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RENOVICTION AND DISPLACEMENT VIOLENCE
THE NEW NEOLIBERALISATION FRONTIER OF THE SWEDISH HOUSING REGIME

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The new Neoliberalisation frontier of the Swedish housing regime

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ABSTRACT

This paper argues that the ongoing renovations of the old rental stock in Sweden produces severe displacement of low income households, and should be seen as the most recent wave of neoliberalisation and marketization of the Swedish housing regime. Further it is suggested that the renovations entail a severe circumscription of lawful tenants’ rights, but that the processes nonetheless are being supported by juridical bodies such as the Rent Tribunal. The combination of actors facilitating this process of accumulation by dispossession lends itself to the conclusion that not only the serious consequences on part of displaced tenants, but the process in and by itself present an emblematic example of structural violence.

KEYWORDS: Renovation, displacement, accumulation by dispossession, violence
1. INTRODUCTION

Sweden is an example of what might be called ‘circumscribed neoliberalization’, and its generally superior social condition reflects that fact.

- David Harvey, 2005
  I think we should look to countries like Denmark, like Sweden, and Norway and learn from what they have accomplished for their working people.

- Bernie Sanders, CNN debate October 2015

This paper is written in the light of a sporadically emerging line of thought exemplified in the quotes above. It emanates predominantly from the liberal left (see Christophers 2013 for more examples) but also from critical academics like David Harvey. It is a line of thought and argument that is attributing Sweden an exceptional status where welfare and market harmonizes to produce a circumvention of neoliberal planning and housing provision in favour of more just and egalitarian housing regime than elsewhere (Clark and Johnson 2009). While the Swedish housing regime in many aspects is unique, and has been recognised (Nylander 2013) as born out of a strong welfare state with cheap housing provision of high standard for ‘everyone’ with a large and universal public housing sector at its core (as opposed to social housing for the few). It is however highly debatable whether this still holds true. Bengtsson and Ruonavaara (2010) argue that the early regulatory regime has produced a certain path dependency that hampers efforts to radically change the Swedish (and any other) housing system. As a result efforts to liberalise the housing sector has created a peculiar situation where regulations and housing policies of the former welfare state has collided with ever increasing neoliberal doctrines and market intrusion to create what Christophers (2013) calls a monstrous hybrid. A hybrid where both welfare regulations and the market forces work against the interests of tenants and home owners. In some senses the Swedish housing system is still very much regulated, but a gradual removal of the state as an active and political actor on the housing scene, and: “Sweden has gradually become one of the most liberal market-governed housing markets in the Western world. State engagement is substantially less in Sweden than in the homelands of market liberalism, Great Britain and the United States” (Lind and Lundström, 2007). The market is the dominant actor, and old welfare policies, structures and laws are being used and/or circumvented and exploited in increasingly violent ways, as this paper will show.

The first part of this paper will very briefly present the literature and discussion around the neoliberalisation of the Swedish housing regime over past decades, followed by a presentation of the thesis main argument: that the current wave of housing renovations entails a new and violent circumscription of tenants’ rights in the ever ongoing marketization of housing in Sweden. The final part of the paper concretises this argument by presenting a tenant narrative of a renovation process in Uppsala, Sweden. The article is based on interviews and qualitative longitudinal data, following four low income households and a fifth middle-class household over two years’ time. Additionally, interviews with representatives of the Tenants’ Union, the Rent Tribunal and a construction inspector has been carried out.
2. NEOLIBERALISATION OF THE SWEDISH HOUSING REGIME

Sweden experienced the most notable wave of neoliberalisation of the housing sector in the 1990s with, amongst other things, the emblematic dismantlement of the ministry of housing by the then right-wing government (Hedin et al. 2012) and substantial tax reforms favouring home ownership over renting. 1990 was also a decade of marginalisation of the public housing sector. From housing a quarter of the general population in 1990 public housing decreased its share to 18% in 1998 (Bengtsson 2006). The shift was even more striking on a regional level, with a dozen municipalities having sold their entire stock and withdrawing from the public housing sector altogether (Salonen 2015). It is a trend that has continued to present day, albeit at a slowed down phase. Public housing now houses 16% of the Swedish inhabitants. It is, however, not only the size of the public housing sector that has changed. Sweden has experienced increasing socioeconomic polarisation between tenure types following the gradual (neo)liberalisation of its housing regime. This polarisation has also led to significant socio-spatial segregation (Andersson 2003), partially reinforced by an already existing spatial tenure-type segregation since the construction of the million homes program. But also reinforced by typical gentrification processes in all types of areas, rich and poor neighbourhoods alike, displacing not only poor households but middleclass- and even rich- (as opposed to super rich) households (Hedin et al. 2012). Further, the polarisation process has a decidedly racialized dimension (Molina 1997; Brämå and Andersson 2010).

In sum: the public housing sector in Sweden is shrinking and has for decades, while at the same time being the only option for many low income households. Already existing spatial segregation between tenure types add a spatial dimension to the socio-economic polarisation of many Swedish cities, and a racialized market makes it increasingly difficult for racialized persons to get a foothold at all. Altogether, thus, the ‘universalistic’ pretences of the Swedish model of public housing can be said to have increasingly detached itself from reality and become more akin to housing for the poor (social housing) than housing for everyone. While at the same time, as will be discussed below, new regimes of dispossession through renovation and consequential renoviction is displacing tenants within the rental sector at large, both within the public and private stock.

3. RENOVICTION

In the following I will illuminate on what seems to be a new and formative wave of neoliberalisation of the Swedish housing regime, namely renovation as a profit strategy. I argue that this is a strategy of accumulation by dispossession (Harvey 2005). Or more specifically: the dispossession of ‘homely’ reproduction through various forms of displacement (Marcuse 1985; Davidson 2009) of the very weakest households on the Swedish rental market. This shift is largely being facilitated and produced within the ‘old’ Swedish welfare system, and involves both public and private actors and landlords.

In order for international readers to make sense of this shift, a few peculiarities of Swedish rental law and practices needs to be made clear; the welfare apparatus if you will. Firstly, rent and annual rent increases are traditionally negotiated between the landlord and the national Tenants’ Union (the largest member organisation in Sweden with roughly a million
members) in collective negotiations. This system was entered voluntarily between the Tenants’ Union and the municipal public housing companies in the 1960s and made into law in 1978\(^1\). Negotiations directly between landlord and the individual tenant can be made, but only if voluntarily entered by the tenant\(^2\). Secondly, rents are to be set based on a use-value system taking location, standard, size, facilities, services in the neighbourhood etc. into account\(^3\). The idea is that rents should not be higher than a comparable apartment within or in a similar neighbourhood. Previously any apartment had to be compared to one within the public housing stock, but since 2011 comparisons can be made with private rental apartments (Regeringskansliet 2009). Thirdly, any disputes not overcome in the negotiations between landlord and the tenant’s organisation (or tenant for that matter) are to be settled by a Rent Tribunal within the court system\(^4\). Fourthly, tenants are lawfully protected with a ‘right to dwell’, meaning that rental contracts cannot be arbitrarily cancelled by the landlord. Only contract violations (not paying rent on time or subletting without the landlords’ consent for instance) annuls the tenants’ right to dwell\(^5\).

Furthermore, it is crucial to note that no rent increases are allowed over structural renovations (plumbing, heating, ventilation, exteriors, windows and fixed interior such as broken down stoves, dish washers etc). Structural renovations are considered maintenance and the costs thereof are to be included in the original rent. Renovations leading to rent increases (such as bathroom refurbishments or instalment of new kitchens) must be consented by the tenant. Renovations can however be carried out without consent by ruling in the Rent Tribunal, if they consider the renovations to be for the ‘common good’ and needed to uphold the general standard of the Swedish housing stock. In sum these arrangements have historically granted tenants, both in private and public housing, a considerable security and protection. This is perhaps reflected in the fact that a remarkable high percentage of tenants feel that they ‘own’ their home and consider it theirs rather than the landlords’ (source). Precarious housing situations was relatively uncommon for many decades in the middle and late twentieth century, and consequently no source of political contestation or interest (Nylander 2013) for many years. This has however, as we will see, changed dramatically.

Large parts of the Swedish rental stock were built as part of the Million homes program; a state subsidised housing construction program spanning roughly ten years in the mid-sixties and seventies. The result of the program was, as the name suggests, an additional million houses nationwide (Nylander 2013). The dwellings were divided roughly equally between high rises, low rises and detached houses and divided between different tenure types (predominantly private and public rentals, and condominiums). With a population of nine million inhabitants, the program has had (and continues to have) a large impact on the housing terrain in Sweden. When built it was internationally hailed and transformed the Swedish housing stock from one of the worst in Europe, with widespread overcrowding, poor quality, lack of hygiene facilities and lack of sufficient heating and running water – to

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\(^1\) SFS Hyresförhandlingslag (1978:304)  
\(^2\) a.a.  
\(^3\) SFS Jordabalk 12:55 (1970:994)  
\(^4\) a.a.  
\(^5\) a.a.
possibly the most modern housing stock in the world (Hall and Vidén 2005). Some forty to fifty years later many of these houses are in need of the previously mentioned structural renovations. To what degree is debatable, and the overall state of the stock is very uncertain, (Kronvall 2010) but market actors with a vested interest estimate the need and the costs to amount to between 200 and 1000 billion SEK (Lindqvist and Ekvall 2013). The national board of housing (SABO 2009) estimates that several hundred thousand apartments have already undergone structural renovations in recent years but roughly 400 000 apartments are still in need of renovations within the next decade or two.

At first sight there seems to be no reason to suspect that tenants would be anything but happy about this wave of renovation and the prospect of an oftentimes much needed up tuning of their houses. However, the renovations are increasingly being paid for by the tenants via substantial rent increases (Molina and Westin 2012). By making sure to combine structural renovations with interior jobs like new floors, replaced kitchen interiors and tiled bathrooms’ landlords are circumventing the ban on increasing rents over structural renovations and leaning on the Rent Tribunal to accept their standard increases as ‘fair’. According to the national board of housing (Boverket 2014) this has led to average rent increases of 25% in renovated buildings and neighbourhoods – and rent increases of 40-60% is not uncommon (Westin 2011), and cases of 80-100% increases have been reported (NHB 2014). The substantial rent increases inevitably leads to displacement and it has been noted that low income households move to a substantially higher degree than other income groups (Boverket 2014). Displacement following renovations, thus, unfolds along class lines. How widespread the displacement is on national or regional or even city level is difficult to gauge. Partially because of a lack of statistics and partially because the moment of displacement might happen years before, with tenants moving already when the renovation plans are announced, fearing what might come – or years after, when the full economic impact of the rent increases hits the household. But also because of the inherent problem of studying those who no longer remain (Atkinson 2000). Where people move is unclear in many cases, but studies from previous rounds of displacement both in Sweden (Wiktorin 1989) and internationally (Desmond and Shollenberger 2015), as well as the empirical work underpinning this paper, suggest that many move to more economically and socially deprived neighbourhoods; neighbourhoods that have yet to be renovated and gentrified.

Considering the strong legal protection of tenants outlined above it might be a bit of a surprise that this practice has been allowed to be generalized. That is, however, exactly what has happened. The processes of circumventing the legal protections and the ‘right to dwell’ of tenants is complex and differentiated in space and between actors. It is however facilitated by structural actors such as local and national politicians, landlords and the Rent Tribunal and a structural failure on part of the national Tenants’ Union. Politicians generally argue for a solution either of the markets making or a solution within the confines of the negotiations between the Tenants’ Union and landlords. The Tenants’ Union in turn claim to only recently have caught up on the problematic, something several interviewed tenants attest to, feeling that the Tenants’ Union has been far from accommodating

Considering the well documented social (e.g Porteous and Smith 2001) and psychological (e.g. Atkinson 2015; Fussell and Lowe 2014; Manzo et al. 2008) impacts displacement and the loss of one’s home has, I argue that the ongoing wave of renoviction is an emblematic
case of structural violence (Zižek 2008) exercised by the society onto the individual tenant, as well as the working class as a collective. In the following I will give a brief example of how this structural violence is carried out, experienced, felt and embodied by tenants in Uppsala, the fourth largest city in Sweden.

4. DISPLACEMENT VIOLENCE

Ingrid is a 69-year-old retired woman living in a small apartment in a centrally located neighbourhood in Uppsala. The neighbourhood is called Kvarngården. It is a predominantly white working class neighbourhood built in the 1960s as part of the nationwide Million homes program. She really liked her Neighbourhood. She has lived there for roughly a decade, her friends lived here, as well as her daughter and grandchildren. Her social contacts and networks were very much embedded in the space around her home. The apartment itself was okay, but a bit worn out. Like many other similar neighbourhoods from the sixties and seventies the maintenance has been somewhat neglected in recent years, perhaps more so in Kvarngården than elsewhere. The people living in the neighbourhood say the housing was built below average standard and was only meant to be temporary; to last twenty years or so, enough to solve the acute housing shortage while housing was built elsewhere in the city. Some landlords and local politicians confirm that story, other denies it. What can be confirmed however is that the houses have not undergone any structural renovations since they were built fifty years ago, and the lack of renovations and up-tuning is noticeable by the tenants, the houses are worn down and things like the common washer and stoves and the like breaks down frequently. Another tenant tells me of a burnt smell coming from her wall, “it’s the electricity” she says, “there’s coming sparks from the sockets as well”.

Over the past ten years any type of minor renovations has been halted – in wait for a larger overhaul of the neighbourhood. The living conditions had started to become a strain for Kerstin and her friends and the announced renovation plans were very much welcomed. At least initially. Last year it started, only a few months after my first interview with Ingrid. A private landlord bought her apartment from the municipal public housing company, along with a third of the housing stock in the neighbourhood, and started a large scale renewal of the neighbourhood. The subsequent rent increases landed at 52 per cent. Needless to say, her working class neighbourhood experienced a mass exodus. Surveys conducted (Jacobsson 2013) has shown that an average rent increase of 1000 SEK following renovations for a small three room apartment lead to 18% of the tenants moving (as compared to less than 1% with rent increases below 500 SEK). Renters in Sweden are on average very sensitive to price increases and are already paying a much larger percentage of their disposable income in housing costs as compared to home owners. This means that the displacement effects following renovations can be assumed to substantial (as indicated by the studies referred to above). In Kvarngården the rent increase of 52% amounted to several thousand SEK per apartment, irrespective of size. As of yet, nearly half the inhabitants have been forced to moved.

How then, under the expansive tenants’ rights of the Swedish rental regime, could this have been carried out? Taken in turn, firstly: the new rents were obviously disputed by tenants and the tenant organisation alike. Ingrid and some other tenants decided to pursue the issue legally, attempting to claim her right both to stay put and to refuse intrusive
renovations of kitchen and bathroom that she did not want or need. However, the Rent Tribunal deemed the rent increases to be fair, given the renovations were pretty much aligned with what could be deemed being a national average standard. Looking closely at disputes with regards to renovation in the Rent Tribunal, 99-100% of the cases are won by landlords’ nation-wide (source), thus, the Rent Tribunal is providing a near zero security for tenants experiencing rent increases following renovations.

Secondly, much of the dissent and contestation was immediately dismantled by the landlord via harassment and persuasion tactics. The necessary consent form arrived in the mail without a “no” box to tick, the only option being to tick “yes” and allow the renovation, or throw the letter away; the latter resulting in increasingly harshly worded reminders. Pressures were also exerted by offering replacement apartments and funding to cover moving expenses and the like – but only to persons signing the consent forms. An immigrant family living next door of Ingrid was told, in a way they experienced as highly threatening, to sign the consent form or the landlord would make sure to make it impossible for them to find a new apartment in the neighbourhood. Fears of being put on the street made several tenants sign the consent form despite knowing that it would inevitably lead to their displacement. Once signed they had effectively removed their right to representation in any hearings or legal appeals.

Thirdly, the landlord stopped issuing new, permanent contracts years prior to the renovation. Instead, temporary ‘demolition contracts’ was used to ensure any newcomers to the neighbourhood would lack legal protection from displacement. This practice has increased the flow of people in and out of the neighbourhood which in turn produce a number of insecurities. The transformation starts well before the actual renovations and leaves its own clear mark affecting the feeling of safety in the neighbourhood: “of around 300 households in this neighbourhood 200 are demolition contracts […] you don’t know your neighbours anymore, people move in and out very frequently […] a lot of apartments are empty […] it feels lonely and deserted here, some are afraid”.

Fourthly, dissent was actively dismantled in any way the landlord could. A friend of Ingrid recounts: “we put up notes about protesting the renovations. The day afterwards they were gone. Taken down by the landlord. Notes about hairdressers and restaurants were allowed to sit for months though”. Several meetings were being organized, first by the landlord to inform the tenants about the renovations, and later by tenants and the local Tenant Union asking for a continuous dialogue, inviting both the landlord and local politicians the meetings. After hand when it became apparent that the tenants were not fully on board and started to question the renovations the landlord stopped showing up. First they simply did not come, later they said their policy was to not attend meetings if there were not initiated by themselves. Information was also being disseminated unevenly by the landlord. Some tenants received updates on the process, times and dates for information meetings etcetera, but some did not. Ingrid was one of the more outspoken protestors, and she stopped receiving any news long ago. Additionally, the service hotline was discontinued and the landlord got increasingly harder to reach via phone and email.

As the process dragged on with lack of information, failed appeals to the Rent Tribunal, fruitless appeals to local politicians who all said they sympathised but that their hands were tied, angry calls from the landlord that started to feel increasingly hostile and threatening
Ingrid and her friends felt their health being affected. Headaches, insomnia, high stress levels, feelings of anxiousness and anger prevented them from functioning properly. Some could not return to work. Ingrid herself felt her arthrosis worsening. Many tenants gave up and moved elsewhere. Some elderly had died. Rumours had it that it was over stress and the renovation process, but it was hard to tell. Similar stories of the life-and-death seriousness of the matter, and old people actually dying in the process was being told in the neighbouring area, that were also undergoing renovations. All in all, much of the contestation died out, as the renovations were being carried out. Mostly because the displacement process had been completed. Few still remained from before the process, and to those who did, the space and place was not the same as it once were. To them, the place itself, as they knew it, had been displaced – from right underneath their feet. Their social networks had been scattered, the security of friends and belonging was gone. The process has caused the same kind of grief as if they had been physically relocated (Atkinson 2015). Ingrid still remains, but probably not for long. The rent increases are unsustainable to her economy in the long run and she will eventually need to move. There is, however, no place in the city to move to. Any cheap housing area is either currently undergoing, or in the planning process of the same sort of renovations and rent increases as hers.

Now, roughly a year and a half after my initial interviews several of my respondents have moved back to their newly renovated apartments. They are outraged. The renovations, that they did not want but for which they have paid so much, are a disappointment. The quality is even lower than it was before the renovations. The paint is cracking, the kitchen counters are scratching over the slightest wear and the new kitchenware is of the lowest possible quality. Moist is creating bubbles in the wallpapers and serious water damages has been reported in several apartments. An independent inspector found sewage water and e-coli bacteria in the foundation of the building. The ventilation system breaks down frequently, resulting in odd smells traveling between the apartments. Again the tenants appeal to the Rent Tribunal: “how can we pay this much for worse quality?”. The appeals cannot be done collectively though, faulty things must be reported by each tenant individually, and there are hundreds of small errors and faults and broken things. It is a fulltime job. Quality in itself cannot be contested in the tribunal, a cheap fridge is no reason to appeal, and a broken one is only an issue if the landlord refuses to fix it. The neighbourhood yet again turns into a construction site, only this time it is contractors running around fixing and patching small things in an overall cheaply and poorly made renovation. Stress, anger, humiliation and anxieties run rampant as heating is malfunctioning in the middle of winter and living becomes increasingly harder. Meanwhile, the landlord is winning the MSCI European Property Investment Award (Fastighetsvärlden 2015), an award granted to the most profitable real estate owner in Sweden.

5. CONCLUSION

In this paper I have shown how insidious circumscription of tenant rights and the right to stay put is carried out by landlords and facilitated by juridical bodies in the context of renovations. The actor composition of this circumscription show how this is a structural phenomenon. Moreover, I have shown how both effects (on neighbourhoods and tenants) and procedure are violent in their nature. While it is unsurprising that displacement entail violence, it is perhaps more noteworthy that the strong and internationally hailed housing regime of Sweden is producing this kind of violence by using and abusing the very rights
and institutional bodies that gave rise to the notion of a fair Swedish housing regime in the first place. It can be argued that the very removal of state intervention and housing politics proper is a violent act in itself, certainly when backgrounded in an overall dysfunctional housing market.

REFERENCES


