research setting is presented. In the fourth section the empirical evidence is presented in terms of thematised narratives of the young adults’ housing situations. In the fifth section, the findings are discussed through the

suggested multidimensional view on housing inequality. In the final section, conclusions are drawn in relation to the existing literature, and some policy implications are presented.

1. Towards a Multidimensional View on Housing Inequality

The concept of housing inequality was broadly introduced by Dorling who in 2005 discussed the uneven increases in housing wealth among the UK population as the values of owned homes rose 50-fold between 1970 and 2000, which affected the future housing opportunities and thereby wealth accumulation of the homeowners' children (Dorling et al., 2005). While Dorling was rather occupied with the wealth inequality connected to the households' housing trajectories, other scholars have argued that housing inequality must be understood through a variety of perspectives. Holmes (2003) have discussed housing inequality not only in terms of wealth through homeownership, but also in terms of the standard and quality of housing, the desirability of the neighbourhood and the ability of people to choose their home. In the recent literature, such a complexity of housing opportunities and attributes is evident. Dorling's later work (2014) has illustrated how contemporary housing inequality manifests itself through less affordable, less secure and less decent housing, leading to the formation of a *housing precariat* on one side of a housing market characterized by polarization. Based on these studies, this paper proposes that housing inequality can be categorized in two ways. The first is *access to housing*, which includes aspects of dependency of financial recourses and the possibility to choose the type and location of housing; and the second is *quality of housing*, including aspects relating to not only the quality of the dwelling itself but also the quality of the surrounding houses and neighbourhood. Thus, housing inequality deals with issues regarding if we reside, where we reside, and how we reside.

While the discussion of housing inequality in terms of ownership and wealth accumulation might be argued as both a result of – and a reproduction of – the increasingly dominating view on housing in terms of a financial asset (McKee, 2012; Pattillo, 2013), such a perspective pinpoints the urgency of discussing the intergenerational dimension of housing inequality; the situation of youth and young adults on the housing markets. The research body on the housing opportunities for this group has amplified during the last decade (See, e.g., Mackie [2016] for an overview of key issues). The increasing literature on housing pathways, defined by Clapham (2005, p. 27) as 'patterns of interactions (practices) concerning house and home over time and space', has described the variety of paths young adults have taken for ending up in specific housing situations. Clapham et al. (2014) identifies nine different pathways among young adults in the UK, explaining how these emerge as a result of a complex web of structural causes and individual decisions. Indeed, the drivers of diverging paths and inequality are in many cases (See, e.g., Blessing, 2016; Fields and Uffer, 2016; Aalbers, Loon and Fernandez, 2017) connected to structural changes; not the least national policies which lubricate the privatization and financialization of rented housing, while at the same time, favour owned housing. The austerity measures in the wake of the global financial crisis 2007-2008 have also made the housing markets increasingly inaccessible for young households, due to e.g., credit

restrictions, welfare benefit cuts and a shattered labour market (Clapham et al., 2014), also evident in rural areas (McKee, Hoolachan and Moore, 2017).

What is striking with several of the UK studies is the increased dependency on the private rental sector for young adults, as credit restrictions for homeownership and a decline in of the social rental sector narrows the possible pathways. Such a trajectory of the housing market in the UK is seconded by the literature on 'Generation Rent', describing how young adults are being at the mercy of the private rental market and the financial downsides that this pathway implies (Arundel, 2017; Filandri & Bertolini, 2016; Foster & Kleit, 2015). McKee et al., (2017) argue that the rise of 'Generation Rent' follows the 'fallacy of choice', meaning that although homeownership is the preferred choice of tenure, it is – at the same time – deemed unrealistic among many young adults, due to their limited resources and the limited supply on the local housing markets.

Although several of the aforementioned studies reason about the complexity of pathways, the homogeneity of 'Generation Rent' and what impact being part of this generation 'has on young people's lives and broader patterns of social-spatial inequality' (McKee et al., 2017, p. 318), the literature nonetheless to a large extent deals with the outcome of housing inequality in relation to the housing opportunities and the prospect of wealth accumulation. This paper argues that inequality relating to housing could benefit from a broader point of view rather than simply being linked to the precondition and reproduction of financial capital. The research on housing inequality may thus benefit by studies of inequality in a broader sense. For example, Sen (1999) argues that income inequality needs to be complemented with other variables, such as employment, health and education. Therborn (2013) discusses inequality by means of a three-fold analysis. First, resource inequality refers to unequal recourses to act, for example, due to differences in income. Of interest to this study, Therborn (2013, p. 49) states, 'Your first resource is normally your parents, their wealth, their knowledge and their support'. Second, existential inequality involves the unequal allocation of personhood, such as autonomy and right to self-development. Third, inequality can be vital, in the sense that unequal life chances may influence matters of life and death. Such an argument follows Marmot's (2010) discussion on health disparity as the most important form of inequality, as it might be the emerging result of unequal opportunities in general – for example, how differences in access to education leads to differences in life expectancy.

Therborn further stresses that inequality must be seen as relational: It involves differences between socially determined groups. However, such differences must not be seen as problematic *per se*. The disparities must deviate from an assumed commonality of equality in a given context. Moreover, in order to be unequal, the differences must limit the life possibilities of the disadvantaged part of the relation – the differences should be regarded as 'violations of human rights' (Therborn, 2013, p. 41), as they limit the capability to function fully as a human being, and freedom to choose a life path of dignity and well-being.

Applying Therborn's discussion of inequality to the field of housing, this paper argues that housing inequality should not only be seen as a resource inequality (in the sense that housing is an asset which ideally increases in value, creating wealth inequality between those who own and those who do not), but also needs to be discussed in terms of existential and vital dimensions and thus be seen as *multidimensional*, not only in terms of underlying causes and the actual outcome, but also in terms of what the housing outcome as a mechanism in itself generates. Therefore, this paper suggests that housing inequality is defined as contextual norm-deviating differences regarding the access to and the quality of housing that limits the future life possibilities of the disadvantaged by negatively influencing resources such as income and wealth accumulation, existential matters such as transition to adulthood, and vital parameters such as health and well-being.

In this paper, housing inequality will hence be empirically presented in terms of access to and the quality of housing for young adults, while the extended analysis also will present how such housing outcome have implications for life opportunities in terms of resource inequality, existential inequality and vital inequality. In such a discussion, the contextual setting is of great importance.

2. The Swedish Context

As housing is distributed via market mechanisms (thus departing from other parts of welfare provision [See, e.g., Bengtsson, 2001; Torgersen, 1987]), differences in income inherently influence variances regarding the accessibility and quality of housing. Therefore, the key question is how different systems of housing provision are set up to minimize the implications of such differences. As mentioned, the literature on housing inequality seems to be mainly concerned with the prospects of homeownership. The literature review portrays how homeownership in the UK is regarded as the ideal tenure, implying the assumption that ownership is affiliated with wealth accumulation and that rental housing is less desirable. Although such a norm is problematized (McKee et al., 2017), decreased inequality would in such a context be guaranteed by increased access to owned housing. Here, the Swedish context is interesting as a contrasting case study since it is based on a different relation between owned and rented housing, as well as a different approach of social rental housing. Thus, the analysis of housing inequality would benefit from a discussion on the specificities of variegated national structures of housing provision.

Although being the dominating tenure, homeownership in Sweden has traditionally not been regarded as 'better' than the rental sector. Instead, the housing policy has aimed at *tenure neutrality*, meaning that the owned sector (which mainly comprises stand-alone houses and cooperatively owned apartments) should not have any financial benefits over rented sector, also implying that the rental sector, private or public, should be a tenure of good quality, suitable for all types of households, thus not carrying with the stigma that often is connected with rental housing in other national contexts. The structure of housing provision is centred around a *universal-oriented housing policy* aimed at all citizens and without the means- or needs-testing that would characterize a selective housing policy.

Intertwined with such a universal policy is the system of universal public housing – constituted by *municipal housing companies* (MHCs) – directed at all types of households. MHCs were the backbone of the housing structure which was formed during the post-war era, and became the most common tenure in apartment blocks after the massive state-subsidized construction era of the 1960s-1970s (see Table 1). As public housing is directed at everyone, the housing structure includes what Kemeny (2006) calls an *integrated rental market*, where public and private landlords operate on the same market and under the same conditions (e.g., providing the same security for the tenant), thus also competing over and catering to the same – universal – target group. Thus, no needs-tested selective social housing sector formally exists in Sweden as in the UK. However, the municipalities have a system of secondary market rental contracts, where the municipalities' social services rent apartments from property owners and, in turn, sublet them to households who are unable to access housing on the ordinary market, for example, due to drug abuse or mental illness. As European models for public and social housing are mainstreaming, research (Grander, 2018) highlights Sweden as the last integrated regime in Europe. Thus, while the UK norm of housing equality seems connected to the possibilities for accessing homeownership, the Swedish national policy of 'good housing for all' clearly obliges a certain assumed commonality of equality which is not strictly related to a specific tenure.

Regarding the specificity of young adults' housing, the national welfare regime is of importance for understanding what would characterize inequality. In the social democratic welfare regime (See Esping-Andersen, 1990), young adults are expected to move out from their family homes at an early age to become independent and lead their own lives. They are not obliged, as in conservative welfare regimes, to stay in the family home to take care of the elders in the family. Also, the youth unemployment is lower in the Nordic countries than in many countries in Europe. Thus, Sweden has the lowest median age in the EU of leaving the parental household; 21 years compared to 25 in the UK and 30 in Italy (Eurostat, 2017). However, the past decades have seen an increase of in the median age in Sweden, contrary to the common European development. 25 % of the young adults in the age of 20-27 is staying in their family household, compared to 14 % in 1998.

This development could be connected to changes in the structure of housing provision. As Table 1 shows, the rental sector is shrinking in comparison to the cooperative sector. Scholars (Christophers, 2013; Hedin et al., 2012) highlight the social consequences of the decrease in affordable rental apartments caused by financial benefits for constructing owned housing and converting rented housing into cooperative housing.

	Homeownership	Cooperative	Private rented	Public rented	Total
1945	38	4	52	6	100
1960	34	9	43	14	100
1980	41	14	21	24	100
2000	39	17	21	23	100
2010	39	17	21	23	100
2016	39	23	20	17	100

Table 1. Tenure breakdown in Sweden 1945-2016 (Source: Statistics Sweden)

Young adults in particular suffer from such a development, as youth often lack sufficient funds for entering the owned market and rental housing is a natural first tenure with flexibility in terms of the length of the lease (See, e.g., Enström Öst, 2012). In addition, public rented housing in Sweden seems to have lost its role as an entrance point for young adults to own housing. In addition to the shrinking share of public rented housing, studies shows how Swedish ‘New Public Housing’ (Grander, 2017) increasingly shuts out groups with moderate and irregular income, e.g. young adults and single parents, as a result of adapting to risk-minimizing financial logics due to legislative demands on competition, which has limited construction of affordable housing and introduced stricter financial demands for signing a contract in public housing (Grander, 2018). Whether the current structure of housing provision lives up to the international reputation of ‘solving the housing question’ (See, e.g., Lundqvist, Elander, & Danermark, 1990), and whether it ensures that differences in housing situations are not too great and limit the negative influence on life possibilities for those with lesser financial resources, is therefore of interest for this paper.

3. The Research Method and Settings

This paper draws on qualitative data collected through individual interviews and focus groups with a total of 36 young adults (age 19–28) living in or in the proximity of the Malmö neighbourhood of South Sofielund (Södra Sofielund) during 2014–2016. Through employees within the city of Malmö’s official institutions, a sample of young adults in the area, representative in relation to their occupation, was reached. Thus, their housing situation or current tenure was not a criterion for selection. Rather, the study wanted to come in contact with young adults in different life situations. Access were given to those who were involved in various unemployment measures as well as young adults in employment or education. Except for this controlled sample, random young adults in the area were approached in the open space and in meeting places run by NGOs and the City district. Information about the project was posted in the area, at libraries, and at Malmö University’s different faculties all over the city in order to attract informants. This also provided access to informants who were not in contact with any public authorities. Of the 36 interviewees, 22 were female and 17 male. The median age was 25 and around half of them were students, 25% in employment and 25 %

unemployed. The interviews were conducted at meeting places in the area, mostly during daytime. While most of the informants were individually interviewed, a couple of group interviews were completed. In addition to young adults, employees working with the question of housing for young adults at the municipality and the MHC have been interviewed. All respondents were anonymised during the transcription of the recorded interviews.

In some aspects, the research method has similarities with the qualitative part of the housing pathways method (Clapham et al., 2014) as the interviews have centred around the young adult's attitudes, perceptions and aspirations of their housing situation both in terms of structural causes and independent choices and actions. Qualitative data like this thus explores not only the current, but the meanings connected to housing and the individual reasoning for housing choices, which could not be captured in statistical data alone.

The area of South Sofielund is located in the south-central part of Malmö and has roughly 4.600 inhabitants. It has gained lot of attention for drug trafficking and occasional shootings, especially in the sub-area of Seved. The area is one of 23 areas on the Swedish police's list of 'especially vulnerable areas' and could be characterized as an area of social exclusion, as it has a large percentage of low-income households and individuals dependent on social benefits. According to official statistics, the disposable income is significantly lower than the Malmö average. However, it's important to point out that the area is gradually going through a revitalization period, as it is popular with university students and other young adults. The area is also popular with families who have children, although almost half of all the children in South Sofielund live in single-parent households. The housing structure of the area is characterized by mixed settlements in terms of scale, function and age. The most common tenure is private rental units, which adds up to 43 % of the stock, while the municipal housing company MKB owns 26 % of all apartments. The share of cooperatively owned apartments is 25 % and homeownership is 6 %. Regarding the rental sector there is an unusual fragmentation of the private rental housing sector: Around 120 private landlords are owners of the circa 1.000 private rental apartments, which is a very high number of owners seen in a national context.

4. 'My Only Problem is Getting a Place to Stay' – Findings on Housing Inequality in South Sofielund, Malmö

The findings from the interviews will in this chapter be discussed in the two empirical categories of housing inequality presented in the introduction of the paper – starting with the observations on young adults' *access* to housing before proceeding to findings about the *quality* of housing.

4.1. Navigating: On Access, Choice, Limitations and Wealth Accumulation

Limited Access and Precarious Housing Experiences – But Attachment to the Area

As stated, Sofielund is a highly attractive area among young adults, despite its bad reputation. The informants give proof of this, as they feel heavily attached to the area. They wouldn't move to live elsewhere even if they were offered a better housing situation. This is noteworthy, as the interviews show that 25 out of 36 informants could be characterized as having an insecure housing situation, either by informal (illegal) second-hand contracts or living involuntarily with parents or friends. If you include eight who have a formal (legal) second-hand contract which is limited in time, only six of the 36 young adults could be categorized as having a secure housing situation:

Homeownership	0
Cooperatively owned apartment ('bostadsrätt')	0
Private rental contract	3
Public (MHC) rental contract	3
Secondary market rental contract ('social contract')	0
Second-hand rental contract (formal)	8
Precarious housing (informal second hand/friends/sofa-surfing)	12
With parents (involuntarily)	10
TOTAL	36

Table 2. The housing situation of the informants

A few of the informants have occasionally been 'sofa-surfers'. One woman, who states that her financial situation is 'pretty good', has been sleeping on various friends' floors for more than three years. For a couple of months, she solved her acute housing situation by sleeping on a sofa at her school, where a teacher let her stay after class. However, such a solution had implications on her health: 'I lived on bread and candy, as I neither had a refrigerator nor a stove', the young woman (Resp. 35) states.

Several of the interviewees claim that housing is the main concern in their life. While a couple of them have considered turning to the social services for help in finding a place to reside – a secondary market rental contract – most of them refrain to do so. They claim that social services 'are not for them' because they do not consider themselves as having 'social problems'. 'My only problem is getting a place to stay', explains one interviewee – a student who works extra hours at an electronics warehouse and has a stable income.

To find accommodation and get a first-hand contract – that is my biggest obstacle right now. I just want to have my own apartment, which is difficult if you do not have contacts in Malmö or have [not] been in queue for several years. (Resp. 12)

The Inaccessible Rental Sector

A first-hand rental apartment in Sofielund would be the preferred housing choice of the informants. The average queue time for obtaining an apartment in Malmö through the regional queue system, Boplat Syd, through which the MHC and 25 private landlords assign their apartments, is more than 3 years – but in Sofielund, it is significantly longer. More than half of the people in the queue are between 18 and 34 years (Boplat Syd, 2014). Several interviewees have given up hope of ever obtaining a rental apartment after many years of waiting. Moreover, even if the qualification regarding queue time has been fulfilled, young adults might still be rejected as tenants because of an irregular or insufficient income.

I have been in a queue for a rental apartment, and I finally got [an offer] from Boplat Syd, but since I am unemployed and have not met the requirements for unemployment benefit, they said I lack sufficient income [to secure the apartment]. So now I try to arrange with my parents so they can rent an apartment which I can live in. But it's hard, you know. They have not been in the queue /.../ For now, I have to stay with my friend. (Resp. 24)

Most of the private landlords on the highly fragmented rental market in Sofielund are small – owning on average eight apartments – and not connected to the regional queue system. Instead, they make individual and rather arbitrary decisions for assigning rental contracts. Being dependent on benefits disqualifies young adults from accessing housing from these landlords, but even those with a regular income have a hard time. A few of the informants have been 'lucky' to get an apartment from the private landlords through friends' or parents' contacts, but most of them have been chasing after the landlords in Sofielund (an email contact list has been circulating among young adults on social media) without success. As a result, many put their hopes in the MHC, as they are the property owner with the largest stock, are connected to the regional queue system, and are the only company in the area that accepts tenants who have a low income or are dependent on social benefits. However, the MHC has long queues, and a certain share of the apartments are reserved as the company has a responsibility to provide the municipal social services with secondary market rental contracts. Thus, even if the rental tenure is the preferred choice, the access to this tenure is highly limited.

Construction of New Housing – To no Relief for Young Adults

The limited possibilities on the rental market are well known among the city officials: 'Debutantes in the housing market are in a tough situation. Non-expensive rental housing is difficult to access, and the newly built apartments are expensive', says an interviewee who works within the city administration. Over the past few years, the city of Malmö has been trying to significantly increase the construction of new housing suitable for people with 'normal' incomes. However, few housing companies seem willing to engage in rental apartments aimed at this target group. According to the interviewee who works for the city, more profit can be made constructing cooperatively owned flats

in attractive and more expensive parts of the city. Therefore, the city has increased its demands on the MHC to build more and to build 'cheaper'. According to an interviewed MHC employee, the MHC is trying to 'turn every stone' in its goal to find areas for new rental housing, although only a few housing projects were being constructed during the time of the study. One such housing project is the apartment block Trevnaden (The Comfort), which contains 170 apartments in three buildings in North Sofielund, adjacent to South Sofielund. One of the buildings is labelled a 'collective house': It has 44 apartments aimed at young adults and families who wish to share common areas such as kitchens and plots for urban farming. The average monthly rent for a 50 m² apartment is 6.250 SEK (€660), which means a rent level slightly below average for all newly built apartments by the MHC during the last few years, but it is still 38 % above the average rent for other MHC apartments in the area (calculated with data from MKB Fastighets AB, 2016). While the young adults in the study are positive about new rental apartments being built and with the 'collective' approach of the house, they express distance about the exterior and pricing of the new apartments: 'It's strange when you pass there. It looks a bit different from the other apartment building. I wonder who lives there /.../ It seems very expensive. I heard a one-room flat costs 5.000 a month' (Resp. 35). Despite being considered expensive, the waiting time for an apartment in the new building is long, limiting the access also to this expensive form of housing.

The Inverted Fallacy of Choice

Overall, rented housing is becoming more and more expensive in relative terms compared to owned housing. Official statistics show that the average rented apartment is around €300 more expensive per month than the equivalent cooperative apartment (Regeringen, 2014). According to the young adults in the study, the rental market is 'lost'. Instead of waiting for a rental apartment to turn up, several of the informants are considering buying a cooperative apartment. This could be seen as an 'inverted' fallacy of choice (McKee et al., 2017). Rather than giving up hope on homeownership and turning to the rental sector, rented housing is the preferred tenure here but as the outlook for such is thin, young adults instead are looking into buying a flat. However, the odds are against them. Rising prices and stricter requirements from banks on cash deposits and amortizations have made it harder for young adults to enter the owned market. Few of the informants say they might get financial help from their parents, but most of them do not have this possibility. Instead, their only hope is to take out a high-interest personal loan for the cash contribution: 'I don't have a job, so I can't save for the cash advance in order to buy an apartment. But I know there are [so-called] SMS loans which could help me' (Resp. 34). While some of the young adults reluctantly seek to enter the owned market as the outlook for entering the rental market is bleak, others who were interviewed dream of buying a cooperative apartment since they are associated with financial benefit: 'It would be nice to ensure retirement capital', one of the young adults says (Resp. 21), referring to friends the same age who have profited from their 'housing career' in the owned sector.

Foreseen Consequences

The lack of access to affordable housing has further consequences than the lack of shelter and steering young adults towards the financialized sector of home-ownership. The mean age for leaving the parental home in Malmö is increasing, and currently stands at 23 years. Households become more crowded, which some young adults reflect on in regard to studying: ‘when an apartment gets too crowded, children and young adults can never get peace and quiet to do their homework’ (Resp.11). As described, the social democratic welfare regime is based on young adults moving away from home and leading individual lives at a comparatively young age. The lack of housing opportunities for young adults seems to disrupt this logic. One 26-year-old who lives with his parents in Sofielund explains that he does not feel like an adult and cannot start his own family:

I'm stuck in my boyhood room. And the funny thing is that my girlfriend is in the same situation – she also lives with her folks. So, she comes to stay with me and my parents. It's strange, and often makes me quite annoyed with my parents. I'm 26, and I feel like when I was 15 [laughs] – sneaking silently through the door and hiding my life with my girlfriend from [my parents]. You know, we want to have our own kids, but it feels like we can't get on with our life. (Resp. 36)

4.2. Dead Ends: On Quality, Characteristics and Stigmas

The Slumlords of Sofielund

Proceeding to the manifestations of housing inequality in terms of quality, the fragmentation of the property ownership structure in South Sofielund has proven to be a major challenge in developing safe and attractive environments. Some of the private property owners have a history of neglecting their houses and apartments. They are often referred to as ‘slumlords’ – landlords who make a business out of buying apartment blocks, neglecting them and then selling them on for profit, as the current housing shortage guarantees a market value rise over a short period of time (See, e.g., Lind & Blomé, 2013). The shortage of housing makes young adults feel obliged to accept whatever is offered in the area. Facing such a dead end, some have become the tenants of those landlords and live under precarious conditions. Several informants are illegally subletting in second-, third- or fourth-hand apartments from tenants residing in these houses at steep rents, as the landlords do not care who lives in the apartments and thus do not regulate the subletting.

I have been living in ‘black market’ apartments, which were very shitty, to say the least. Then I tried to get an apartment from the social services, but I had no luck there. (Resp. 33)

Some of the interviewees who live in sublet apartments in South Sofielund pay rent that is higher than for newly built apartments in Malmö's high-end areas. Afraid of losing their apartment, they dare not complain about high rents. And accordingly, as they sublet illegally, they dare not complain directly to the landlord about malfunctions or poor conditions.

Further, the neglect from such landlords has, according to the interviewees, resulted in residents giving up their hopes of ever living in a nice area and, consequently, develop a careless approach to their physical environment. 'It's dirty, because people don't care' (Resp. 5), says one of the persons interviewed, who argues that because the landlords neglect the buildings, the tenants have little incentive to look after the houses and apartments. Several of the interviewees connect neglectful landlords with a lack of safety and criminality on the open streets, meaning that irresponsible landlords attract criminal elements and vice versa. One thing is certain, and that is that the interviewees are tired of social unrest in Sofielund. Interestingly though, the interviewees argue that the media exaggerates the negative image of Sofielund, which contributes to the area having an unnecessary stigma attached to it. They claim that such a stigma affects them as individuals. When discussing employment during an interview, one young girl laughed and said, 'I would not say that I live in Sofielund when at a job interview. That would just lead to a lot of unnecessary questions, if you know what I mean' (Resp. 2).

Despite several efforts, the local authorities have had limited success in dealing with slumlords; instead, they pin their hopes on the ownership of the properties changing. A large property owner, Willhem, owned by an investment buffer fund in the Swedish national income pension system, bought a number of houses in the area in 2011. This signalled a move to distance the company from the short-term speculation principles by the slumlords, as the owners claimed that they were in it for the social responsibility:

There has been an ownership structure which has been completely financially oriented and with a short-term perspective. This implies that operations are managed differently than if you are an industrial, long-term player. (CEO of Willhem in *Sydsvenska Dagbladet*, 2011, my translation)

However, after four years, Willhem sold the houses with a substantial profit, stating that the houses in Sofielund had become a burden for the company.

Gentrification as the Answer?

The lack of social undertaking and long-term engagement by landlords makes its mark on the young adults who live in the area. While some private actors on the rental market are deeply mistrusted by the informants, some young adults have confidence in the MHC when it comes to quality housing. However, limited access makes the interviewees lose trust in the MHC as well, and this lack of trust has only deepened by a development project in the area, called the Sofielund BID, where the MHC has a driving role. The Sofielund BID is an organization for local businesses – mainly property owners – who seek to change the area and increase its attractiveness for investments. Their goal is to transform South Sofielund – which is considered to be among the worst business areas in Malmö – into an area equally as attractive as other nearby areas. BIDs are gaining increased global popularity, often hailed as being successful in developing areas 'From blight to bloom', although also heavily

criticized (See, e.g., Zukin, 2009). The statutes of Sofielund BID claim that the cooperation aims to create a safe, pleasant and functional area that residents can feel proud of but add that the overall goal is to positively enhance property values (Bohman & Jingryd, 2015). However, this business-oriented approach is challenged by the young adults in the study. Many are worried that BID will prompt landlords to perform extensive renovations and raise rents, which might lead to the displacement of tenants with low income and insecure rental contracts. One interviewee joined a network of residents who act as a counterweight to the BID association. On the night of the opening meeting of the BID, the network gathered outside the localities and arranged their own ‘residential meeting’ in protest of the BID, which they argued do not involve the residents in their plans to ‘improve’ the district. Interestingly, the BID association has since then changed the meaning of their abbreviation from ‘Business Improvement District’ to ‘Boende–Integration–Delaktighet’ (Residents–Integration–Participation) and notions of increasing property values have been toned down in the organization’s written material. Nevertheless, neither BID Sofielund nor the MHC’s new housing project are recognized by the young adults as developments that will create better conditions or quality for the current residents but rather aim for gentrification, which will displace households and further limit access to affordable housing in the area.

5. The ‘Inbetweeners of the Housing Market’, and the Impact of Housing Inequality on their Lives

5.1. Inbetweeners in a Local Housing Regime

Drawing on the narratives in this study, the young adults in Sofielund bear witness to ending up on the losing side of housing inequality. Regarding access, they seem to be stuck in a no-man’s land, where they have limited access to any form of tenure. As none of the young adults in the study have their own financial resources (few have parental support) in order to enter the *owned housing* market, they are heavily dependent on the rental housing market, categorizing them as what often is called ‘Generation Rent’. The results confirm previous research (Grander, 2017) on Swedish housing that shows how young adults are outsiders on the *public rental* market because they have not had sufficient time in the queue nor the financial qualifications to obtain an apartment through the ordinary queue system, yet are not poor enough or have the social problems required for a secondary contract provided by the social services. Moreover, they are also outsiders on the *private rental* market. Entering this market on a formal basis is equally difficult, as private landlords’ models for assigning contracts are arbitrary and thus not only demand regular income but also, and more importantly, social networks and skills. The principles of the integrated rental market withers, as private operators pick and choose their tenants, while only the MHCs accept individuals with low income. As most secure forms of housing are ruled out, a dead end emerges where the *informal*– and illegal – housing market of second-, third- or fourth-hand contracts are the only remaining options.

Thus, while the literature states that young adults are a vulnerable group on the housing market, the results of this study could expand such a statement to a discussion about whether it is feasible to talk about *a* housing market. The results suggest the existence a number of parallel housing markets, each with their own characteristics and qualities, their own formal and informal barriers and their own transactions. The young adults appear as the *inbetweeners* of these markets, often having no other choice than the illegal market. Here, the trade-off for their access is steep rents, insecurity and, especially in the case of Sofielund, precarious quality. However, for the inbetweeners of the housing markets, such concessions are deemed necessary.

To the manifestations in forms of limited access, the findings suggests the emergence of the other category of housing inequality – poor quality of housing – which has been relatively undiscussed in the contemporary Swedish housing context. What emerges is a neighbourhood-specific situation in Sofielund, characterized by fragmented ownership and neglect of the apartments and buildings. Such neglect is arguably caused by the increased financialization of the rental market – making it possible for landlords to take advantage of rising property values without having to maintain the property. Such a development may possibly accelerate the decline of the neighbourhood and the social turbulence and criminality in the Sofielund area. The limited access to all tenures; the financialized and short-term logics and poor quality of private rental housing; and the limited success of local government in dealing with the problems could be said to form the bearing pillars of a *local housing regime* in South Sofielund, where housing inequality greatly affects young adults.

5.2. The Cycle of Housing Inequality in Sofielund

The paper has suggested a multi-dimensional definition of housing inequality, which is seen as contextual norm-deviating differences regarding access to and quality of housing that limits the life possibilities of the disadvantaged by negatively influencing not only resources but also existential matters and vital parameters. In line with such a definition, the housing inequality that young adults in Sofielund face could be argued as deviating from the assumed commonality of ‘good housing for all’ in the national housing policy, as both ‘good housing’ and ‘for all’ is clearly bracketed in Sofielund. Young adults in Sweden are traditionally early leavers of the family home, but this research has highlighted the problems for young adults for leading independent lives, also limiting their life possibilities.

Following the multidimensional definition of housing inequality, the main reason one ends up an inbetweeners is linked to resources. High income barriers, rising prices and increasingly strict mortgage conditions make young adults increasingly dependent on their own financial resources, or the ‘Bank of Mum and Dad’ for buying an apartment or passing thresholds to secure rental housing. However, a stable income is not a guarantee for access to any tenure: Resources in terms of social skills and networks are often necessary to obtain a rental apartment. The results thus confirm earlier findings on housing inequality as a result of the financialization of rental housing (Fields & Uffer,

2016), leading to shortage of affordable and accessible rental apartments and the young adults' consequent dependency on financial resources and parental wealth to gain access into the owned market and thus creating a bias regarding who can gain access to housing. Subsequently, while *resource inequality* is a condition for the emergence of housing inequality, the current housing situation also reproduces this type of inequality. The young adults are powerless as 'Generation Rent', facing more relative costs for housing than those who have the possibility to enter the owned market and are not being able to join the 'real-estate-as-an-accumulation-of-wealth' race.

Further, the local housing regime in Sofielund seems to create, reinforce and reproduce also other types of inequality. In terms of *existential inequality*, the transition to adulthood is postponed due to the lack of own housing, which means that the young adults' right to self-development and autonomy is clearly cut short, as staying in your family home diminishes one's sense of what it means to be an adult. Moreover, the increasing view on ownership as the more desirable tenure and as a generator of wealth accumulation (several young adults in the study dream of owned housing) might stigmatise young adults who – voluntarily or involuntarily – live in rented housing. Moreover, in regard to the nature and stigma of the area, stating that one has a Sofielund address is not an asset for young adults when in their contact with employers. The inbetweeners of Sofielund may be regarded as second-class citizens, which could be argued to have far-reaching consequences in terms of access to the labour market which limits the opportunities and future outlook in general for young adults living in Sofielund. Also, living in spaces too-crowded to get any peace and quiet when doing homework clearly implies such consequences. However, it seems that moving away from the area would be even more of an existential setback. The young adults are determined to stay in the area no matter the housing situation.

Overall, factors connected to resources and existential matters are generating *vital inequality* between those who live in Sofielund and those who live in other parts of the city, both in the short-term perspective and in the long run. The young adults' experiences of sofa-surfing, poor housing conditions and living without proper cooking facilities or proper toilets clearly affect their physical and mental health. However, more importantly, the local housing regime's restrictive of limiting access to education and employment might increase the vital inequality, as access to education and employment is directly connected to health, life expectancy, and of course, income and wealth accumulation. Again, fewer resources means more limited access to housing – and the cycle of housing inequality starts over again.

6. Conclusions

This paper has, first, illustrated the limited possibilities for young adults to navigate the local housing market in order to get access to secure and good quality housing. It has portrayed the young adults as 'inbetweeners', stuck between several housing markets, which are characterised by divergent barriers, qualities and transactions. What these markets all have in common is limited access for

young adults, who are left to face the dead end of the informal and illegal rental sector. Neighbourhood-specific circumstances has made this informal rental sector especially precarious. The specific case has illustrated how a local housing regime has emerged, which is characterized by both a lack of access and a lack of quality not usually seen in the national context, thus adding to the debate about the rationality of the well-reputed Swedish structure of housing provision in terms of inequality (Christophers, 2013) and the significance of local variations (Grander, 2018). The paper gives further evidence to the literature on the complexity and variety of housing pathways (Clapham, 2005; Clapham et al., 2014; Druta and Ronald, 2017) among young adults, but also illustrates how the possible paths seem to become more limited as the rental sector is shrinking and becoming increasingly guided by financialization (Fields and Uffer, 2016; Grander, 2018). The paper's findings on the 'inbetweeners' recognises the existence of a 'Generation Rent' (Dorling, 2014) also in other contexts than the UK. However, in line with the critique of 'Generation Rent' from scholars such as McKee, Hoolachan and Moore (2017), the inbetweeners is a heterogeneous group, having very different financial preconditions and housing experiences, albeit increasingly excluded from the housing market. What differs 'Generation Rent' from the 'inbetweeners' is that the former are seeing homeownership as the ideal tenure, but have to 'cope' with the rental tenure; while the inbetweeners in many are cases preferring public or private rental housing, but as this tenure is highly inaccessible, homeownership is seen a necessary evil. The 'fallacy of choice', as suggested by McKee et al. (2017) seems inverted as rented housing – rather than homeownership – is unachievable. In practice, however, the inbetweeners are, just as the 'Generation Rent', lacking the financial resources to access homeownership.

Second, this paper has discussed the limited access and precarity of young adults' housing situation through a multidimensional perspective on inequality, contributing to the discussion on housing inequality by integrating Therborn's (2013) analytical framework. Thus, while the hitherto literature on housing inequality has addressed the complex combinations of structural changes and individual choices leading up to unequal distribution of housing, mainly in terms of housing as an asset, the presented research adds the perspective of how unequal housing outcome serves as a generative mechanism for not only resource inequality but also vital and existential inequality. The young adults who have limited finances are at the greatest disadvantage. They increasingly lose out on autonomy and opportunities for future education and work – factors that, in the long run, may have vital consequences. The housing situation for many young adults appears to be a catch-22 situation, as those who are most in need of good quality housing are precisely those with the fewest possibilities to obtain it.

The main theoretical implication of the study is thus the contribution of an expanded understanding of housing inequality in terms of both causes and effects. Such an understanding of inequality has proven to be suitable for the field of housing, and in particular, to describe the inequalities that young adults face – making it possible to see in detail the manifestations and wider consequences of housing inequality. In terms of the political implications, the research finds that

many young adults fall between the ‘markets’ also in the well-reputed Swedish structure of housing precision. Thus, the study highlights the need to either refurbish the integrated rental market (to avoid an informal social housing sector), arrange supplemental rental types (which would imply the abandonment of the integrated rental sector and universal public housing), and/or promote young adults’ access to homeownership (which could imply the continued abandonment of tenure neutrality). As Sweden is the only remaining country in Europe that has an integrated rental market, future comparative research of the housing solutions for young adults in integrated vs. dualistic rental markets would be of great interest.

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II

New public housing: a selective model disguised as universal? Implications of the market adaptation of Swedish public housing

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Building upon the universal characteristics of the social democratic welfare regime, public housing in Sweden has traditionally been a central instrument in contributing to socially inclusive cities; however, changes in policy have gradually changed the landscape. This paper presents concerns for public housing's endeavour for social inclusion and suggests that the universal approach, of which Swedish public housing is a standing role model, is diminishing in favour of an ambiguous model of universal discourse and selective output. A 'New Public Housing' is emerging with higher thresholds, making it harder for economically disadvantaged groups to gain access to housing; at the same time, this is compensated by the increase of 'social contracts', which provides the financially vulnerable with an entrance to the housing market, however on very uncertain conditions. Increasingly catering for the most well off and the most vulnerable in society, this New Public Housing appears to exist in a contradictory state between its claims of universalism and the practice of excluding certain groups.

Keywords: public housing; social housing; universalism; selectivity; inclusion

Introduction

In the post-war period, Swedish public housing, made up of municipal housing companies (MHCs), has been an important instrument in the national housing policy to contribute to socially inclusive cities and municipalities. The socially inclusive undertaking of Swedish public housing has primarily been conveyed through its universal character, meaning that the MHCs provide rental apartments for the general public and their various needs (Bengtsson, 2001, 2004). Public housing has been directed to all, 'for the benefit of everyone' (trans. *Allmännytt*, the Swedish term for public housing). This universal character, along with a variety of measures aimed at social inclusion (Grander, 2015) in which the MHCs are engaged, is often referred to as the *social responsibility* that is inscribed in the regulations of Swedish public housing.

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However, the role of public housing is changing. Incremental adaptation to market principles has paved the way for the removal of subsidies traditionally directed to MHCs. Several scholars (Andersson & Turner Magnusson, 2014; Bengtsson, 2015) have pointed out the changing role of public housing in the national housing regime, which is usually considered a complex hybrid of state regulations and neo-liberal elements (Christophers, 2013; Hedin, Clark, Lundholm, & Malmberg, 2012; Lind & Lundström, 2007). Since 2011, national legislation has forced MHCs to compete on the same market terms as private rental companies. Consequently, doubts have been raised among MHCs about their role of maintaining social responsibility in times of market adjustment (Grander, 2015), and if it is possible, how?

The inclusive ambition of Swedish public housing in relation to marketisation is the focal point of this paper, which takes as its point of departure the universal character that signifies the Swedish housing and welfare systems. In an attempt to relate contemporary Swedish public housing to the dichotomy of universalism and selectivity, the purpose of this paper is to explore the implications of changed legislation in regard to public housing's endeavour for social inclusion through its universal character. The main research question is whether the inclusive undertaking of Swedish public housing is changing due to market adaptation, and if so, changing into what?

Section 2 of this paper briefly introduces the dichotomy of universalism and selectivity in welfare and housing regimes, focusing on social/public housing as the area of analysis. In addition, this section outlines the development of the public housing sector in Sweden. In Section 3, the empirical research which has built the foundation for this paper is presented. In Section 4, the findings from the research data are discussed by returning to the concepts of universalism and selectivity in housing policy.

Universal contra-selective welfare and housing regimes

The relation between welfare models and housing systems is the subject of much academic writing. Many studies (see e.g. Fitzpatrick & Stephens, 2014; Lennartz, 2011) draw upon the research of Esping-Andersen (1990) and Kemeny (1995) to understand the relation between housing and welfare systems. The point of departure is often Esping-Andersen's well-known typology of welfare regimes. The *social democratic* welfare regime, which is characteristic of Sweden, is in opposition to the *liberal*, and to some extent, the *conservative* welfare regimes, characterised as *universal*, as benefits are not means-tested, and further, they are financed by taxes, not insurance. The state – not private insurance, nor family – is primarily responsible for providing economic security and welfare. The universal regime also suggests that benefits should be sufficiently generous to provide adequate support (Lindbom, 2001). In the liberal regimes, policies and benefits are more *selective*, as

the state provides minimal support, usually means-tested. By having a universal character, the social democratic welfare regime could be described as inclusive, catering not only for the most vulnerable citizens and excluding others, but offering broad policies and support systems for the general public. To what extent the social democratic welfare regime beyond the welfare-state heydays lives up to this characterisation, or if the regime should be regarded as an outdated ideal model, could be further discussed – the regime was formulated during a time when full employment guaranteed inclusion for most people in most societal arenas, including housing (Lindbom, 2001). Nevertheless, the universal character, in contrast to the selectivity of other regimes, is of analytical value when commencing a study of the welfare regime in relation to housing.

Housing is often argued as a social right and thus closely connected to the welfare state (Bengtsson, 2001). However, the relation between the welfare state and housing is complicated. Esping-Andersen did not include housing in his research about welfare regimes, and many researchers influenced by him have also refrained to do so, most likely because housing may have an ambiguous role within the wider welfare state (Lennartz, 2011; Malpass, 2008; Torgersen, 1987). Although the ‘right to housing’ is a universal and unconditional right by European and international treaties, and also appears in the agendas of many welfare states, no country exists where the main mechanism for housing in general is ‘handing it out’ to all citizens. Instead, implicit in the view of housing as part of the welfare state is that housing refers to a social or public rented housing sector that provides dwellings for economically disadvantaged households. Such a view on the role of housing in relation to the welfare state is the characteristic of a *selective housing regime*. In a selective housing regime, the state is responsible for providing for households of lesser means alongside the general housing market.

In contrast, a *universal housing regime* is dependent on the relation between the welfare state and the ordinary housing market in providing housing for the general public. A universal housing regime is characterised by the state being expected to *correct* the general housing market, so actors on the housing market can provide housing for all types of households, regardless of their economic situation (Bengtsson, 2001). While a selective housing regime links to, in particular, the liberal welfare regime in Esping-Andersen’s typology, a universal regime could be clearly linked to the universal principles of the social democratic welfare regime.

Taking Sweden as the perhaps most well-known example of a universal housing regime, housing has become the ‘market commodity of the welfare state’ (Bengtsson, 1995). The state’s role is narrowed down to interventions, seen as correctives of the market. Examples of these correctives are various types of subsidies, tax policies, and allowances, such as the housing allowance aimed at people with low incomes, primarily families and young people. The housing allowance has made it possible for this group to gain access to the general housing market. As Bengtsson (2001) states, the main message of the Swedish housing regime is that housing is a

social right, but people should be able to exercise that right in the market. Correcting the market has endeavoured for this right; thus, the housing regime in a universal welfare regime such as that of Sweden could be said to have selective measures in order to become universal. It could be argued that the housing regime is based on the principles of *proportional universalism* (Marmot & Bell, 2012), i.e. a universal measure with a scale and intensity that is proportional to needs.

Public and social housing in universal and selective housing regimes

The perhaps most important state corrective in the universal housing regime of Sweden is the system of MHCs. The Swedish term for the MHCs is ‘allmännyttä’, a term which does not directly translate into ‘public housing’, but rather ‘for the benefit of everyone’. Thus, public housing in Sweden is not needs tested or selective as is the case in other countries with social housing; instead, public housing is available for the general public. This universal approach has been the key signifier for Swedish public housing since World War II, making MHCs fundamental in the municipalities’ regulated responsibility to supply housing for its inhabitants (Bengtsson, 2004). MHCs and housing allowance are thus important means for granting access to the general market. Whether the approach has been truly universal is, however, debatable. The approach has never been automatically all-encompassing, as it has been in need of support structures for including individuals incapable of solving the housing issue on their own; for example, due to problems related to mental illness, substance abuse or other issues making them unable to request a rental apartment on the general market. For those individuals, local authorities offer support through what is called the *secondary housing market*. The local municipalities’ social authorities rent apartments from housing companies (both private and public), and in turn, sublet the apartments via restricted so-called *social contracts* to their clients, who are regarded as not being able to manage an ordinary rental contract (see e.g. Sahlin, 2006). Thus, although these individuals have not been excluded from public housing, they have been included through a parallel market, characterised by uncertain conditions and dependency on local social authorities.

In contrast, in a selective housing regime where the state is responsible for catering for households of lesser means, a system of social housing where state-subsidised private and/or public actors provide housing for certain groups on a needs-tested basis is set up and works alongside the ordinary housing market. As the state is responsible for the housing provision for disadvantaged households, a secondary housing market, as described above, is not necessary in a selective housing regime.

During the last decade, public/social housing has been put in the European spotlight. As the European Commission demands open competition on all markets, public actors cannot in any way be subsidised if private actors cannot gain access to the

same subsidies. Regarding public/social housing, subsidies could be directed to private and/or public actors providing housing for a distinct subsector, which works as a safety net for people with low incomes. This has led to most countries having made a clear demarcation between the public/social housing sector and the regular housing sector (Scanlon, Whitehead, & Fernandez Arrigoitia, 2014). For example, the Dutch government has agreed with the EU on an income cap for people who could apply for social housing. Earlier, Dutch social housing had been available to all (Czischke, 2014; Elsinga & Lind, 2013).

Despite changes in order to adapt to European demands, the universal approach of public housing in Sweden has prevailed. In 2002, private actors on the Swedish rental market filed a report to the European Commission claiming that subsidies directed at public housing did not comply with European legislation on competition (see e.g. Elsinga & Lind, 2013). However, the Swedish government chose another direction than that of the Dutch. In order not to be tried in the European Commission, the Swedish government agreed to withdraw all subsidies toward public housing in order to create a level playing field (Salonen, 2015b). Unlike the Dutch example, no income cap was introduced; public housing remains a subsector, but one that is not aimed at certain groups of people. The consequence of the clash with European legislation is that Swedish public housing, with its main principles, remains, but since 2011, it has needed to adapt to logic characterised by market principles. In my view, as a result of this political path, today Sweden appears to be the only European country without defined subsidised actors on the rental market as a whole (European Parliament, 2013; Europolitics, 2011). While Dutch public housing has become more selective to be able to keep subsidies, Sweden has kept a universal system without any special conditions that apply to tenants eligible for public housing.

This brief comparison between the Dutch and Swedish adaptation to European legislation on competition illustrates the potential uniqueness of the contemporary Swedish housing regime. While both the Dutch and the Swedish models are considered unitary¹ rental markets (Kemeny, 1995) where public and private actors act on the same market, the Dutch model of public housing joins most of the other European countries in a model for needs-tested, selective social housing. Sweden's model stands out as a unitary rental market with no needs-tested public housing. What makes Swedish public housing unique is the universal approach – an approach that seems resistant to any external pressure.

A Swedish housing regime and public housing in transition

During the past few decades, policy changes have altered Swedish housing policy, which can now be argued to have lost many of its traditional characteristics. Within public housing, gradual changes have made MHCs more market-oriented and subventions for public housing have been removed. In 2011, new legislation on Swedish public housing was introduced, making public housing a market actor. An

important difference is that all actions of the MHCs must be economically justified; investments cannot be undertaken if they are not calculated to yield. However, the social responsibility of MHCs is still clearly stated in the legislation. This somewhat ambiguous mission has strengthened the view that MHCs are hybrid organisations (Christophers, 2013; Salonen, 2015b), in the sense that they not only should relate to business requirements in a competitive market characterised by profit motives, but also have the aim of societal benefit.²

As a result of the changes in public housing, several researchers have questioned the validity of key elements in Swedish housing policy. Studies (Andersson & Turner Magnusson, 2014; Magnusson & Turner, 2008; Salonen, 2015a) have shown that public housing in general is subject for *residualisation*, meaning that households residing in public housing have become poorer in relative terms. Although the national political discourse takes a broad stance against the European model of social housing in favour of the universal approach, public housing is nevertheless becoming ‘social by default’ (Magnusson and Turner, 2008).

As demands on market yield and competitiveness clash with demands of universalism and inclusion, the public housing sector could be suffering from a kind of identity crisis. It seems that Sweden may be moving toward a more residual model of public housing, where universal and inclusive principles are becoming watered down through more selective and exclusionary practices and outcome (cf. Bengtsson, 2001). Nevertheless, the universal discourse is resilient and still seemingly fundamental, as the Swedish government has not been willing to abandon these principles despite pressure from the EU. The current legislation states that public housing should supply a ‘varied supply of housing of good quality that can attract various tenants’ (Regeringen, 2010, p. 40, my translation).

While the hybrid character is inherent in Swedish public housing, I suggest that the contemporary shape it incrementally has developed is something new and different for various reasons: its regulated dual undertaking of social responsibility and competitiveness; its potentially contradictory demands on yield and providing rental apartments for a variety of tenants; and its claims on universalism on the one hand and the increased residualisation on the other. As a result, we see the rise of *New Public Housing*, characterised by market adaptation and having private rental actors as role models. In the next section, I will investigate the consequences of the 2011 legislation; the actual practice of New Public Housing in regard to the validity of the universal approach.

New public housing in Sweden – still universal, still inclusive?

Method

The analysis of this paper is based on empirical findings of a research project³ about contemporary public housing. The research utilised a combination of qualitative

and quantitative methods. In the initial phase of the research, a survey was sent to all MHCs in Sweden with the purpose of examining the situation regarding social responsibility and market adaptation. Of 259 valid respondents, 184 responded, giving a response rate of 71%. Non-response analysis gives that respondents represent the population as a whole in terms of size and geographical variation.

The survey was followed up with in-depth case studies. MHCs in nine municipalities⁴ were selected for field studies, interviews, and document reviews, using a number of parameters for selection, such as the variation in the size of companies and municipalities as well as geographical location. The selected MHCs and municipalities were visited between June and December, 2014, and in total, 47 people who held a variety of positions were interviewed during 44 sessions. The MHCs Managing Director (and/or those responsible for social responsibility) and the CFO were interviewed in each municipality, as were representatives from the MHC's local government and/or the municipality administration. The quotations used in this paper are anonymous, but have been authorised by the respondents to ensure that they are correctly understood. The customary linguistic adjustment of spoken language was carried out, and all quotations have been translated by the author.

Findings: business as usual?

The findings show that what constitutes social responsibility among the MHCs appears to be made up of many activities. These activities can be divided into three levels. The first level deals with creating a good social relationship between tenant and landlord. The second level deals with the so-called area-based projects the companies engage in, such as school projects, employment activities, and small-scale, local urban regeneration. These two levels of activities correspond to the contemporary discourse of social responsibility, envisioned in strategies for corporate social responsibility (CSR) present in most businesses today. However, while being traditional activities in public housing, much of the practice is arguably no longer unique for MHCs. A third level of activities concerns the task of supplying housing for the general public. This level of social responsibility could be argued as being the main task for public housing in Sweden, as it deals with the obligation to meet universal housing needs. The responsibility includes not only providing apartments, but also setting the rent levels and the requirements for tenants to sign rental contracts.

A central question in the research has been whether or not the 2011 legislation has specified any changes in the social responsibility undertaken by the MHCs. According to the survey answers, the initial results give that the changes in legislation on market adaptation have not had any direct effect on the companies' social responsibility. Nineteen per cent of the MHCs state that the new legislation has resulted in obstacles to acting with social responsibility. However, more than 50% of the companies stated that the legislation has resulted in increased financial requirements, such as demands on yield and expected results. Despite these

requirements, the companies claim that they can undertake the same social responsibility as before. This somewhat contrasting result should be connected to the three levels of social responsibility discussed above. What is manifested in the empirical material is that first two levels of social responsibility have not been affected by the changes in legislation; quite the contrary, as this kind of social responsibility seems to have become even more important for the companies. It is in the third level of social responsibility – the housing provision – where the consequences of the demands for market adaptation can be seen. It is on this level that the impact of the legislation becomes clear through increased demands on yield which changes the financial situation of the MHCs. It is also within this level that the universal approach and inclusive ambitions are challenged:

Previously, we were in principle negotiating rents with break-even in sight. But as the new legislation entered the scene, we realized, together with our owner, that we needed to set up a level of required return. (Interviewee 40, Managing Director)

As this MHC was previously able to raise rents only with regard to the index of consumer prices, inflation, and planned maintenance, new demands have resulted in raised rents because of the expectation of yield. Higher rents seem to be one consequence of the new legislation, thus making it harder for people with lower income to stay in the MHC. In the next section, I explore two other distinct phenomena that need to be discussed in light of the increase in financial demands and the universal approach; first, raised thresholds for entering public housing, and second, the expansion of the secondary housing market.

Raised thresholds for gaining access to public housing

As explained, the universal housing regime in Sweden has been considered a role model for providing housing to the general public, primarily achieved with MHCs as an instrument and with selective measures such as the housing allowance as a way for people with lower income to gain access to the general rental market. However, the empirical data in this study give another picture of who is welcome in public housing. The increased demands on yield and higher rent levels may also prompt the companies to become more interested in acquiring tenants who can be sure to manage to pay the rent. The data show that MHCs impose strict requirements on who may sign a new rental contract. These requirements are regulated in the MHCs' *rental policies*. Clearly, rental policies decide who can live in public housing, and thus is of central concern for the discussion of universalism and selectivity. The data show that 183 out of 184 MHCs impose financial requirements for a tenant to be eligible to sign a rental contract, and in general, these requirements have become increasingly common after the new legislation.⁵ The requirements of the rental policies vary, but the most common requirement demanded by 89% of the

MHCs is that potential tenants have a sufficient income in order to sign a contract. This minimum income is usually defined as an income-to-rent ratio: a monthly gross income three to four times greater than the rent.

What kind of income is considered legitimate in reaching the threshold for sufficient income differs between the MHCs. The responses give that 26 companies do not approve income from temporary employment; permanent employment is necessary to become a tenant in these MHCs. Furthermore, various kinds of benefits and allowances are not always considered legitimate income. Thirty-seven per cent of the MHCs do not consider housing allowance as legitimate income despite housing allowance having been the key instrument in universal housing policy for enabling people to gain access to housing regardless of income. In addition, unemployment benefits and social allowance are also not always seen as legitimate. Four out of ten do not consider social benefit as legitimate income and thus do not allow people who are dependent on social benefit to sign a contract directly with the MHC. An employee of one MHC explains the rationale of such a rental policy:

We have inaugurated a rental policy that states that our tenants simply must be able to pay a little for their housing /.../ and being dependent on social benefit is not regarded by us as being able to pay for your housing /.../ So in these cases, you are not granted an apartment. (Interviewee 18, Market Manager)

The data show that strict rental policies are quite evenly spread among MHCs. There is a tendency for companies in municipalities on strong housing markets (high real estate prices and low rental vacancies) to be more reluctant to accept new tenants with housing allowance and social benefit than MHCs on weaker markets. It is also slightly more common in larger cities to reject benefits and allowance as income than in smaller cities (see [Figure 1](#)). Thus, the trend is that the larger and more attractive the city, the stricter the rental policy. The three largest cities are exceptions: Malmö and Gothenburg have MHCs with generous policies, while the MHCs in Stockholm have been more restrictive. However, following a local government shift from right wing to left wing in 2014, rental policies have also been made substantially more generous in Stockholm.

The variation between MHCs could thus be explained with party politics. Given that MHCs are municipal, politically governed companies, local political power makes a difference in the development of public housing. Andersson (2013) has found that public housing is stronger in municipalities where left-wing politics has had more influence. Therefore, it may be interesting to explore how the policies differ in different political contexts. The data shows that companies in municipalities governed by left-wing coalitions have more generous rental policies whereas MHCs in right-wing-governed municipalities are more reluctant to accept social benefit as legitimate income (see [Figure 1](#)).

Figure 1. MHCs accepting/declining social benefit as legitimate income for signing a rental contract with regard to local political power, strength of local housing market, and municipality size.

One approach to rental policies is illustrated by one of the MHCs in the case study which does not allow people dependent on social benefits to sign a contract – a policy that both leading conservatives and opposing social democrats in the city council support. Several reasons for not accepting social benefit are argued for in the interviews. First, the number of people who reside in the MHC with low incomes has historically been high, which is seen as a financial burden for the company. The MHC has had a bad reputation with ‘many empty flats’. Restricting the rental policies was a question of ‘survival’, according to the Managing Director:

We had a situation where the company had to accept a large number of people who were very heavy to handle without any help from any others, so to speak. We felt that this was something we had to change, so this was done in cooperation with the city council. (Interviewee 17, Managing Director)

Second, the policy could be seen as part of a municipal strategy to raise the city’s image. Being part of an expansive region, the city wants to strengthen its brand and attract more wealthy citizens. Stricter rental policies, the production of more attractive rental apartments, and the transformation of public housing to owned housing are key elements in this strategy:

The city has thus come in the backwater in terms of migration to this region by people who seek their owned accommodation, either by building their own houses or by moving into owned housing. Housing has been very uneven in that way. Now there are plans which are realized on the development of attractive [rental] housing. (Interviewee 13, Director of the Board)

Thus, the MHC is used as a political tool in the city's plan to create a more socially mixed and 'sustainable' city. Could social responsibility and sustainability be compatible with strict rental policies that hinder people dependent on housing allowance or social benefit from signing a contract? According to the politicians governing the company, private and public landlords should share the social responsibility of catering for people receiving social benefits. The resulting argument seems to be that it is the private landlords' turn to take this responsibility in order for the share of people receiving social benefits to become distributed among all landlords. In this MHC's endeavour for a socially mixed city, it is argued that restricting who can live in their apartments is socially responsible. And the strategy seems to have had effects. 'Today, we have no vacant apartments', says the Market Director (Interviewee 18). Current research (Salonen, 2015, p. 154) shows that the share of people with low incomes in the municipality is now much higher within private rental housing than in public housing: twenty-two per cent of all people with low incomes live in public housing, while 54% live in private rental apartments.

More examples can be found of how rental policies are used as a tool to create a social mix: 'Social benefit is only accepted as income in geographically restricted areas, as in everywhere except for 'the million programme'⁶ areas', says one of the MHCs (survey answer, MHC#18). This company seems to encourage social mixing by not accepting new tenants with limited economic resources in areas characterised by social exclusion.⁷ In more attractive areas of the city (and thus with more expensive rents), social benefit is considered legitimate. The idea of the varied city is, as a whole, argued as inclusive and universal.

Thus, strict rental policies are used as a tool for controlling who is allowed to reside in public housing, arguably as a result of market adaptation: 'We are doing a review of our [rental] policies to find out what is reasonable in relation to [financial] risks as a result of the new legislation' (Survey answer, MHC#51). The increased financial demands on the MHCs seem to imply that the companies are less eager to take risks. The study shows, however, that there is a way for MHCs to deal with the financial risks, yet still claim to be socially responsible and universal.

Residualisation of public housing: the significance of the secondary housing market

The inclination to introduce stricter rental policies seems to be in stark contrast to current research (see Section 2) that shows how Swedish public housing in general is subject to residualisation and thus becomes 'social by default'. People who reside

in public housing are becoming poorer in relation to the total population. How could this be possible when rental policies are becoming stricter?

Individuals who do not pass the thresholds to public housing are either directed to private landlords with lower thresholds or can apply for apartments through the system of the secondary housing market. Judging from the material, the secondary housing market is increasingly used as a way in to the regular housing market for people whose only problem is low income. 'For people with less ability to pay, we cooperate with the social authorities who sign a primary rental contract and sublet to the tenant', states one MHC (Survey answer, MHC#30). Thus, what used to be a measure reserved for people incapable of requesting housing on the general market due to problems such as substance abuse or mental illness, is now more commonly used for solving the housing situation for people without such problems but who are not yet accepted on the regular housing market. As a result of this development, several statements from MHCs in larger cities with a lack of housing show how some private actors take advantage of the shortage by offering social contracts to the municipality at steep rents. In times of social polarisation and lack of housing, social contracts are good business. This has raised demands among municipalities on their MHCs to hand over more apartments for social contracts.

According to national statistics (Boverket, 2014), the number of apartments on the secondary housing market is increasing from 9431 in 2008 to 16,386 apartments in 2013. Although still comprising less than 1% of the national rental market as a whole, the relative increase was 74% during this time span, and in some municipalities, the increase was several hundred per cent. Furthermore, the number of municipalities with a secondary housing market has, in the same time span, increased from 205 to 260 (out of 290). According to Boverket (The State Department of Housing), MHCs are the most common collaborator with the municipality regarding the secondary housing market and its share is increasing. Eighty-nine per cent of the municipalities are in cooperation with local MHCs regarding social contracts compared to 80% in 2008. Thirty-four per cent cooperate with private landlords compared to 33% in 2008. Thus, while the total number of social contracts in Sweden still might be regarded as inconsiderable, the increasing trend among the MHCs could be seen as compensatory actions for stricter rental policies on the ordinary market. Companies in the study that have applied stricter policies argue that they take social responsibility by increasingly offering social contracts via the secondary housing market:

It's not as if we are not addressing vulnerable groups. We have a system of sublease through the [municipal authority] *Individual and Family*, so we do not say that we don't accept specific individuals, it's just that we do it in another way. (Interviewee 17, Managing Director)

To summarise the findings, a duality seems to exist in the current model for accessing Swedish public housing. On the one hand, stricter rental policies increasingly constitute a barrier which only financially stable individuals can pass, and

thus exclude many people who are dependent on social benefit, housing allowance, or have irregular employment. On the other hand, an increasing number of social contracts are provided through the system of the municipalities' secondary housing market, thus offering sublet apartments for people who cannot gain access to housing on the ordinary market. This duality clearly challenges the universal approach of the Swedish housing regime.

The ambiguity of new public housing – a result of market adaptation

The increased thresholds to enter public housing presented in this research seem to correlate with the increasing trend of supplying apartments to the municipality for social contracts. As demands increase for new tenants to have a stable and relatively high income from employment, the MHCs simultaneously appear to be more willing to provide apartments to the secondary housing market. This results in an ambiguous state where public housing is increasing the share of tenants with reliable market income while, at the same time, increasing the share of tenants who are not self-supporting. From the empirical findings, a three-fold division emerge. Not only does there appear to exist an 'A Group' and a 'B Group' on the public housing rental market, but also a third 'C Group'. Where the A Group can pass the barriers to public housing by having sufficient income and stable employment, the C Group can enter via social contracts. However, in the B Group, a large number of individuals with low or average wages, irregular income, or insecure employment conditions are increasingly being excluded by the barriers built up by stricter rental policies, while at the same time not having 'problems enough' for a social contract. In the following, I will argue that this ambiguity of target groups is characteristic of an emerging *New Public Housing*.

The ambiguity should be connected to the market adaptation of public housing. The common denominator for the dual target groups is financial security: by increasing the financial demands on 'regular' tenants, the risk of the non-payment of rent becomes smaller. Also, by increasing the number of social contracts, the MHC fulfils the demands of social responsibility without the risk of losing any revenue because the municipal social authorities pay the rent. While the municipalities take the economic risk, the MHCs claim social responsibility and an inclusive ambition.

The increased number of social contracts in the secondary housing market should thus be related to the increased residualisation of public housing. As more individuals with no income from employment are granted apartments in MHCs, the average income of the public housing residents drops. At the same time, the MHCs' raised thresholds in rental policies may increase the average income, which could dampen residualisation. The local differences are evident; in larger cities and on strong housing markets, the income thresholds among the MHCs are higher, which correlates with research showing that residualisation is generally weaker in such

cities. The research presented in this paper thus connects the locally differentiated trends of residualisation with the local political strategies of rental policies and social contracts within public housing.

Is Swedish public housing of today universal? Can it claim to be inclusive? As described, the Swedish government has been persistent in keeping the universal approach even when faced with external pressure. By catering for socially excluded people who are financially cared for by the municipality as well as the financially stable middle class, the *totality* of the approach by public housing could be seen as universal. However, in this dual strategy, many people lose out. This study shows that the dual target groups of MHCs could indeed be regarded as more selective than universal, although not selective in the ordinary meaning. The ideal tenant has either a high and regular income or else no income at all. The New Public Housing scheme which arises can therefore be argued to be losing its inclusive role of 'for the benefit for everyone'. Individuals with low income, people with part-time work, or young people with project-based income may become less likely to be granted a rental contract in the New Public Housing scheme. Also, people dependent on housing allowance – a corrective that should guarantee the universal right to housing – may not even be considered legitimate tenants when faced with the barriers of New Public Housing. Thus, a central part of the foundation for the universal model is weakening. Moreover, the rental policies do not seem to correspond to the contemporary labour market where permanent employment and a fixed monthly income become increasingly uncommon. It is also debatable if a specific monthly income necessarily corresponds to the ability to pay for housing (Hulchanski, 1995).

Another aspect is increased insecurity for the tenants; by increasing the social contracts through the secondary housing market, the number of direct contracts between MHCs and tenants decrease. Although the aim with social contracts is that the subletting tenant takes over the primary contract for the apartment after 1–2 years, data (Boverket, 2014) show that on average only around 8 % of social contracts are transformed to primary contracts, while 2% of the households on social contracts find other, regular, housing after the social contract expires. Moreover, the social contracts are limited in time and constricted in several ways. If complaints from neighbours occur, the tenant often faces immediate eviction. The tenants are under supervision by social workers (who often have direct access to the apartments) and there is often prohibition on cohabitation (e.g. living with your partner) or having pets. The tenants are also required to stay drug free and are often obliged to participate in certain activities, such as job searching. Connecting to what Sahlin (2006) suggests, the secondary housing market might actually exacerbate homelessness and the risk of being excluded from housing. New Public Housing may be socially inclusive by catering for people with no income from employment, yet by doing this through the secondary housing market, the inclusion is bracketed.

The results of this study show how selective outcome in the housing regime (cf. Bengtsson, 2001) is drastically more evident today as New Public Housing is clearly not for the benefit of everyone. Simply put, as a result of marketisation, New Public Housing caters increasingly for the most well off and the poorest individuals. The long-term characteristics of New Public Housing in Sweden are yet to be seen, but the material presented in this paper shows how a selective approach is brought in locally through the back door in a national regime which still clings to a universal discourse. With the rise of New Public Housing in Sweden, the last universal housing regime in Europe may be moving toward an end.

Conclusions: the ambiguous new public housing – a selective model disguised as universal?

In this paper, I discuss how the universal and inclusive approach of public housing in Sweden is changing as a consequence of gradual market adaptation, and in particular, as a result of legislation introduced in 2011. It could be argued that this shift can be described in terms of a transition from a universal model connected to the social democratic welfare regime to an ambiguous model with universal discourse, but with selective outcome. New Public Housing could be argued to be losing its inclusive character of 'for the benefit for everyone', and instead, is contributing to a more exclusionary rental system. The paper's main arguments about the characteristics of New Public Housing could be summed up in the following three conclusions.

First, the thresholds for entering New Public Housing are increasingly excluding people with low or irregular income. Housing allowance (one of the state's interventions for building the foundation for the universal model) is often not accepted as legitimate income for a tenant to obtain a rental contract. Second, the raised thresholds are compensated by an increase in 'social contracts', where municipalities rent apartments from public housing companies, and in turn, sublet (under precarious conditions) to people who cannot gain access to housing through the regular market. This could explain how the increased residualisation of public housing appears in conjunction with raised financial thresholds. Thirdly and finally, this ambiguity means that New Public Housing is increasingly catering for the most well off and the most vulnerable in society as a consequence of the ongoing market adaptation. Public housing could claim inclusiveness and social responsibility, while at the same time, taking less economic risk. However, this is at the expense of a large group of people who become excluded from public housing or enter on restricted and temporary contracts with low probabilities of being transformed to ordinary rental contracts. While New Public Housing still clings on to a universal national discourse, the local outputs are clearly selective. The selectivity is, however, different from

that of the traditional selective housing regime, as the target group is not only the most vulnerable, but also the financially stable middle class.

The emergence of New Public Housing, which no longer lives up to the characterisation of being ‘for the benefit of everyone’, but rather excludes large groups of people from public housing, should lead to a discussion among national and local policymakers about whether the universal character of the Swedish housing regime is possible to maintain, and if so, how? The characteristics of New Public Housing should also raise questions among housing researchers as to whether or not the dichotomy of universalism and selectivity, and, respectively, unitary and dual rental markets, are still empirically feasible when discussing housing regimes, and public housing in particular. Future research should analyse in more detail the significance of the secondary housing market in relation to stricter rental policies. Furthermore, the outcome of the Swedish model of public housing might benefit from being compared with other European models of public and social housing, especially because although the discourse differs, the outcome seems to be similar.

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Notes

1. In contrast, a dual market is characterized by a clear demarcation between for-profit and non-profit renting.
2. This hybridity and tension between the social and commercial logics is becoming ostensible not only in the Swedish model, but also in a number of other European social housing systems (Blessing, 2012; Mullins, Czischke, & van Bortel, 2012).
3. ‘Nyttan med allmännyttan’, a research project (2013–2015) launched and financed by the Swedish public housing organization SABO (see Salonen, 2015b).
4. Malmö, Göteborg, Stockholm, Landskrona, Örebro, Södertälje, Berg, Kramfors, and Norrköping. Interviews and field visits were carried out with Stig Westerdahl, Malmö University.
5. Previous studies (Sveriges Radio, 2013) have shown that 82% of MHCs had financial requirements for new tenants.
6. A national housing programme during 1966–1974, which aimed to build one million dwellings within ten years. Many of the areas built in this period are associated with social exclusion today.
7. The concept of ‘social mix’ is thus one-sided in the strategies of the MHCs (cf. Galster, 2007).

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III

ARTICLE

Off the Beaten Track? Selectivity, Discretion and Path-Shaping in Swedish Public Housing

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ABSTRACT

By its universal approach, Swedish public housing has traditionally been an instrument to contribute to the national policy aim of “good housing for all”. However, the universal approach is under pressure. Demands on competitiveness and a businesslike return on investment means public housing companies are increasingly striving for profit in their everyday business. This paper analyses this development with the strategic-relational approach (SRA) and argues that a new economic imaginary has emerged, which limits the companies’ perceived possibilities to retain the universal approach. However, spatio-temporal variations are evident and the findings give evidence to ample actorial discretion for companies to negotiate the economic imaginary in the current political-economic landscape. Thus, the potential to retain the undertaking of “good housing for all” still exists, but it is unevenly actualized. How this discretion is used may be decisive for the future of the universal character of public housing in Sweden.

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1. Introduction

As of 2018, Swedish public housing is one of the only remaining European models of public housing with a universal character, which means that dwellings are accessible to everyone regardless of income. While other European countries with previous universal models have made a “selective turn” (Elsinga and Lind 2013; Priemus and Gruis 2011; Scanlon, Whitehead, and Arrigoitia 2014), Swedish public housing, constituted by municipal housing companies (MHCs), are still obliged to provide “good housing for all”. However, public housing in Sweden is since the 1990s experiencing a potentially dramatic shift in terms of market adaption (Grundström and Molina 2016; Holmqvist and Turner Magnusson 2013). Since 2011, new legislation has prompted MHCs to compete on the same terms as private rental companies on a level playing field, which involves what the legislation states as “market demand for return on investment”. As a consequence of such financial demands, the universal approach has been questioned by housing researchers, who have found, for example, that financial barriers for tenants entering public housing have increased and that the construction of new

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apartment buildings in the low-cost segment has halted (Grander 2017; Westerdahl 2015). The scholars argue that these recent developments limit the possibility to provide “good housing for all”.

However, empirical observations indicate that MHCs make varying decisions despite that they all work under common financial demands. This paper further examines such variation and argues that a deepened understanding of the agency of local MHCs is necessary to explain the development of public housing. Ontologically grounded in critical realism (Bhaskar 1989), the study recognizes the need to uncover the contingent conditions for something to happen – for underlying powers to become actualized. Such a recognition is central in the strategic-relational approach (SRA) (Sum and Jessop 2013), an analytical framework which highlights the dialectic relationship between structure and agency. Taking point of departure in SRA’s differentiation in *strategic selectivities*, the article seeks to highlight the *discretion* – the room to manoeuvre – of public housing actors. By investigating the actions (and non-actions) of MHCs, the aim of the paper is, first, to examine how the MHCs *construe* the actorial discretion in the current political-economic landscape and, second, to determine how and why such discretion is used in the *construction* of the social world. Third, the research aims to discuss the implications of such construals and constructions regarding the outcome and potential *path-shaping* of the universal approach of public housing. Altogether, the papers seek to answer the question *how and why do local MHCs under increased financial demands act diverging when it comes to fulfilling the universal approach of Swedish public housing?*

The first section of this paper outlines previous research on the transformation of the public housing sector in Sweden, while the second section introduces the analytical framework. In the third section, the empirical research is presented and discussed in relation to the framework. Finally, the paper draws conclusions on policy implications and the rationality of universalism in Swedish public housing.

2. The Universal Model of Swedish Public Housing and the Rise of New Public Housing

Since 1945, Sweden has embraced a universal housing policy. Fundamental in this policy has been a model of public housing where the dwellings are of common good, meaning accessible to everyone. The motto for this model is “good housing for all”, thus one’s ability to secure housing is not means- or income-tested. Cost-based MHCs were established for this purpose and were given state subsidies in the form of beneficial loans for the construction of new housing. Swedish public housing, the so-called *allmännyttan* (“for the benefit of everyone”), has been a cornerstone of the national housing regime ever since. Today, it contributes with around half of all rental apartments and 17% of the total housing stock in Sweden. The Swedish rental market could be argued to be the role model for the integrated rental market (Kemeny 2006), where, in principle, public housing caters to the same households as private operators on the rental market (Bengtsson 2001), instead of only the poorest households as is typical in *dualistic* rental markets.

Nevertheless, during the past few decades, Swedish public housing has been put under pressure. Housing policy reforms in the 1990s and 2000s have made public housing more business-oriented, as beneficial state loans were abolished after a shift in national political majority in 1991 (Holmqvist and Turner Magnusson 2013; Grundström and Molina 2016). Despite market adaptation, complaints from private

operators have argued that MHCs are distorting the competition on the rental market, which have led to demands from the European Commission on Swedish public housing to adapt to EC regulation on competition. In 2011, the demands rendered changes in national legislation, which positioned MHCs as market actors on what the EC calls a “level playing field” (Elsinga and Lind 2013). Thus, MHCs are no longer cost-based and have no financial benefits in relation to their private counterparts. A result is that actions commenced by MHCs must be economically justified; investments cannot be undertaken if they are not calculated with a “businesslike” return, which should be harmonizing with what private housing companies demand from their investments.

Despite changes made to adapt to European demands, the universal approach of public housing in Sweden has been stubbornly supported throughout the political spectra and has subsequently prevailed. As of today, Sweden is – together with Denmark – the only European country with no dedicated social housing sector. Bengtsson and Ruonavaara (2016) connect such resilience against a selective approach to the strong *path-dependency* of the Swedish housing regime. However, as a result of the increased financial demands, several researchers have questioned the rationality of universalism in Swedish housing policy. The 2011 changes in legislation which prompted MHCs to emphasize financial and operational developments (Lindbergh and Wilson 2016) have led to stricter rental policies (demands on e.g. specific income, stable employment and no social benefits) for a tenant to acquire an apartment in MHCs (Grander 2017). Similarly, the rate of construction of apartment houses with rents affordable for the average household has halted as a consequence of changed accounting practices in the wake of the legislation (Westerdahl 2015). The studies point to that contemporary MHCs are increasingly excluding low-income households. In contrast, Salonen (2015) shows how the empirical validity of the universal approach is debatable also from the other side, as public housing is going through a process of *residualization*; MHCs end up applying to the most poor households. One reason for this is, according to Grander (2017), that increased income thresholds among MHCs are compensated by an increase in “social contracts”, where the municipalities’ social services rent apartments from MHCs and, in turn, sublets them to households who cannot get access to regular housing – contributing to social housing “through the back door” (see also Magnusson and Turner, 2008). Thus, the current public housing model in Sweden stands out as an ambiguous hybrid, increasingly turning to the poorest and wealthiest households, albeit excluding a large, middle group of households. This market-adapted management of dwellings for public good – referred to as “New Public Housing” (Grander 2017) – seems to be in contrast to the universal approach of providing “good housing for all” and it may consequently have implications regarding who can obtain a place to live.

However, the aforementioned studies show large differences between MHCs: while some have strictly adapted to the new financial demands, others have not. The rationale for diverging interpretations of the new political-economic landscape and acting within it has yet to be explained in the literature. This paper will analyse how and why MHCs act differently by examining the rationalities of MHCs in two cases: First, regarding *rental policies* and, second, regarding the quantity, characteristics and geography of the *construction of new housing*. As exemplified above, these two cases are of empirical relevance for the outcome of the universal approach. In-line with critical realist ontology, they are of theoretical relevance as they could be considered as causal relations

necessary for the character of the structure of housing provision (see e.g. Lawson 2006) – necessary relations which develop as changing contingent factors influence the agency of MHCs. To conduct an analysis of such agency, it is in this paper argued that the political economy of public housing needs to be seen through the lens of the dialectics between structure and actor.

3. A Strategic-Relational Approach to Discretion and Path-Shaping

Studies informed and inspired by structuralist approaches have over the decades seen an increase in the broad field of housing studies, however, varied in their emphasis on actor versus structure-centred explanations. Competing and conflicting theories have emerged that debate, for example, the relative power of structures in housing systems over individual agency and the degree of awareness held by actors (Lawson 2012). Historical institutionalism (Bengtsson and Ruonavaara 2016; Pierson 2004) implicitly highlights the continuous relation between structures and the actors who create and mediate structures. Lawson argues for (2012) and illustrates (2006) the benefits of approaches based on critical realistic ontology (Bhaskar 1989), which aims to explain causal mechanisms by highlighting how contingent conditions enables or counteracts underlying powers. Lawson contends that social relations, material resources and discursive hegemonies are mediating the agency of housing actors and subsequently are casually effective for the development of structures of housing provision (See also Somerville and Bengtsson 2002).

While structuralist-inspired approaches have been successfully used for explaining divergent housing trajectories, it could be argued that there are fewer studies that consider the complexity of the structure-actor relationship at the local level and the potential of local relations to transform national housing systems. This paper employs the SRA to structure and actors, developed by Jessop (2005; elaborated with Sum 2013). In contrast to conventional theories of structure and agency, such as Giddens' (1984) structuration theory, SRA is grounded in the "differentiated ontology" (Bhaskar 1989) of critical realism, treating both structure and agency as underlying powers which need to be actualized to be experienced empirically. Actors are treated as *structured* – agency is not predetermined but potentially constrained and enabled by structures. But as structures are made by relations, actors are also seen as *structuring* social relations – thus contributing to the reproduction of the social structure (Stigendal 2018; Jessop 2015). As actors and structures presuppose each other and are dependent on each other to become actualized, they must be analysed as a "dialectical duality" (Jessop 2005, 50), instead of – as Giddens suggest – studied by temporarily ignoring, "bracketing", either structure or agency. This dialectic duality is central in the analysis of what SRA calls the *strategic selectivity* of structures.

3.1. The Strategic Selectivity of Structures

Social structures are regarded *selective* in their form, content and operation, meaning that a given structure may privilege some actors, some identities, some strategies, some spatial and temporal horizons and some actions over others. Correspondingly, the structures constrain actors depending on how they take account of this differential privileging. This selectivity – the

combination of constraints and opportunities – depends on how different actors make the structures. The actors' underlying powers ideas, desires, interests and strategies are crucial to the appearance of the structural selectivity. Therefore, the selectivity is described as *strategic*. Actors make conscious and strategic choices depending on how they perceive the opportunities and constraints of structures, taking advantage of such opportunities through "strategic context analysis" (Jessop 2005, 48). As the structures are not predetermining the actions but should be seen as containing variations, there is always the certain *discretion* for the actors. How such discretion is used is of significance for how the actors maintain and reproduce the social structure. The outlook for reproducing a structure has to do with its *path-dependency*, meaning that a structure's earlier development shapes and limits the future development due to the inertia of the structures (Bengtsson and Ruonavaara 2016). However, actors can use the discretion to challenge path dependency and thus change the structure, potentially contributing to *path-shaping*.

To explain the discretion of actors in relation to structural constraints and opportunities, SRA suggests a differentiation between four modes of strategic selectivity. It is first possible to talk about a strategic selectivity inscribed in social structures – a *structural selectivity*. The structural selectivity is seen as the on-going result of asymmetric relationships between interdependent actors within a structure and between actors. With their positions and roles within a structure, actors have different power in relation to each other and thus different discretion.

Second, the selectivity can be *discursive*, connected to how sense- and meaning-making limits and enables actors. In social structures, numerous discourses emerge which provide meaning for actors. But certain discourses are more powerful than others and thereby get larger effect – they provide what Sum and Jessop (2013, 215) refer to as asymmetrical constraints and opportunities in terms of who is authorized to enunciate something and what could be enunciated. This limits and/or extends the social relations in the structure – thus contributing to its alteration.

Third, selectivity can be *technological*, referring to how man-made technology transforms our surroundings and thereby also contributes to how social relations are formed (c.f. actor-network theory, e.g. Latour 1999). Sum (2015) develops a Foucauldian analysis of social technologies or "arts of governing" to a more all-encompassing account of technologies as technical *and* social forces and relations of production which "condition the appropriation and transformation of nature, create the built environment, and shape dynamics in different fields in the social and spatio-temporal division of labour" (Sum 2015, 215). For example, through property allocation and the character of housing construction, selectivity is created in terms of material opportunities and constraints in how social relations can be developed. But, according to the Foucauldian line of thought, technologies also provide governmental power for transforming nature. Tools connected to for example municipal property allocation, like manuals, calculation spreadsheets and maps, provide governing principles which become selective.

Finally, given that structures are made by actors, the selectivity of structures must always be linked to them: how the selectivity is done depends on the actors. Their wills, ideas and strategies constitute own inherent possibilities and limitations. Actors make strategic choices by taking advantage of the opportunities and constraints. However, how successful they are in doing so depends on their own underlying powers, which are crucial for their ability to "make a difference" (Stigendal 2018). Thus, *agential selectivity* refers to the "differential capacity of

agents to engage in structurally oriented strategic calculation” (Sum and Jessop 2013, 217), as some actors are more skilled in the arts of rhetoric and argumentation than others. Subsequently, agential selectivity implies that an actor can challenge a certain structure by doing something other than the other selectivities that seem to allow.

The combinations of structural, discursive, technological and agential constraints and possibilities come to have more or less performative power – they combine into what SRA refer to as *imaginaries* – semiotic ensembles, or meaning systems – which guide actors in their strategic calculation. Using concepts from evolution theory, SRA argues that, among a certain *variation* of such imaginaries, the four modes of strategic selectivity shape *selection* processes between imaginaries and influence the *retention* of a specific imaginary. Sum and Jessop argue that imaginaries enable a process from construals to constructions of the social world, for example how collective actors (such as MHCs) make decisions or engage in strategic action.

3.2. A Framework for Understanding the Agency within New Public Housing

While some studies have used SRA to analyse societal transformations at the international, state and local levels (Stigendal 2018; Sum 2015), there have been few – if any – attempts to apply SRA to housing studies. It could be argued that SRA with its foundation in critical realism has advantages over historical institutionalism and contrasts institutional isomorphism (Powell and DiMaggio 1983) as it highlights how institutions develop *differently* due to spatio-temporal contingent conditions and how such conditions affect actorial discretion. It could further help us understand not only how structures affect actors and vice versa (as Giddens suggest), but also how both agency and structures must be regarded as underlying powers, in need of actualization by its counterpart. Moreover, SRA’s modes of selectivity clarify the dialectics of structure, discourse and technology, showing how they combine into specific imaginaries, which guide actors in decision-making and strategic action. This could make it possible to contribute to a deepened understanding of the concept of discretion than studies relying on more reductionistic structuralist or social constructivist approaches.

Thus, when applied to housing, and perhaps especially public housing, SRA could serve as a useful tool for explaining how actors with dual demands on profit and social responsibility navigate in a diversified political-economic landscape. One downside of SRA is, however, that it operates on a high level of abstraction, which could explain the lack of attempts to utilize it. Accordingly, while SRA has potential to contribute substantially to housing research, there is an urgency to prove its usefulness on empirically grounded studies.

Hence, in the following section, SRA is operationalized by discussing how structural, discursive and technological selectivity in the structure of public housing favours a specific economic imaginary among MHCs, but also how such an imaginary is “done” and thereby can be questioned and challenged.

4. Selectivity, Discretion and Path-Shaping in New Public Housing

4.1. The Research Setting and Methodological Proceedings

The present research has employed a longitudinal study of mixed methods. Interviews with 59 representatives of a sample of 11 MHCs were conducted during 2013–2017, and

some were interviewed several times. Interviews were transcribed and analysed manually by the author. In addition, textual analysis of documents produced by these MHCs was performed. The sample was selected so as to represent the geography, size and local political majority of the national scene of MHCs. Moreover, a survey with all 300 Swedish MHCs was sent out in early 2014 with a response rate of 71%. The survey consisted of a number of questions on how the MHCs have reacted on the changes in legislation. All research data have been anonymized.

4.2. The Strategic Selectivity of New Public Housing – Forming a New Economic Imaginary

4.2.1. New Legislation – Introducing a New Logic and a Discursive Turn Towards Risk and Yield

Sweden is currently facing the largest housing shortage since the 1960s. National authorities have estimated that at least 600,000 new dwellings will need to be built in the coming 9 years, and the largest demand is for affordable dwellings. However, the initial response to the 2011 legislation on public housing illustrates that MHCs face challenges in contributing to this aim. The legislations' increased demands on return on investment (yield) became a decisive factor that came to determine the direction of the MHCs' actions regarding first, the rental policies, and, second, the construction of housing:

We are doing a review of our [rental] policies to find out what is reasonable in relation to [financial] risks as a result of the new legislation. (Survey response)

Given that we have to act according to business principles, it becomes almost impossible to construct new housing because the valuation of the new house in most cases is lower than the cost of construction, resulting in a direct write-down. As we need to act businesslike, it is difficult to justify such a financially bad affair. (Survey response)

According to the survey data, a majority of the MHCs were imposed with increased demands on yield after the change in legislation and 54% of the MHCs became bound by such increased demands in their everyday business. As the two MHCs are above the state, the demands have led to stricter rental policies and limited construction of new housing. It could be argued that the legislation's novelty in terms of "businesslike return on investment" has introduced a new financial logic in the structure of public housing. In SRA terms, this logic has changed the selectivity of public housing. According to the interviews, financial officers and accountants, but also financial consultancy firms, have gained increased influence in the MHCs overtime. The influence of new actors has changed the *structural selectivity* and has also engendered a change in the *discursive selectivity*. Importantly, the "businesslike" yield stated in the legislation is not specified, which is why most MHCs have adopted norms and standards present on the real estate business. Such norms and standards are set by the financial consultancy firms, who perform estimated market value calculations of real estate properties, which result in figures of expected yield. Formulations from studied MHCs' documents such as "...yield requirements have been validated by authorized property valuers..." and "The yield has been adjusted for the risks linked to the property where it has been deemed necessary" are examples of how norms in the real estate business form a *discursive*

selectivity. The MHCs interpret the legislation through a certain discourse, which bears the mark of financialization – the increased dependency of financial motives, financial institutions and financial capital in political economy of housing (See e.g. Aalbers, Loon, and Fernandez 2017). In such a discourse, “risks” and “yield requirements” become truths, enabled via the MHCs documents. Thus, it could be argued that the discursive selectivity is giving precedence to certain views of certain actors in the structure, which favour the selection of a specific economic imaginary and thus the specific actions before others.

4.2.2. *Discourses Forming Technologies*

The discursive selectivity, where the financial logic of risk-awareness is particularly stressed, could be further linked to a *technological selectivity*. The real estate branch norms become materialized in the consultancy firms’ calculations of market values and required yield. The results of these calculations are sold in the form of datasheets to housing companies (private as well as public) and are used as a benchmark for real estate business. For example, such a data sheet might state that the expected yield when buying or constructing property in a certain area of a city is 4%. Taking one of the studied MHCs as an example, a real estate property belongs to one of the three areas of estimated value, each with an estimated average yield expectancy based on the data bought from the consultancy firms. The areas are geographically delimited, thus called “locations”, and they are ranked according to “attractiveness” in descending order from A–C, with a corresponding required yield.

Looking at the number of apartment housing projects constructed by the MHCs during the years after the change in legislation (see Table 1), it is clear that the MHC built exclusively in the A and B locations. This need is also to be seen in the light of the property prices. Land is as a rule more expensive in more attractive locations, and EC competition law implies that municipalities cannot sell property to MHCs cheaper than to private investors. Nonetheless, the MHCs have increasingly invested in attractive (and expensive) locations. This strategy connects to the logic inherent in the real estate business – a logic based on risk assessment. “Risk” in this case means risk of vacant apartments in case of a surplus of housing. In times of a surplus, vacancies are predicted to first happen in areas with low attractiveness; thus, the financial risks for owning and constructing housing in such areas are considered higher than in more central and attractive areas. Such risks need to be compensated with a higher yield requirement; which means that the property should create a larger financial surplus to compensate for the financial risks. In prolonged logics, higher demands on yield mean that more insecure calculations for investments. Reaching the required yield is obviously harder in an area with a level of 6.1% than in areas with a required yield of 3.9%. This logic explains the figures of produced housing units. Despite higher property prices, it is

Table 1. Constructed housing by a MHC in different locations of a city 2011–2014

Location (“Attractiveness”)	Average required yield (2011–2014, %)	Constructed housing projects	Average rent/m ² /year (EUR)
A	3.9	3	175
B	5.2	5	152
C	6.1	0	–

financially risk-free and profitable to build housing in A locations, where the tenants are willing to pay considerably higher rents. Conversely, it is harder to turn a profit on construction projects in C locations. It is more difficult to reach the higher level of demanded yield, especially when the rents are expected to be lower than in attractive locations.

Interestingly, the table illustrates how most of the apartments are built in B locations, where demands on yield and rent levels are closer to C locations than A locations. There seems to exist a decisive line for profitable housing construction between yield rates of 5.2% and 6.1%. Nevertheless, the consequence of the technological selectivity introduced with spreadsheets of expected return is (continuation of) the lack of housing in the least central areas of this city. This rationale for building mainly in attractive locations becomes evident in interviews with executive and financial officers in MHCs throughout the country.

After the new legislation, as we work in a more businesslike manner, it is more difficult to produce new dwellings outside the urban area, where rents are often lower and the required yield higher than those in the central areas. (...) it is when we want to build outside the urban area that yield levels virtually make construction impossible. (CEO)

As such, technological selectivity becomes dialectically connected to discursive selectivity. The legislation is interpreted by the MHCs as if each single construction project must be calculated to reach the demanded yield. If not, the project is not regarded businesslike and should be avoided. The selectivity has to do with the actors' ability to interpret. The governing technologies provided by tables and calculations encourage a certain interpretation and thus favour the selection of a certain economic imaginary.

So, we want to build in C locations too. But my opinion, since I came in 2011, is that part of the process stalled when [the MHC] could not figure out the model of calculation. (Chairman of the Board)

4.2.3. *Limited Agency for Maintaining the Universal Approach?*

As shown, the MHCs' interpretations of the structural changes are basis for their actions. It could be claimed that the changed structure of public housing restrains the MHCs and limits their scope of action. Some examples can also be found of how MHCs use the selectivity in a certain way to motivate their decisions, which highlights how the selectivity becomes strategic. These could be understood as cases of *agential selectivity*. For example, a few companies use the legislation as an explicit rationale not to build in C locations despite political demands to build "for all citizens" and throughout the city. A CFO interviewed in 2014 was clear about this:

We have a directive from the owner and an expectation to build larger volume annually. (...) If we are to build in a C location, (...) it is more difficult to build and defend the value that it costs to construct the buildings (...). In these cases, we relate to the law. (CFO)

Judging from the results presented so far, the strategic selectivity of contemporary public housing seems to limit the MHCs' ability to apply open rental policies and to build housing for others than those with financial recourses to live in more attractive areas of the cities. Such a development also potentially contributes to increased segregation, as the share of apartments in the lower rent segment in central areas of the cities

decreases. One might argue that low-income households would normally not be able to acquire brand new apartments. However, when connecting the characteristics of new housing construction with strict rental policies also in the existing housing stock, the results give evidence to the development of a more selective *New Public Housing* (Grander 2017), clearly not for the benefit of everyone. It is argued that this development could be explained by the changed strategic selectivity introduced with the new legislation and that such selectivity has dialectically favoured the selection of a certain economic imaginary among the MHCs – an imaginary based on the logics of a financialized economy – increasing the reliance on short-term yield calculations and estimated market values of real estate properties. This economic imaginary seemingly narrows public housing's room to manoeuvre when it comes to maintaining “good housing for all”.

4.3. Diverging Paths – Actorial Discretion within New Public Housing

According to the results, most of the MHCs have become bound by the aforementioned economic imaginary. Their capacity as actors to engage in *structurally oriented strategic calculation* (Jessop 2005) seems to have become restrained, and by their current practice, they contribute to a social structure that is endangering the universal character of the housing regime, thus giving signs with a possible break in the path-dependency of the regime, contributing instead to path-shaping in a selective direction. However, some of the interviewees bear witness to how the imaginary can be questioned, challenged and even revoked.

4.3.1. Diversified Rental Policies

Returning to the case of rental policies, while the immediate reaction to the legislation was to engage in risk-minimizing modes of calculation, development after 2015 shows that the demands in some cities have been lowered or completely removed. All MHCs in the larger cities of the study have made such a shift. Several smaller MHCs have also changed their rental policy to approve tenants who are dependent on economic benefits. However, MHCs in nearby cities have raised their thresholds during the same time span.

How could such spatial and temporal variations be understood? In several cases, political decisions have forced the shifts, which connect the discretion to the municipality's self-governance. This highlights the importance of understanding the scalar perspective of structure and agency. While the management of a MHC might have a joint understanding and strategy, the MHC as a *structure* also includes a political board with strong agency. Politicians may make decisions that impose changes on the MHC whether the management agrees with them or not. Such political decisions clearly alter the structure, limiting the actuarial discretion for management to decide rental policies for itself. The survey data show that right-wing-governed companies were more likely to assign strict rental policies after the change in legislation than MHCs in left-wing-governed municipalities. In other cases, decisions by the management of MHCs have caused the turn. This is where the discretion of the MHC as an *actor* in the national public housing structure becomes decisive:

Interviewer: Did you reflect over the rental policies in terms of demands on business profit after the legislation was inaugurated?

Respondent: I think the legislation initially made us more prone to look at risks, but later when we really sat down and figured, we asked ourselves, is it really a valid connection to draw, the [connection] between a specific income and how likely one is to pay the rent? (CEO)

This representative from a small MHC illustrates how the strategic selectivity needs to be understood from a temporal perspective. The changed structure was initially interpreted in a certain way, with risk-minimizing as governing logic. The economic imaginary which now formed narrowed the discretion and possibly shaped a new path for the MHC, where raised financial barriers limited the universal approach. However, overtime, this imaginary has been challenged and negotiated by the MHC. Meanwhile in the neighbouring municipality with similar political majority, the economic imaginary has gotten firm grip and rental policies remain strict. In SRA terms, actors may make a difference due to their varied capacity for strategic calculation, here exemplified by their ability to negotiate certain imaginaries overtime. A rather substantial degree of actorial discretion is seemingly potential, despite the semiotic and technological constraints. It is, however, actualized in varied ways.

4.3.2. Diversified Strategies of Housing Construction

Regarding the construction of housing, similar examples can be found of variations in how the actorial discretion is being used. One of the 11 interviewed MHCs decided on a strategy, which enables the company to build in other areas than those most attractive. Simply put, the company figures that if the construction of new housing is calculated with a negative result implying a write-down, the company does not make the write-down if it is assessed below 10% of the estimated property value. This is motivated by stating that the MHC is a long-term owner, which needs to expand its time horizon for financial profit. Their experience is that write-downs are reversed in a relatively short time span, usually within 4–5 years. “We cannot expect that our constructions can recoup the first year, but we see it as an investment that is profitable over time”, says the company’s CEO. It is particularly interesting that this company has developed such a strategy through an alliance among the CEO, the CFO and the company accountants. “If the management’s visions are not shared by the economics, we won’t succeed with being a *public* housing company”, the CEO says. Such an alliance is seemingly expanding the economic imaginary of the MHC.

Another example of using actorial discretion among the interviewed MHCs is the engagement in so-called “pilot projects” – construction projects that do not add up financially according to the reigning yield requirements but claim to have “other values” which contribute to the overall positive development of the company or the city. One such project is a state-of-the-art apartment house with a “green” approach, built by a MHC in a B location. The new apartment house “innovative in energy, environmental, technology, culture, lifestyle and social community issues” has green roofs, solar cells and is qualified as a “passive” house. Most central here is a focus on farming and cultivation; thus, the apartments are not meant for the so-called common citizen, but rather environmentally conscious households interested in urban farming and having a

When the new legislation was introduced, we had been tweaking our calculations and putting increased weight on the yield requirements. Since then, we have realized that it's possible to interpret this differently, plus, the financial situation has changed. It's not the same risk with the lower interest rate. Having money lying around is expensive – it's better to build and own real estate. In general, we have moved away from the location factor, and instead, apply the same required yield throughout the city. We generally build for a target return of around 4% but sometimes down to around 3.75%. So, the location is less important. On the other hand, we make a difference on demanded yield between new constructions and existing apartments, as we have no maintenance needs for new housing.

(Interviewer): "Has this become a new standard in the real estate sector?"

Yes, if you look at the private companies, they also reason like this – and they can hardly make an investment with direct impairment needs. So why are they making these investments? Obviously, they are profitable. Then we, who are big and strong, cannot claim anything else. (CFO)

In the years that have passed since the legislation was enacted, the MHCs' room for manoeuvring seems to have expanded. The MHC has made a decision to reject the idea of geographical yield differentials after several years of letting such factors be decisive for their production of housing. However, it is clear that the financial logic prevails – the CFO argues that it is more beneficial to invest financial capital in housing than to keep it in the reserves – a logic which private actors also follow. A similar viewpoint is made by an interviewee from a different company. As the housing market is "red hot", the CEO argues that it makes no sense to talk about the risk of empty apartments. Thus, while the economic imaginary among these MHCs might be expanding, it is expanding on the conditions of contemporary financialized economy.

4.4. Which Path for Swedish Public Housing?

This paper has argued that a new economic imaginary has emerged in public housing as a result of the dialectic outcome of the strategic selectivity initiated by the change in legislation. Still, some MHCs have been able to contest such an imaginary. Why so different? SRA contends that actors have varied capacity for strategic calculation within the structural context. This paper illustrates how companies with a clear idea of long-term ownership, with firm principles of public housing as a "common good" and with such principles converted into strategies anchored in management, finance and accountancy are successful in identifying and expanding the discretion, despite the prevailing imaginary of financialized economy. However, the paper has also shown that such principles must be supported by local politics to be capitalized.

The results of this paper could be further understood in terms of what Sum and Jessop (2013) refer to as a process of the variation, selection and retention of construals and the path-dependency of public housing (Bengtsson and Ruonavaara 2016). The legislation from 2011 on businesslike conditions initially overturned the social and economic reality of MHCs. A *variation* of possible construals existed after the legislation was enacted. The selective process that followed resulted in a situation where discourses of "businesslike principles", "risks" and "yield" took hold, thus introducing a financialized real estate logic within the structure of public housing. The *selection* between construals thereby favoured a specific economic imaginary,

which became materialized in stricter rental policies and the construction of housing mainly directed at middle- to high-income households. Thus, these initial findings on the effects of the legislation might lead to the conclusion that the new imaginary could signify a possible break of the path-dependency of the universal character of Swedish public housing. Until the changes in legislation, the MHCs could have been said to reproduce a certain discourse and thus the social structure they are part of – they contributed to the reproduction of the universal model following the path-dependency of Swedish public housing. However, the 2011 legislation and the associated change of economic imaginary have begun to dismantle the universal model. Instead of contributing to “good housing for all”, contemporary public housing is increasingly laying on ground for a more selective path-shaping process, as stricter rental policies and the characteristics of housing construction increasingly exclude low-income households – thus contrary to the more common selectivity of public and social rental housing.

However, such construal of a new economic imaginary has been contested by several MHCs. The ample discretion which exists within the scope of the MHCs’ actuarial selectivity is used by some to negotiate an economic imaginary based on risk assessments and yield when setting rental policies and constructing new housing. Discretion can thus be used to maintain the universal character and challenge the potential break in path dependency; thus, returning to the beaten track. Therefore, the imaginary of financialized economy cannot be said to have reached the phase of *retention* in public housing – it has yet to go from construal to construction. What New Public Housing is and will become is a matter of negotiation.

5 Concluding Discussion

In this paper, the SRA has been used to illustrate how changes in legislation which apply to Swedish public housing have contributed to the emergence of a specific economic imaginary – an imaginary which in many cases has limited the MHCs’ room to manoeuvre when maintaining the traditional undertaking of supplying housing for the benefit of all. This imaginary has led the MHCs in a more selective direction, contributing to the hybrid characteristics of New Public Housing, as identified in previous research. The findings of this study contribute with the conclusion that MHCs albeit have ample discretion in the current political-economic landscape, but that they interpret and use it differently depending on their strategic abilities and local political governance. Whether this discretion is used or not has clear policy implications. The discretion of the MHCs identified in this paper must be seen in the light of a coherent national housing policy. The variation between MHCs reflects a national model of public housing which is not only hybridized but also highly variegated, implying that large differences exist between various municipalities when it comes to fulfilling the task of providing “good housing for all”. Where a MHC in one municipality that attracts mainly low-income households, the MHC in the neighbouring municipality caters primarily middle- to high-income earners. Thus, while the discretion might be enjoyed at the local level, it might stand in contradiction with aims at the grander scale. To paraphrase Milo Minderbinder in Joseph Heller’s *Catch 22*, what is good for the enterprise is not necessarily good for the country.

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For the Benefit of Everyone? is a book about Swedish public housing, *allmännyttan*, and its role in the contemporary national housing provision. Allmännyttan, constituted by municipal housing companies, has since the post-war period been the figurehead of Swedish housing policy. With the task of providing rental housing of high quality for the benefit of everyone, allmännyttan came to materialize the Social Democratic universalistic welfare state and its vision of a ‘people’s home’, in which the individual would stand independent from inherited conditions. After its birth, allmännyttan took a leading role in the national housing provision and greatly contributed to the eradication of housing shortage and poor quality of housing.

This PhD thesis analyzes allmännyttan based on the observation that the contemporary housing situation is largely characterized by inequality. Access to and characteristics of housing are increasingly dependent on economic resources. The book is concerned about the role of public housing in such a development. Drawing on fieldwork in Swedish municipalities, the thesis describes how the municipal housing companies and the context they exist in have changed over the past decades through gradual political reforms and alignment with European competition law. ‘Business-like conditions’ and ‘market return on investment’ are constant conditions for the companies, while—at the same time—the core of universalism in allmännyttan has prevailed. The book portrays how municipal housing companies navigate in this terrain of dual and seemingly contradictory demands on business profit and common benefit, and highlights how the companies perceive and use their discretion to counteract housing inequality. The research centers allmännyttan and its significance in the heart of the welfare state, contributing with a discussion about the rationality of universal housing solutions in times of financialized economies on national and local scales.

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