Hanna Zetterlund

The Landed Municipality
The Underlying Rationales for Swedish Public Landownership and their Implications for Policy
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Abstract

This thesis examines the role of public land in housing development in Sweden, focusing on how public authorities perceive their role as landowners, and with what consequences. The thesis is inspired by the work of Doreen Massey and Alejandrina Catalano on different forms of landownership under capitalism, exploring the nature of the relationship between land and landowner when the latter is a public authority.

Control of land provides its owner with power over the built environment, as well as the right to capture value increases. In Sweden, large amounts of land are owned by public authorities, in particular municipalities, which have traditionally owned land primarily for two reasons: a) to ensure citizens share in land value increases, thereby generating a more just distribution of resources; and b) to improve control over urban development, thereby delivering access to affordable housing. Even as the Swedish housing system has been substantially transformed since the 1990s, 280 out of 290 municipalities still own land for housing purposes.

The study investigates both the historical and the contemporary roles that public land has played for housing development in Swedish cities. The methods used include an interpretive analysis of Swedish Governmental Investigation Reports and interviews with local politicians in charge of public land assets in three Swedish municipalities: Stockholm, Örebro and Uppsala. The study uses the empirical material to disaggregate public landownership under capitalism into three main modalities of ownership underpinned by three different landownership rationales: a moral rationale characterized by an ethic of long-term responsibility; a productive rationale characterized by an orientation towards achievement of practical social goals; and an investment rationale characterized by prioritization of asset value.

What emerges from the thesis is a new narrative of how Sweden's public land management has changed over the past century, and what this entails today for local landowning municipalities acting within the contemporary legislative framework. As such, the study contributes to new ways of understanding the role of the public landowners in all their different forms, bringing questions of land back into the centre of urban political-economic research.

Keywords: public land, land, urban planning, land development, land management, municipal planning, Swedish planning

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‘Land is the form of wealth that the least wealthy have the least access to [...] no form of wealth is as heavily concentrated in the hands of the richest individuals.’

(Massey & Catalano, 1978 p. 12)
I remember the phone call from the then director of studies at the department who called to let me know that I got the job. I was thrilled, so happy, and honestly, a little scared. There is something very special and humbling about academic life. You increase your knowledge every day, and yet, now six years later, I feel that I have merely scratched the surface on my very particular field of interest. These years have, without a doubt, been the best years of my life, and this experience would not have been possible without all the people who have accompanied me along the way.

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I have been privileged to meet and know great colleagues at Uppsala. Thank you all who have consistently brought your lunches to eat at the department table. I have had many interesting discussions about all things imaginable (and unimaginable) with you over the years which I have greatly appreciated. Thank you for making me really miss the department during Corona. Together, you have created an atmosphere worth commuting from Stockholm for!

To the Famous Five: We started this together in 2016, and we have followed and supported each other every step of the way. In contrast to the common PhD experience, I was never alone because I always had you guys. Thank you, Marcus Mohall, for your kindness and generosity. You must be the humblest know-it-all I have ever encountered. Thank you, Sebastian Djup, for always keeping me updated on the latest twitter beefs, and for making our podcast idea actually happen. It really was a blast! Thank you, Karolina Wallin-Fernqvist, for your warmth and our power-walk discussions on Marxist ideology, you always help me untangle thoughts when I am trapped in theoretical dilemmas. Lisa Larsson, thank you for bearing with me during all the years of sharing an office. If we brought our powers together, we would indeed make the perfect PhD candidate, and I hope that we can continue to collaborate in the future.

Finally, my friends and family. I know many of you have been wondering if I will ever be done with my studies, and what this has all been about. Hopefully, I will be able to explain it soon. Thank you for all your support, especially my mother, siblings, and mormor och morfar, who have always been my greatest fan club. Pia, thank you for supporting me in my endeavours, and for reminding me that living is as much a part of life as working. Thanks to all my extended family, including Em, Lina, and all the friends that have endured listening to my ramblings. I am lucky to have so many people around me who care for me.

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### Abbreviations

<table>
<thead>
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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>DP</td>
<td>Detailed development Plan</td>
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<tr>
<td>GTA</td>
<td>Gross Total Area</td>
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<td>LVI</td>
<td>Land Value Increment</td>
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<tr>
<td>LVT</td>
<td>Land Value Tax</td>
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<tr>
<td>PBA</td>
<td>Planning- and Building Act</td>
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<tr>
<td>SOU</td>
<td>Swedish Government Official Reports</td>
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<td>SKR</td>
<td>Swedish Association of Local Authorities and Regions</td>
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1 Introduction

In 2019, the richest municipality in Sweden, Danderyd, caught media attention for registering a budget deficit of almost 100 million SEK.\footnote{Approximately 10 million Euro} Danderyd municipality was only one among 110 municipalities with budget deficits that year, but their deficit was by far the largest, and as the richest municipality in Sweden with the country’s strongest municipal tax base, the news came as a surprise. The municipality had, like so many others, counted on perpetually increasing land prices, using the revenues from putting public land on the market to avoid adjusting their local taxes for their increasing expenses (Dn.se, 2019a; 2019b; 2019c). Consequently, a short dip in the business cycle due to stagnating housing prices completely overturned their municipal budget plan.

The year after, in 2020, thousands of tenant-owned apartment associations in Sweden’s largest cities, Stockholm, Göteborg and Malmö, bitterly realised that their yearly expenses were to increase by millions (Svd.se, 2020a; 2020b; 2020c). The reason? The fact that the associations themselves did not own, but leased, the land on which their buildings stood. The land instead belonged to the respective municipalities, which had decided to increase the rent in accordance with the overall land value increases of the region at the renewal of the lease.

These accounts share the connection of being part of the contemporary experience surrounding Swedish public land in relation to the increasing prices of urban land and housing in the 21st century. The Swedish municipalities own an aggregated 800,000 hectares of land in urban proximity (Caesar, 2016),\footnote{In comparison, the total of already developed urban land for housing in Sweden is around 450,000 hectares, or 1% of the total land area (SCB, 2019). If one were to take into account all land under public ownership, rural and urban – developed and undeveloped, it would amount to 7.4 million hectares, according to the Swedish Land Survey (SOU, 2020:75).} making them powerful landowners as well as planning legislators in the development of Swedish cities. In total, Swedish municipalities sold and leased land at an estimated value of 26 billion SEK between the years 2017–2019 (DagensSamhalle.se, 2021),\footnote{Of the total sales value, 20.6 billion SEK were pure capital gain. However, the capital gains are unevenly distributed as the land values of rural municipalities are significantly lower than those of the larger urban areas (DagensSamhalle.se, 2021).} which is a drastic upswing from the previous 2 billion SEK a year that was common between 2007–2012.
As land values increase, these hectares become more than an important long-term engagement in urban development. To many municipalities, they have become a valuable investment asset.

This development is not bound to Swedish conditions, as the trend of increasing land prices is global (Knoll, Schularick, & Steger, 2017); in recent years, there has been an increase in publications by researchers interested in the contemporary management of public land as a response. Haila’s study on Singapore’s use of public land to capture land rents is one (2016), with a similar topic explored by her and Hyötyläinen on the entrepreneurial public real estate policies in Finland (Hyötyläinen & Haila, 2018). Another one of those researchers is Christophers, on the financialization of land and the privatization of public land assets in Britain (2016; 2017; 2018). Whiteside has worked with similar processes of privatization in Canada (2017), while Addison has worked with France (2017). What all these studies have in common, is an understanding that public land has played, and still plays, an integral role in both national economies and urban development. A role that has often gone unnoticed, as most researchers working on land have traditionally focused on privately owned land (Eidelman, 2016; Needham, 1992). Furthermore, several of these publications have argued that public institutions holding land assets today, more and more seem to mimic their private landowner counterparts on the land market.

Through its different institutions, the Swedish state owns more than approximately 6,500,000 hectares, which makes up about 15% of the country’s total land area (Sfv.se, 2021; Caesar, 2016). Most of this land covers forests, nature reserves, and old agricultural land and heritage buildings. Moreover, through municipal ownership, public land has a century long history of being an integral part of the country’s planning and housing regime in the country’s urban regions. Municipal land has had the purpose of ensuring citizens two things: a) a share of the land value increase and through this a more just distribution of economic resources, as well as b) improving the control over urban development to ensure access to qualitative and affordable housing (Tonell, 2016). Even if Sweden’s housing regime has shifted towards a more market-oriented approach since the 1990s, municipal land still plays an active role in urban development. In fact, 280 out of 290 of the country’s municipalities own land dedicated to housing construction and 185 of them claimed in 2020 that they were planning to purchase more in the near future (SOU, 2020:75).

This thesis examines the importance of public land for Sweden’s approach to urban planning and housing, with a focus on the rationale behind land being publicly owned in the first place and how that affects its management. It

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4 This number does not include the national parks and other tax exempted land areas (SCB, 2019).
demonstrates the shifts in historical and contemporary management of public land as a consequence of how public authorities perceive the relation between land and landownership. To achieve this, the thesis builds on – and develops, the theoretical framework of landownership rationales, created by Doreen Massey and Alejandrina Catalano in the late 1970s. The expansion of the framework contributes to a deeper understanding of the various parts played by public landownership and land management in the capitalist city.

The study draws on a wide range of data to conduct an analysis of Swedish public land on both the national and local level, varying from interviews with local politicians, archival work on historical Swedish Government Official Reports [Statens Offentliga Utredningar], and the analysis of municipal policy documents and newspaper articles. By doing so, the study explores the variety of roles public land can play in contemporary urban development, and, in extent, what that public ownership actually means, to both its owners and to society at large.

1.1 Land and its relation to public ownership

There exists no country on earth in which all land is held in private ownership (Eidelman, 2016), because even if land can be bought and sold like most other goods, it holds several inherent key features that naturally separate it from other commodities. The nature of these features demands public intervention in some way or another.

The first feature is that human labour never created land, and as such, land cannot increase in quantity by human labour.\(^5\) This feature affects the relation between supply and demand, making land perhaps the most inelastic good there is.\(^6\) As such, the most common solution to an increased demand on land is an intensification of usage, creating that urban structure familiar to the capitalist city; with high rises at the city centre and attractive transports nodes, and suburban sprawl where land prices are low. Where land use does not correspond to these variations in land value, public interventions of some kind are often at play, either through planning legislation and heritage protection or land value control through public landownership.

The second feature concerns the fact that every part of the global economic system, by default, manifests itself on land in some form or another. It can be

\(^5\) Except in rare and expensive forms of reclaiming land from the sea, with the most famous example being the Netherlands.

\(^6\) However, since the economic utility of land can change as a result of human labour, some economists have tried to equate this to the creation of land (effectively arguing that land not engaged in economic activity does not exist). In the thesis, following Ryan-Collins et. al (2017), the costs by which labour can include unexploited land into the economy are treated as transaction costs for particular uses of land.
as buildings, infrastructure, parks, or farmland, relating every part of the economy to a geographical place. Public landownership, thus, becomes essential for governing authorities to control some of these economic manifestations, such as public transportation systems, parks and recreational areas, or schools and other public facilities.

The permanency of land makes up the third feature. Because land is impossible to move or replace, and often considered indestructible, each ownership of land naturally creates a perpetual monopoly of a geographical location. Due to the impediments put on market efficiency, public landownership becomes one solution for public authorities to address market imperfections. Moreover, the permanence of land, and the legal structure surrounding private ownership makes land different from other commodities in that it is commonly leased, and related to this, as argued by de Soto, among others, it is this indestructibility that makes land a perfect security for credit (de Soto, 2000; Halla, 2013). This means that land in public ownership can be used as security, which, in turn, increases the economic advantage of public budgets and investments.

Finally, the fourth feature, which is a side effect of the other three, is that the value of land will to a great extent originate from externalities. This means that land value increases will often depend more on surrounding developments than actual improvements on said land plot. One example of this would be the construction of a new subway station in an area, which improves the land values for the whole neighbourhood without the landowners having added to the actual development or improved their land management in any way. For public actors, often being the investors of such infrastructural projects, advocates for different forms of land value capture use this tendency as an argument for why the land value increase should accrue to the public, either through taxation or through public ownership of the land itself.

Take these unique features of land and their relation to every aspect of the economy into consideration, and it should come as no surprise that there are plenty of incentives for both public and private actors to invest in land. Paraphrasing Christophers (2018): Landownership matters because it gives the owner political influence, geographical power, a perpetual source of income and wealth, as well as being the space and nature we all live in regardless of how much of it we own.

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7 Even the internet is place-bound, as demonstrated by the thousands of servers located all over the globe.
8 The term ‘indestructible’ here, does not sit well with most environmentalists. However, in economic theory, land that is deserted due to toxic waste or other problems is still considered utilisable land in theory, albeit at immensely higher transaction costs. As it is, the sea level rising might be the first global phenomenon of real land destruction, as the sea reclaiming land will severely affect land supply.
9 In his research, Christophers includes land as ‘a place for protests’, as well as a place for ‘leisure’. However, these are not aspects of land that will be covered in the thesis.
For public actors, this means that owning land is by far the most efficient way for public entities to carry out their goals and objectives than owning any other form of commodity or factor of production (Clark G., 1981; Krutilla, Fischer, Hyde, & Kerry Smith, 1983; Ryan-Collins, Lloyd, & Macfarlane, 2017; McCurdy, 1984).\(^{10}\) This is true, not only because public landownership provides the public with an instrument to counter negative speculative and rent-seeking tendencies from private landowners (Fainstein, 2012), it furthermore provides the public with an asset that is likely to continuously increase in value over time (Haila, 2016). Moreover, public landownership increases control over urban development and, by doing so, it holds the potential to counter social inequalities created by the capitalist market economy (Golland & Boelhouwer, 2002; Kivell & McKay, 1988; Montgomery, 1987).

There are those of course, who consider all types of public market interventions as problematic and regard public landownership as something that might threaten the institution of private landownership. As stated by Kivell and McKay (1988), the question of landownership is often coloured by ideological standpoints rather than technical evaluations. However, there is nothing inherently favourable about private or public landownership; nor are there any undisputed proofs about one being more efficient than the other (Doebele, 1983; Krutilla, Fischer, Hyde, & Kerry Smith, 1983). Instead, all systems of landownership involve trade-offs, which is why most countries have reached some sort of middle ground on the matter.

It all comes back to the special features of land and the fact that those features disrupt normal market behaviour. Most studies on land are done on privately owned land and assume free competition and possible market equilibrium (Krutilla, Fischer, Hyde, & Kerry Smith, 1983; Needham, 1992), thus forgetting that the special features of land, with land’s inherent monopolisation, means that land markets can never operate in the efficient way in which “free” markets are assumed to. Public landownership actively seeks to address the distortions and failures associated with private land markets (Whitehead, 1983; Montgomery, 1987), and at its best, land markets with strong public actors have the potential to create a more efficient functioning market that a free market ever could (Rajack, 2009).\(^{11}\) This correlates with Polanyi’s bottom line (1944), namely that all markets are socially constructed, and that the idea that land markets in particular can be self-regulated is built on utopian and impossible ideals. Without public interference, the marketisation of land would soon create intolerable conditions.

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\(^{10}\) The other factors of production from the classical economic standpoint being labour and capital.

\(^{11}\) However, Rajack also warns about the problems and value losses that might occur with poorly managed public land market intervention, such as corruption and inefficiency, concluding that the management of such market intervention is of utmost importance to achieve good outcomes.
Although previous research on public land has provided important insights on the intricate systems of public land policy, planning, and land value realisation, these bodies of literature have often lacked a deeper discussion on the nature of this type of ownership. As Needham points out (1992), researchers have long considered public land to be the exception to privately owned land, and as an exception, the political nature of public landownership was hidden behind the economic reality of private land markets. This has formed a discussion in which public land is seen as having great potential to counter the negative effects of the capitalist housing market (such as in Ryan-Collins et al. 2017), but the comprehension for the underlying rationale for publicly investing in long-term landownership, its challenges and constraints, has largely been absent (Eidelman, 2016). Consequently, academic research has highlighted public land as an important instrument, while the parallel reality has been that public actors with already existing land banks have continued the privatisation of those assets. Yet again, simply having land under public ownership does not inherently contribute to less segregation or more affordable housing (Christophers, 2018; Olsson, 2018; Zakhour & Metzger, 2018), and if public landowners cannot deliver on their promises, it becomes difficult to advocate for such an approach.

As stated by Doreen Massey decades ago on the question of the role of land, ‘It is a question not just of who owns, but also of what that ownership actually means’ (1980, p. 268). The purpose of the land in possession of a public landowner, the reason behind it being under public ownership in the first place, influences the outcome of urban development. The absence of existing analytical instruments to comprehend the rationale for public landownership, has limited the understanding of what public landownership means in terms of desired outcomes, and what it could mean in terms of shaping our urban futures.

### 1.2 Defining public landownership

There is a need to define what public landownership is, and how it is to be interpreted in the context of the study. Unfortunately, the reality is that there are as many ways to define public landownership as there are national legislations that define its private counterparts. Land and land rights are interpreted differently across the globe, and as both a state supported institution and a

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social concept; hence their meanings change as time passes (MacPherson, 1978). Conversely, in parts of the US, a landowner has the right to use lethal force on whoever intrudes on their land, while in Sweden everyone has the right to trespass to pick berries and mushrooms or camp on almost any land (Linklater, 2013).

To complicate the issue even further, the common understanding of what public landownership is, is seldom connected to legislation but rather to ideas and perceptions of the concepts ‘public goods’ and ‘public interest’. As described by MacPherson, there is widespread confusion around the differences between common landed property (such as parks, recreational areas, plazas, etc.) and publicly owned property in land in general (1978). In other words, public land is often perceived as a collective good, while it, in fact, can involve many uses that exclude citizens from its utilisation. In many ways, the number of conflicts and protests related to the management of public land, by itself, demonstrates that public ownership does not necessarily lead to outcomes that the public themselves would define as in their interest. One such conflict is the quite common clash between municipal budgetary interests and democratic values of citizen influence. As fittingly pointed out by Blomley (2004), conversely to the word ‘public’ in public landownership, it is seldom the public that decides on how the land gets used or has a say on its management in any way. In fact, most citizens would not be able to tell the difference between land owned publicly and land owned privately in relation to how it affects their daily lives.

Nevertheless, some characteristics make up the basis for public landownership that separates it from its private counterpart. In many cases of public landownership, the land is owned by a public body, which executes control over land use without any direct democratic accountability. In other words, the ownership of land by public authorities should be viewed more like an asset managed by public entities in the interest of the same public entity, instead of a public good for communal use and benefits. In essence, as Eidelman has argued, public land is best defined as: ‘real property in which any arm of government (ministry, department, agency, board, corporation, commission, or special purpose body) or parastatal authority holds full or partial ownership rights, in title or material interest’ (2016, p. 123).

These public entities are a smaller body of persons, authorized to command communal assets as private property (MacPherson, 1978), thus using

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15 The system is called *Allemansrätten* [The Right of Common] and has regulations to avoid intrusion on people’s private lives.


17 To mention a few examples: Singapore (Haila, 2016), Great Britain (Christophers, 2018), the Netherlands (van Dijk & van der Vlist, 2015), and Canada (Eidelman, 2016). The same system is used in Sweden, as will be elaborated on in chapters 4 and 5.
the land they own to accomplish their goal and responsibilities. It is primarily through the formulations of those goals and responsibilities that the public interest actually comes into play, as public actors have a direct obligation to adhere to the needs and interests of their citizens. This means that the largest factor to influence the decision-making of these authorities is their own interpretation of how to manage their commitment to the citizens. Consequently, to research the role public land plays in shaping urban societies and urban housing, any study must be perceptive of how landowning public authorities interpret their role as landowning entities.

1.3 Land and the state: Planning the capitalist city

What does it mean to study the capitalist city and how does it connect to questions on public landownership more broadly? Generally speaking, all spaces under capitalism are constructed or reshaped to facilitate accumulation and reproduction of capital. As such, according to Harvey, modern capitalist cities were created to serve as physical infrastructures of production as capital needs to urbanise to reproduce itself (2010; 1989). However, inevitable contradictions arise in this process due to the nature of private property, which, if not mitigated, leads to crises that can obstruct further accumulation.

It is not only that the contradictions of the market create unbearable conditions for workers or certain types of capitalist development in urban areas. These contradictions, in extent, make it impossible for the system of private property in urban areas to meet the needs of the capitalist system, all because of the social character of land (Foglesong, 1986). As described in previous sections, land’s special features make it subjected to externality effects – as it is not only an object that can be bought and sold but also a collective good.

In essence, owners of labour, capital, or land tend to act as individuals instead of as allies to their respective class interests, which means that they are often unable to counter these systemic internal conflicts. The role of the state then, becomes to mitigate the contradictions of capitalism, without alienating the different classes from it (Henderson & Sheppard, 2011). It is a question of balancing interests because the state is both a creation of these class interests and a mediator between them. Consequently, the state is shaped by the shifting power dynamics of class relations.

According to Foglesong, urban planning is a perfect example of the complexity of this intersection.

The property contradiction applies to and arises from more than the private ownership of urban land. […] Yet the problems arising from the private ownership of land are of central importance to an understanding of the history of urban planning, since the way land is developed is pivotal in determining the physical structure of the city. The structuring role of land and the ownership of
land have sometimes been overlooked by advocates of a more socially con-
scious approach to planning, […] This view ignores, […] the centrality of the
land question and the need to confront the private ownership and control of
land as the first step in improving the conditions of the city (Foglesong, 1986,
pp. 235-236).

Urban planning arose as a reaction to the deleterious urban conditions created
by unregulated capitalism, but regardless of it being a critique of the system,
it still acts within the wider framework of capitalism and upholds the system
that created it (ibid).

Following this, the study understands the role of the state as a regulator of
different accumulation regimes that periodically dominate the forces of pro-
duction, consumption, and reproduction. Through its different institutions, the
state creates the ‘rules of the game’ for the forces at play, and thus enables the
survival, adaptation, and continuation of capitalism by creating temporal sta-
bility (Jessop, 1990). The ‘rules’ comprise the state’s ability to shape legisla-
tion as well as market intervention, or public ownership of certain assets. The
focus of this thesis is not mainly on the state at the national level. Equally, if
not more important for urban development, is the role of the local state, with
the local state simultaneously being both the object of, and an agent for, reg-
ulation (Knox & Pinch, 2006).

In conclusion, what does it mean to study land in the capitalist city? It
means that it is impossible to do so without taking the state, both national and
local, into account. Moreover, it makes it necessary to regard public landown-
ership as a particular type of regulatory strategy that the state uses to uphold
regimes of accumulation (Olsson, 2018). However, even if the thesis is in-
formed by the broader regulation approach, as discussed here, it engages more
substantively with mid-range theoretical understandings of how the relational
nature of landownership specifically contributes to – or challenges, modes of
accumulation. Therefore, it is primarily those aspects that will be developed
in the upcoming chapters.

1.4 Swedish public land: Global interest for local
conditions

Sweden’s public land policy has, for a long-time, sparked interest among re-
searchers. Mostly, this interest has centred on the capital, Stockholm, and dealt
with the municipal land instrument in relation to the overall construction of
the welfare state. This is especially true for the post-war period up until the
1990s, and the most common character trait of these publications is an attempt
to capture the Swedish planning exceptionalism (Darin-Drabkin, 1977).
One example of this is Larsson’s account of the development of Stockholm and the city’s use of public land to secure its vision of a rational urban morphology and uphold the balance between pedestrians, motor traffic and other transport interests (1962). In his presentation of Swedish planning, he describes the municipality as its own real estate developer with extensive power, which he regards as essential for its ability to ensure quality housing and infrastructure to its citizens. Larsson’s enthusiasm is shared by Passow (1970), who, by researching the historical conditions for Swedish public land reserves, sought to create a blueprint for how to transfer the strategy to the US. A similar fascination for the ‘Swedish case’ can be found in Roberts’ *Land Storage – The Swedish Example* (1975), taking inspiration from the Swedish land banking strategy to improve British local planning and land value management. Roberts concludes that:

If such a system were to be devised, it would, at the very least, provide the local planners with a new type of mechanism beyond the usual negative notions of restrictions and control. Hopefully it would not only eliminate the great increases in the price of land, but it would also help to supply more housing and recreation land at less cost to society, without unfairly hurting the economic position of existing landowners (Roberts, 1975, p. 138).

However, not all accounts about the Swedish system are as unhesitatingly positive. As Heimbürger argued at the time (1976), Sweden had only solved the first part of the problem, as in how to develop raw land at low costs with high quality, but the country still had to find a solution for the second challenge: Land speculation, future modernisation and reconstruction. Another critical voice was Ratzka (1981), who questioned the efficiency of using lower than market prices of municipal land leases for non-rental construction as a housing subsidy in Stockholm. Ratzka, in essence, argued that this strategy only subsidised the first owner of the lease while cutting significant revenues from the municipality who could have used it for more efficient housing subsidies (an argument supported by Atmer, 1987).

Stockholm, along with other municipalities in Sweden that are mentioned but not investigated, continuously leased their municipal land and withheld from selling it, something which according to several researchers contributed to limit the land value increase and land speculation in the city (Ratzka, 1981; Atmer, 1987; Neutze, 1989; Duncan & Barlow, 1991; Bodström, 1994). This approach to land separated Stockholm and Sweden from its European counterparts, and it was partly used as an explanation to why the marketisation process, which became prominent in Europe during the 1980s for a significant time seemed to be absent from the Swedish land market (Duncan & Barlow, 1991). While researchers have sometimes portrayed this as an ongoing nationalisation of land and land rents, Clark and Runesson have argued against such
descriptions because of the non-mandatory structure of the state’s encouragement for municipalities to own land (1996). Instead, they claim that it is more accurate to describe municipal land as an instrument for increased control over land rents, with dedicated space for occasional rent extractions. This is because a complete absence of land value increases would in fact undermine the municipal interest in the land instrument, as municipalities used the land value increase to finance future and past land acquisitions.

After the 1990s, the interest in Sweden’s public land declined simultaneously as the legal framework that had surrounded the public land instrument was dismantled together with the national housing subsidies in the aftermath of the 1990s property crisis. In several parts of the country, municipalities were left with an oversupply of housing, and new questions of segregation and planning democracy became the focal point for researchers who had previously been interested in land.

In recent years, however, the growing housing shortage in Sweden’s urban regions as well as the increasing costs of land and housing have renewed the interest in the municipal land instrument for a new generation of researchers. These publications are mostly concerned with the transformation of Sweden’s housing regime and how the municipal land instrument has changed accordingly, into almost the reverse of its initial function. As Caesar has emphasised, public land in Sweden no longer serves its previous role as the main instrument of control and implementation for development, since much of that assignment has been transferred to the planning legislation. Instead, today’s municipal land assets are the remnants of a different era, which manages to give municipalities market leverage in cases when they own significant amounts of land and still hold the potential in those cases of being ‘…one of the most powerful tools in order to counter increased polarization between different income groups in the urban environment’ (Caesar, 2016, p. 21). Olsson (2018), as well as Zakhour and Metzger (2018), do not disagree with Caesar, but emphasise the importance these land assets still have in shaping urban development. Zakhour and Metzger focus on the case of Stockholm, and the city’s ‘understanding of public land as a financial asset to be realised, rather than as a tool to implement a political project…’ (p. 52), an understanding that continuously counteracts the same city’s official vision of improving social sustainability, by directing new investments to already affluent areas. Olsson complements this image, with her research centring on the city of Helsingborg, arguing that the shift from a system of redistribution towards neoliberal land management has affected local use of public land to the extent that

18 Sweden’s housing market did not suffer from the aftermath of the global finance and housing crisis of 2008, and except for a couple of months of stagnation during the initial uncertainty, the housing costs have continuously increased as a result of credit accessibility and low interest rates (Sveriges Riksbank, 2011).
municipal land today is used to maximise rent extraction from end consumers, enabled by municipal policy but pocketed by developers. Moreover, Olsson argues that the current system contributes to democratic as well as ethical problems regarding municipal land allocation, which risks undermining the legitimacy of the whole planning system.

These authors have extensively contributed to both national and international understandings about the changes in Swedish planning and public land management, and to this thesis. Nevertheless, both the historical and present scholarly discussion on public land have failed to recognise the importance of taking these accounts further to broaden comprehension of the underlying relations that have shaped the present way of managing land on the municipal level, and the variations that exist within those relations. The next chapter will demonstrate the importance of doing precisely that, by exploring what local landownership can mean for public actors and how that affects how the land is managed.

1.5 Aim and research question

The study investigates the role of public land for Sweden’s housing development in urban areas with the overarching aim of understanding how public authorities perceive the role of land and the role of public landowners when it comes to housing production. Following this aim, another objective of the thesis is to develop an analytical framework for public landownership rationale for use as an instrument through which to better grasp the dynamics surrounding historical development and contemporary management of Swedish municipal land. The purpose of the framework is to better explain why varieties of land management occur, and what implications that has for policy and outcome. By doing so, the thesis is intended as a contribution to research on the political economy of public land more broadly, as well as being an input to the ever-ongoing discussion of the Swedish housing system and its development.

Two research questions guide the study:

- How do public actors, on both the national and municipal level, define and rationalise local public landownership and the role it plays in housing development?
- How do rationales for public landownership mediate challenges of housing provision and affordability in Swedish urban planning through the management of publicly owned land?

In answering those questions, the thesis relies on a variety of methods to explore the conditions under which Swedish public land is managed on both the
national and local level to understand which rationales set the agenda and thus shape the urban environment.

To answer the first question, the study draws heavily on historical accounts of Swedish Government Official Reports, to recount the story of how public land came to be an integral part of Swedish welfare society and housing politics up until today. To understand contemporary management of public land, the study combines the historical approach with the contemporary accounts of local politicians in three Swedish municipalities – Örebro, Stockholm and Uppsala, to further explore how land and the municipality’s role is perceived.

The answer to the second research question primarily focused on advancing the research done by Doreen Massey and Alejandrina Catalano on British private landownership in combination with the insights gathered predominately by political economists, economic geographers, and urban planners since the 1970s. These insights build the basis for the formulation of three new public landownership rationales that the study uses to create an instrument through which the challenges, opportunities and outcomes that encapsulate public landownership can be understood.

Regardless of the study’s local context and focus on Swedish public land, this thesis holds relevance to the broader fields of urban political economy, urban studies and planning, through the usefulness of the conceptual landownership rationales. With its development of public landownership rationales, the thesis contributes to a broader scholarly discussion on the different roles of public land in the capitalist city by challenging the dominating narrative of the homogenous landowner. Through this disaggregation of the public landowner, the study re-establishes that public landownership is an instrument of inherent political power.

1.6 Thesis structure

The following chapter (2), centres on the theoretical base for the thesis, extensively discussing the different forms of landownership as argued by Massey and Catalano, for private landowners as well as the development of the forms of public landownership rationale. The chapter also includes a discussion on the utility of developing the concept further and its potential usefulness for researchers theorising land and landownership.

Chapter 3 is a method chapter, which outlines and discusses the different sources used to gather empirical data, the methodological choices and a short reflection on positionality.

The thesis then continues with chapter 4, which provides a historical account of the transformation of Sweden’s national policy and legislation surrounding public landownership and housing through the lens of public landownership rationale. The chapter demonstrates how different hegemonies of
landownership rationales have shaped the perceived challenges and constraints of Swedish municipal planning and thus contributed to forming the different solutions discussed and implemented during the last century and up until today.

In chapter 5, the thesis presents three municipal case study areas located in Sweden. The municipalities of Örebro, Uppsala and Stockholm. It builds on interviews with local politicians with the purpose of contributing to a deeper understanding of the contemporary role of public land, specifically on how different rationales can foster a variation of strategies on the use of public land within the same legal framework and overarching national rationale.

In the last chapter (6), I present a concluding discussion and analysis of the overall thesis. It expands on the possible future roles of municipal public land in Sweden and includes a discussion on the value for scholarly debate on using the concepts of landownership rationale in understanding public land, its management and the value it has for urban development.
2 Land as a social relation: The underlying rationales for private and public landownership

In classical economic theory, labour capital and land were considered the necessary factors of all production. For centuries, political economists scrutinised the different aspects of capital and labour. As well as looking at them on a systemic level, they analysed and categorised the ownership of these means of production during different times and places. Interestingly, neither the third factor of production nor its owner, the land and the landowner, ever earned the same attention or focus. This might not come as a surprise given that contemporary researchers interested in land often call attention to the fact that land has been left out of the more extensive theorisations (Eidelman, 2016; Haila, 2016; Ryan-Collins, Lloyd, & Macfarlane, 2017; Christophers, 2016; 2018). Likewise, if land was not given attention, why even bother with the landowner?

This chapter will do precisely that. It will bother itself with the landowner. Primarily, through the work done by Doreen Massey and Alejandrina Catalano during the 1970s, novel at its time in demonstrating the importance of disaggregating the landowning class to counter the perception of the landowner as a homogeneous group. Additionally, the chapter will extend beyond the understanding of the private landowner according to Massey and Catalano, as its core purpose is the development of an analytical framework for the study to explore public landownership in all its variations. The reworking of the theoretical framework of Massey and Catalano to better fit conditions of public landownership builds the theoretical instrument used to contextualise and interpret Swedish public landownership for the remaining parts of the thesis.

The chapter begins with an overview of land under capitalism and then explores the different characteristics and complexities that encompass both private and public landownership alike. The section on private landownership builds on the accounts by Massey and Catalano, whilst the role of public landownership goes beyond their research as it takes off where they left the subject.

Shortly after publishing their book *Capital and Land: Landownership by capital in Great Britain* (1978), Catalano left academia for journalism and Massey left land to pursue other interests, such as the uneven development of
capitalism (Werner, Peck, Lave, & Christophers, 2018). Before leaving land completely, Massey published a short article that suggested that public landownership held the potential key to unlock a more socially just urban development, and that public landownership could appear in as many variations as its private counterpart. Each of those variations with its own rationale for how the land should be managed (Massey, 1980).

Even if the work by Massey and Catalano has been widely cited as one of the core texts on land under capitalism (Christophers, Lave, Peck, & Werner, 2018), their work has seldom been treated as more than a historical account on the British landowning class, and Massey’s own insights on public land are never mentioned at all. Therefore, the purpose of the chapter is to head back and continue what Massey and Catalano started, because public authorities are too great a player on the land market to be simply cast aside.

2.1 Setting the stage: Land and landownership under capitalism

Ideas of private ownership in land, meaning the right of a landowner to buy, sell or develop the land, is a rather new phenomenon in western history. Not more than a few centuries back, the idea that someone other than God alone could grant you that type of encompassing land right would have been considered outlandish. Instead, the question of who had the right to use the land was decided by customary law, and therefore often regulated by what the local community considered a fair use and distribution of the land (Bernard Murphy, 2014). Less than two centuries ago, the idea that a landowner had the right to profit from land speculation was still considered immoral. As argued by Fairbairn among others, it has taken until this day to rid ourselves of the last social remnants of moral objections concerning land, profits and speculation (2015).

The reason for why land has held this status is connected to its inherent features. In a market system of private ownership, landowners are expected to treat their land as any other form of commodity that can be found on a market. However, as previously discussed, land is not like any other commodities, as it was never produced for market, and treating it as such poses several negative consequences for society, economy and environment.19 This was one of the principal points of Polanyi (1944), who categorised land, along with capital and labour, as fictitious commodities. Polanyi argued that when land is forced into the market to be treated like other commodities, the consequences become so severe that society – often through the state – would have to create some

19 The polluted remnants of short-sighted mining companies that leave their old locations with no particular sentimentality is but one small example of how this tendency can manifest itself.
sort of boundaries or intervention to limit the negative impact that would undoubtedly emerge.

At the same time, private landownership is, and has always been, considered essential for the development of capitalism (Ryan-Collins, Lloyd, & Macfarlane, 2017), and the legal structure surrounding it is the most significant founding stone for how societies develop, as argued by both de Soto (2000) and Linklater (2013).20 Harvey has dedicated decades to investigate the extent of capitalism’s dependency on private landownership, to ensure access to labour (through dispossession) as well as being both a source of capital (as a security to access credit) and a storage for value (through capital land investments and development) (2018 [1982]).

This ambiguous attitude towards private landownership, regarded as both essential and problematic for capitalist accumulation, has been present since the beginning of capitalism. Adam Smith for instance, described the landlord as an idler, Ricardo called the landowning class a group of parasites, and J. S Mill their income as “the height of injustice” (Smith, 1994 [1776], p. 110; Ricardo, 2001 [1817]; Mill, 1909 [1848], p. 230). They did this simultaneously as they all defended the ideas and right to private property in land.

According to Christophers, this somewhat Janus-faced relation is partly to blame for why land’s role within capitalism has been left out of extensive theorisation (2016). The tendency to regard land as fictitious (following Polanyi), or as a factor of production which can produce no value (commonly done by Marxist researchers),21 created the notion that land was external to capitalist value creation. That land was nothing more than a theatre stage on which the real production process was played out,22 all while landowners themselves were seen as undeserving capturers of surplus value they had had no part in producing.

Since land was less scrutinised, so was the role of the landowner under capitalism. As Kerr has argued (1996), researchers have largely considered landowners a homogenous class. This separated them from the owners of labour and capital, which researchers early on divided into different subcategories with various roles and interests within the capitalist regime (such as blue/white collar workers and the lumpenproletariat, or industrial/money capitalists and the petit bourgeois). Although owning various amounts of land,

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20 Linklater makes an extensive and thorough account of how landownership has historically shaped our societies and economies. A highly recommended read.
21 Especially by those who adhere to the ‘Labour Theory of Value’, where only labour production can create surplus value, and land by extension of this theory holds no value as it was not created by labour. Even if land can still hold use and/or exchange value, meaning that it can be useful or its rights be exchanged on the market, this perspective does not regard land as a factor of production that directly contributes to value creation in the economy.
22 The “real” here being the struggle between capital and labour.
landowners were not only seen as a uniform class acting within the same capitalist framework, but as working with the same goals and objectives (Kerr, 1996).

It was not until the 1970s that this portrait of the landowning class was questioned, when Doreen Massey and Alejandrina Catalano published their investigation on the British landowning class. As they studied the changes to landowning structures, Massey and Catalano realised that landowners responded to market signals in significantly different ways, sometimes in manners that contradicted their own economic interests (Adams, Disberry, Hutchinson, & Munjoma, 2001).

2.1.1 Rent relations and social formations

During the 1970s, many cities saw a land and property boom due to increased urbanisation and capital investment flows, fuelled by the liberation of the credit system in the global west. This sparked an upswing in literature on land and housing by researchers trying to analyse what was happening. In an economic climate that was becoming less optimistic about the rate of return from investments in production, land became an ideal sink for capital surplus in anticipation of more profitable alternatives. The now almost proverbial quote by Harvey, namely that there had been an ‘increased tendency to treat the land as a pure financial asset’ (2018 [1982], p. 347), eloquently captured the trend where land now became an increasingly significant part to uphold accumulation.

Massey and Catalano worked with a Marxist approach, with the intention of aiding the left in what they considered a confusion on how to interpret this new booming land market (Werner, Peck, Lave, & Christophers, 2018). The canon among the left intelligentsia had been that productive capital had already won the fight against landed capital, and now they struggled to make sense of this new interest in land by capital.

For Massey and Catalano, their Marxist approach allowed them to place private landownership within the structure of the overall system of production, distribution, and reflect on historical changes, while still recognising landownership as an inherently social relation. While other researchers at the time sought to understand the role of land within capitalism, and investigated market flows of supply and demand, Massey and Catalano instead posed the question of why landowners managed land differently from one another while acting within the same structural capitalist framework.

What they saw in their material led them to conclude that landowners formed various types of relations to the land they owned, and that each relation built on its own rationale for existing. A rationale that was constantly influencing the market decisions made by these landowners. This meant that even if these relations were shaped by the structural nature of the capitalist process,
they could, at the same time, work against said process, depending on their rationale and history.

The research on land in capitalism has traditionally heavily drawn on variations on rent theory, ever advancing that early definition presented by Ricardo that: ‘Rent is that portion of the produce of the earth which is paid to the landlord for the use of the original and indestructible powers of the soil’ (2001 [1817], p. 39). More broadly, rent is an expression of a particular social organisation of land under capitalism, like the relation between wages and labour, or interest and capital. It is the value derived from the monopoly23 ownership of a scarce asset whose value is not related to the labour involved in its development. This means that there are many segments of the economy in which rental relations can occur,24 but land’s unique features, such as its inherent monopolistic ownership structure and dependence on external factors for valuation, make it the most striking example.

Massey and Catalano considered rent a payment for a social relation and not related to the actual productivity of land. They argued that rent and land should not be treated as ‘mechanistically-generated economic categories automatically deductible from the operation of the capitalist mode of production’ (1978, p. 41). Instead, land and rent needed to be analysed in the context of the specific relations of landownership in any given social formation. The importance of doing so stemmed from their notion that forms of landownership could potentially pose different types of problems for capital. Either by not acting as they ‘should’ according to the current accumulation process, such as not developing the land to its “highest and best use”,25 or by operating a credit-driven expansion strategy with Ponzi characteristics,26 which would amplify the risk of an economic crisis.

2.2 The different rationales for private landownership

There are three types of landowners. They differ from each other in terms both of the relations of landownership, and of the role of that landownership within the overall structure of the social formation. The prime aspect of this distinction relates to the role of landownership in the general situation of the different groups of agents, that is, the part played by ownership of land in the overall

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23 Instead of the term ‘monopoly’, some use the definition: Factors of production that are in imperfectly elastic supply (Haila, 2016). In the thesis, I use the definition of monopoly to simplify the relation.

24 Such as: Patents, real estate, natural resources, infrastructure, dominating internet platforms etc. For an extended discussion on the rentier economy, see e.g. Christophers (2020).

25 As in Harvey (2018 [1982], p. 368).

26 As exemplified by Block (2016), a Ponzi scheme uses credit as security to pay off interests on other loans. A risky business behaviour that creates an unstable market situation that becomes disruptive if the economy takes a downturn.
political, ideological and economic position and role of the groups. This characteristic reflects a second: the nature of the relation between that form of landownership and the social formation as a whole (Massey in Christophers et. al, 2018 p. 67).

In their research, Massey and Catalano could distinguish three main types of landowners. The first one, which they named former landed property, had its origin in feudal society and consisted mainly of landowners that could trace their land back to feudal times. The second form, called industrial landownership, had emerged with capitalism and was part of the organisation of production. With the liberation of the credit system, Massey and Catalano saw the appearance of a third form, financial landownership, and the early forecast of a shift to a type of landownership that today is a prominent characteristic of the 21st century financialization economy.

In many ways, Massey and Catalano built their categorisation on a similar principle of abstraction to that used by Marx in his analysis of the relation between the possessor and the thing possessed in the production process (Marx, 2013 [1890]). Mainly the notion that the same item, or in this case the same parcel of land, could be considered as: A tool for production, the basis of reproduction, or a commodity for sale, depending on the owner. An example of this would be how the same jewel can be used and regarded as material to the jewellry maker, capital for the jeweller and as a symbol of heritage and/or beauty for any other owner. Depending on the type of relation to the item, the owner would be incentivised to value it differently, and thus impact how it is used in response.

The following sections will present and discuss these three types of landownerships and explain why they are valuable for researchers attempting to understand the role of land in political economy.

2.2.1 Former landed property

The first category, named by Massey and Catalano, is a group of landowners in decline. They originated from the economic relation between tenant and nobility of the European feudal society, and these landowners have largely seen their political and economic power dwindle with the rise of capitalist production.

In feudal society, land was the base of wealth and political power, as it was the base for everything. Modern landownership, as understood today, did not exist, and owning land was regarded more like a stewardship of what God had created. The responsibility of it thus fell on God’s next of kin, Kings and the landed nobility (Reynolds, 2010; Graeber, 2011; Linklater, 2013). The tenants belonged to the land as much as the land belonged to the nobility, and farmers who worked for their own means of reproduction had to pay rent to the landlord (be it a noble family or the church) for their usage of land. Often, this rent
was paid by working on the landlord’s land for a certain number of days per year, or by giving up some of their own yield.

Even if the category of former landed property had originated from feudal society, the landowners encountered by Massey and Catalano had had to adapt to societal changes. Capitalist production regime and urbanisation had led to a decoupling between land and production output, as agriculture lost its relative economic importance, which over time decreased the power and influence of the landed gentry. Salaried labour no longer produced their own means of reproduction, especially not in the growing urban regions, where reproduction became dependent on the increased commodification of subsistence goods. As labour no longer was bound to the land, the traditional tenant-nobility relation changed.

With this change in power, it would have been economically sound for many of the landed gentry to re-evaluate their large estates and adapt their livelihood and investment to the new era – and many did so. However, what Massey and Catalano discovered was that a surprisingly large part of Great Britain in the 1970s was still owned by the same families that had remained there since before the entry of modern industry. These families’ main reason behind doing so was that:

Land for this group is not one sector of investment, like any other, chosen simply on the basis of its potential economic return, and with no commitment beyond that. […] the ownership of land is an integral part of a wider role, in which considerations other than ‘return of investment’ are of real importance. (Massey & Catalano, 1978, p. 66).

In other words, for this group, to sell land was to change their social role, and thus their identity. To paraphrase Massey and Catalano: These owners are what they are because they own land, not the other way around. In the same manner, this category of landowners does not tend to increase their numbers, as this role includes an identification with a hereditary family tradition, as conservative owners of large estates. In modern society, this group has had to adapt to new conditions to keep the land they own, such as employing labour to work the land rather than leasing it to self-sufficient, rent-paying tenants.

Because of the nature of former landed property, there is a moral dilemma within the greater role of this type of landownership. A dilemma which often stands in direct conflict with the economic reality of a capitalist society. By using the church and its estate to exemplify this dilemma, Massey and Catalano demonstrated how the identification with the landowning role could actively bring about severe economic problems for these types of owners.

27 Or in the case when the land in question belonged to the church, a religious identity as a landowner, being God’s steward on earth.
The church of Great Britain was not able to increase rent sufficiently due to its self-image as a non-profit actor. Nevertheless, the economic reality of caring for and maintaining its estate came at increased costs. Consequently, the church instead felt forced to await land value increases to sell off land assets at a profit to afford the continuous necessary renovations and restoration projects needed to uphold their larger role in society. Massey and Catalano identified a similar predicament among the landed gentry, who had not been able to convert their land wealth into a functioning business model within capitalism. They instead found themselves stuck between their family legacy as long-term landowners, and the non-sentimental nature of modern economic reality.

Both these examples demonstrate that former landed property landowners would rather act economically unfavourably than to change the identification with their social role. A role that is deeply connected to the land they own and thus affecting how that land is managed. To them, it is not simply about owning the land, because that landownership contains a meaning, a history, a responsibility. The church could not increase land rents, because they regarded that as contradicting who they were. Likewise, the landed nobility struggling to maintain their estates intact arguably saw the alternative of putting the land up for sale as a loss of family identity and a betrayal of both historic family figures and future generations.

2.2.2 Industrial landownership

The decoupling between land and production increased as agriculture decreased its importance in relation to economic growth, and with the industrialisation process, a second type of landowner emerged in Great Britain. This type of landowner was more interested in the return of surplus value than of land as such and therefore invested in industrial production.

Nevertheless, factories still required land for their construction, and this land needed to be in close proximity to infrastructure, labour and energy. These are all external factors which tend to increase land value, and as the productive investments increased, so did the land rent these producers had to pay to the landowners. Landowners who saw a chance to improve their income. It did not take long for many industrialists to reach the conclusion that it was better to own the land themselves, to avoid having to share their surplus value with an external landowner. The fact that an industrial factory was costly, and a relatively permanent construction, made this decision easier.

This category of landowners, industrial landowners, thus owned land only because it became necessary for them to do so to uphold their main activity. It was industrial production that was their source of income, not the land, as for the old nobility. Instead, they owned the land to ensure that they did not have to share this income with external actors. ‘The economic relation to landownership is consequently dominated by considerations of the relevance of
particular characteristics of land to the process of production’ (Massey & Catalano, 1978, p. 67).

To own land, in this case, becomes a solid investment since the development of a factory will almost automatically increase the land value anyway, which would provide the industrial landowners with a profit in case of a future sale. It is not because of the expectation to sell the land at a profit in the future that the industrial landowner owns land. Instead, the present profit forms the basis for their decision.

In classical economic theory, the capitalist captures the surplus value produced by labour, and then appropriates it as profit when selling the produced goods. However, the capitalists cannot keep the profit for themselves, as the landowner will try to collect as much as possible of it as rent. This forms the basis for the conflict between capital and land, and it is the system of private landownership through legislation that enables the landowner to capture a part of the producer’s profit as rent (Marx, 1978 [1894]). A strategically located parcel of land will increase rent along with competing interests. According to Harvey, this gives rent an equalising function, as it will capture the excess profit made by having a locational advantage for production and thus level the playing field among capitalists, encouraging innovation and development (2018 [1982]).

For industrial landowners, this means that: ‘landownership is much more of an operational part of its main economic activity. […] in this way it has not removed the contradiction between production and landownership, but internalised that contradiction within the structure of its own activities’ (Massey & Catalano, 1978, pp. 112-113). By purchasing land, making themselves the capitalists and the landowners, they are not able to eliminate the dichotomy between rent and profit, but rather, they internalise it as the industrial landowner captures them both.

Through their purchase of land, however, another issue emerges. Because, as production increases, so does the land value and the rent that might have been possible to capture to a larger extent by another type of land use. The landowner must therefore constantly improve the industrial activity output so that it continues to be greater than the possible rent. If not always improving,

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28 During the beginning of the 19th century, a number of economists who would later be recognised under the umbrella term classical economists further developed the ideas of Adam Smith. Ricardo, J. S Mill, Say and Malthus are often said to belong to this group, and the release of Das Kapital by Marx in 1867 marks the end of their era. To include Marx in this group is debatable since Marx himself coined the term to distance himself from these economists (Robbins, 1973[1955]). Nevertheless, I, as others, include him on the basis of their common interest in ‘wealth creation and distribution’ (Staley, 1989).

29 In Marxist theory, surplus value is the proportion of revenue of production captured by the capitalist that does not accrue to labour as wages or the purchase of necessary materials and other means of production (Harvey, The Limits to Capital, 2018 [1982]).
the effect would be as ‘stealing’ potential income from themselves, as they would gain more by selling their property and land.

In comparison to the category of former landed property, which had little to no profit-seeking motives behind owning land, this means that the industrial landowner is clearly profit-seeking, but not necessarily in relation to land. At least as long as the difference between the industrial profit and potential land rent does not increase too much. Their investment in industrial construction does bind the industrial landowner to the land to some extent, but it is only the profit margin of production that determines the value of land to them.

In addition, the industrial landowner is indirectly affected by rent increases on surrounding land, as industrial production is dependent on access to labour. Increases in rent affect housing costs, and therefore also the cost of labour for industrial landowners. The industrial landowner does not have the same identity or moral conflict in relation to their role as landowners, as the rationale behind the former landed property. This explains why, when the cost of labour or difference between profit margins and potential rent becomes too great, moving production to seek higher profit margins is regarded as a viable option.

Massey and Catalano wrote about this landownership rationale in the midst of overseas transfer and outsourcing of industry in post-war Britain. Because of that context, it is easy to acknowledge the contrast between industrial landowners and former landed property owners who, facing economic problems still refused to sell their land. Industrial landowners, in comparison, seem much more market-oriented, profit-driven, and they were and still are. However, as pointed out by Adams et al. (2001), the industrial landowner is always first and foremost, concerned with production output. This means that they would always choose to hold on to their land, presented with a profitable offer to sell, if selling would in any way hamper production. This behaviour might be one explanation as to why most of the production that went overseas at that time comprised unskilled manufacturing, because of the comparative facility of finding suitable replacement labour force that would uphold the speed of production.

2.2.3 Financial landownership

The inflation after the Second World War meant an increase in the profit of assets, which were not related to their productive output. Consequently, capi-

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30 Here, rent is used in its strict economic definition and should not be confused with how it is commonly used as the payment between landlord and tenant for the leasing of an apartment. Economic rent makes up a part of this lease agreement, but the work a landlord charges to maintain or improve a building does not count as rent in the economic sense.
tal investments in land became an attractive option for those who saw diminishing returns in the sphere of production. Furthermore, with the reconstruction of European cities, there were investment opportunities for land related development that caught the attention of financial actors. Economic stimulation packages amplified the trend. In the British context, in which Massey and Catalano conducted their research, land investments had become attractive to a range of new players, such as pension funds and insurance companies.

What characterised this third group of landowners, financial landowners, was that they were interested in sound investment opportunities, and the economic situation in Great Britain had made land into an ideal one at that.

The specialization of property companies in landownership and development has led to a double-sided economic relationship to land. Not only are property companies dependent on land as a source of income, but also they use it as backing to acquire finance in order to expand. Freehold ownership of land is particularly vital to this second, financial relationship with land. Buildings and leaseholds depreciate over time, but land will normally appreciate in value. (Massey & Catalano, 1978, p. 138)

The whole business model of this third category of landowners built on the continuous increase of land value and rent. Without this land value increase, the whole model would fail. In many ways, this shift in economic behaviour analysed by Massey and Catalano was part of what would later be categorised as the beginning of modern large-scale financialization.

Financialization is an economic trend in which the finance and credit markets have become the main determiner of what counts as sound investments (Gunnoe, 2014; Haila, 2016; Mader, Mertens, & van der Zwan, 2020). Today, the financialization of land has created a land market in which private equity firms and hedge funds can use their financial advantage and access to credit to force their rentier interest upon both local state actors as well as on private developers and firms (Weber, 2010; Fainstein, 2016). Land has for these actors completed the transformation into a financial asset, which enables it to ‘move freely’ through the world when in its credit form. Many of the most prominent financial actors are global landowners, with global strategies, as it is only from their global zoomed-out perspective that land is possible to treat like any other commodity. The unique features of land are apparently only possible to disregard on the largest global scale. For smaller actors, bound by local conditions, land maintains the same resistance of commodification. However, when smaller landowners compete with global financial landowners, they might not be able to afford to treat land differently than their competitive global counterparts – explaining the increased tendency of all actors to treat land as a financial asset.

To Massey and Catalano, the financial landowners they studied showed a resemblance to the former landed property type, in that land essentially became everything to them. Not only was the source of rent their income, but
the land that they owned carried with it its own source of expansion, as these landowners used the land as collateral for credit. They then used the retrieved land rent to pay off interest. One large difference, however, was that this type of landowner clearly had a profit motive, and therefore had more in common with the industrial type.

The third type, financial ownership, is, like the second, a form of landownership more directly a product of the already dominant capitalist mode of production. Unlike the case with the second type, however, this is landownership ‘as such’; it is distinguished from that of former landed property by the fact that it operates completely within capitalist terms. By this is meant simply that land (and property) ownership is here just another sector to invest in (Massey & Catalano, 1978, p. 67).

According to Massey (1980), financial landownership is the most common type of landownership within advanced capitalist countries and highlighted as the ideal type by society. At the same time, this type of ownership has regularly struggled with defending the value it brings to society in justifying its existence. This is mostly because it does not necessarily produce anything on the land it holds, which stands in stark contrast to industrial landownership, and neither does it have the historical relation to the land that would advocate for a responsible long-term engagement, such as in the former landed property (Massey & Catalano, 1978). No matter the resemblance, these types of landowners are not the same feudal landowners of the past or industrial capitalists. They are capitalist rentiers, controlling both land and capital.

Instead, the financial landownership rationale has found the argument for its justification elsewhere: In its ability to access money capital for further investment and expansion, something that historically has proved difficult to achieve for the other two forms of landownership (Massey in Christophers et al. 2018). For stagnating economies in the 21st century, access to credit has become essential to uphold consumer and investment patterns (Graeber, 2011; Jessop, 2015), making this a highly valid justification.

While the second category of landowners regarded the ownership of land as a necessary part of their ‘real’ job, the rationale for financial landownership is not even necessarily interested in what the land is used for. As long as land remains a sound monetary investment relative to other investment opportunities, it will attract this type of owner. Notably, since land is never a bad investment in the long run, and therefore seldom loses the interest of capital, this results in perpetually increasing land values, which function as a self-fulfilling prophecy. Moreover, this means that the moment a better investment alternative emerges, this type of landowner will sell, as they have no other commitment than profiting from their land. Evidently, as this was their reason for owning land in the first place.
2.2.4 Landownership in its heterogenous forms

The idea that owners can have different relations to their possessions is not an original concept by Massey and Catalano. It has as long a history as private property itself. However, by centring on land and the specific nature of this relationship, Massey and Catalano did contribute to new understandings of land as property relations and its role in the accumulation process. The idea of a homogenous landowner class could never fully explain the role land plays in political economy, and the work of Massey and Catalano opened the door to a more nuanced understanding of landownership rationales.

Surprisingly, the work of Massey and Catalano is seldom mentioned other than as a reference to historical research on land and rent, especially outside of the British context. Obviously, from the point of this thesis, I believe this to be an unfortunate oversight. To not use and develop the analytical tool they provided would be similar to treating all wage labourers as having the same goals and aspirations, not acknowledging the vast differences that exist between people in the workforce, or as not recognising the differences between hedge finance and industrial capital. Yet, that is precisely what has happened.

According to Massey and Catalano, there are three types of landowners who have three different types of relations to land. This distinction of ownership rationale is not always easily distinguished, and it is possible for them to exist simultaneously. They often overlap, which can cause confusion, but to Massey and Catalano, this overlap only strengthens their argument.

Such overlap, however, only reinforces the validity of the main criterion used to distinguish the three groups. For even where the groups appear to be involved in exactly the same activities, the structure in which they occur is different, and this produced clear effects on the real nature of the activity and on its relation to, and the contradiction it produces within, the overall economy. (Massey & Catalano, 1978, pp. 63-64).

The contradictions they mention are the main reasons for why structural shifts in landownership rationale occur. When the existing type of landownership restricts the accumulation process in a significant way, capital will attempt to access new ways of reorganising society.

Capital and land are contradictory factors of production, in the sense that capital seeks mobility, while land, as its opposite, is fixed in place (Stephens, 2003). Consequently, when capital tries to reorganise land, their interests often collide. As Harvey has for so long insisted (2018 [1982]), this struggle between capital and land shapes the physical structures of our societies. Capital will construct what it needs at a particular moment, and then move on to the next thing, but the permanence of land transformed by capital will act as a barrier for capital’s later stage of development in that place. When capital must navigate old buildings and legal postulates, it forces capital to conform.
Because of this, all cities are built in layers that provide forms of path-dependencies (Bryson, Mulhall, Song, & Kenny, 2017).

What becomes important then for understanding how this process is played out is the role that land plays in the accumulation process at a particular place and time. Another way to formulate this, since land has no agency in itself, is that as societal relations change, so will the role assigned to the controlled surroundings. In a society built on private property, in which the value of owning land is related to its potential rent in relation to other alternatives, a change in rent will affect the treatment of land. However, this tendency is not deterministically a given. Massey and Catalano instead argued that it is important to recognise that the purpose for owning land plays an essential part in its actual treatment. Thus, the way landowners see land, their relation to land, and the purpose for which they possess it, is fundamental to how the land is used to build society. It is not only about who owns the land, but equally what that ownership means and for what purpose it exists. The proof of this can be found everywhere that, in today’s economic climate, still resists treating land as financial landowners would, even though this type is clearly preferred and encouraged in today’s version of the capitalist system.

Related to this conclusion, but less discussed, is the fact that many acres around the world are owned by public entities, supposedly serving the interest of the many instead of individual owners. Therefore, the next session will turn away from private landownership and instead expand upon the ideas of Massey and Catalano from the standpoint of publicly owned land.

2.3 When land is owned publicly

Most countries have various forms of public landownership, with the objective of ensuring the preservation of nature reserves, to oversee the exploitation of natural resources, secure control over important infrastructural development, or to incentivise the construction of affordable housing. For local planners and public authorities in general, working towards ambitious policy goals to improve urban environments can be tough without access to publicly owned land. Owning the land in the initial state of planning comes with both power and profit; the power to affect future plans and development, and the profit from increasing land values. Because of the power that comes with landownership, most public authorities find that legislative tools alone are not enough.

In many ways, public landownership is seen as the opposite of private ownership, with the additional purpose of securing ways to counter the negative effects of privately owned land. This interpretation of public landownership, however, runs the risk of becoming just as one-dimensional as the analysis on private landownership rationale before Massey and Catalano. In the same way as they demonstrated the valuable insights gained from acknowledging that
landowners come in various shapes and forms to fully grasp the dynamics of
landownership, the public landowner role needs its own subdivision.

Massey began the work of doing so in one article, *The pattern of landown-
ership and its implications for policy* (1980). What she observed was that the
rationale behind public landownership tended to mirror the private type in dif-
ferent ways, often developing as a direct response to how private land was
treated. This mirroring could be seen historically, such as common land re-
ducing the worst effects of poverty among the British landless;\(^{31}\) or the state
taking on landownership for the development of railways or other high-risk
larger investment projects shunned by private capital but still necessary for
development. Massey even pointed to the public land assets of capitalist cities
used to maximise the rate of return for the pockets of public authorities, as the
modern example of such a mirroring.

These observations led Massey to conclude that: ‘Public landownership can
take as many forms as private. It is not enough just to allow local authorities
to own land; they also have to be enabled to behave as socially conscious
landowners’ (Massey, 1980, p. 270). When following Massey’s observations,
it becomes evident that to evaluate the potential of public landownership in
society, it is essential to not only analyse the legal and economic system they
act within. It is just as important to grasp what that ownership *means* to those
in charge of managing public land. Or to use Massey’s own words again:

> Many of our urban problems cannot be tackled without some form of shift from
private to public ownership. But a simple change in ownership is not enough.
It will be necessary also to ensure that public ownership means something dif-
erent from private ownership; that it is a different, and social, form of owner-
ship (Massey, 1980, p. 270).

Massey and Catalano developed their theory of landownership relation as an
instrument to analyse private landownership in Great Britain during a certain
economic shift in a very specific context. By remodelling their concept into
more generalised terms, they can be applied to other conditions than the Brit-
ish. When working with the empirical material for the thesis, a similar pattern
to the one found by the two emerged. While the owner being Swedish public
entities did, of course, change the context of the framework for landownership,
the nature of that ownership still held a resemblance to the findings of Massey
and Catalano.

The category of former landed property, as an example, is at its core mainly
the role of land as a definition of identity, in the sense that the land and how

\(^{31}\) Common land, or the ‘commons’, refers to a type of British hinterland and open fields to
which commoners had free access before their enclosure in the early 18\(^{th}\) century. The land was
used as an important means of subsistence, necessary for the landless and a complement to the
poor wages of the working class (Christophers, 2018).
it is used directly reflects the owner’s role and responsibility in society. Industrial landownership on the other hand, regards land as an instrument to achieve another objective, such as the production of goods and services. To the financial landowners, land is merely a strategic asset of investment. The same land, the same plot, thus plays a different role in relation to its owners.

The adaptation of these concepts to better fit the rationales of public landownership more generally requires a renaming of them. The reason for this is that the names given by Massey and Catalano fixate them in time and to a specific type of actor. I hope that this will contribute to a more nuanced understanding of these landownership rationales, and better demonstrate their potential as a more general instrument for analysis of the management of public land and urban development.

Consequently, the study translates the category of former landed property to moral landownership, industrial landownership into productive landownership and finally, financial landownership has been translated into the rationale for investment landownership. These are the names that will be used throughout the rest of this thesis, and the following sections will cover their definitions.

2.3.1 Moral landownership

Whilst the category of former landed property previously built on the relation between tenant and nobility, the moral landownership rationale in a similar manner builds on the relation between citizens and municipalities. Needless to say, this relation is not a rent relation as in the case of its predecessor. Instead, it is a relation stemming from perceived political responsibility. It assumes that public actors have obligations towards their citizens, and that one of these obligations is to counter the negative consequences of land value increment for landless citizens. Like former landed property, it, in essence, builds on a notion of guardianship.

The term moral in this case stems in part from the often-had discussion related to the communal nature of land and about its value increase being unearned. This is a discussion that goes back over three centuries and is related to rent and the inherent features of land and its externalities (Blaug, 2000). Since land value could increase without the owner making any endeavour to

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32 One additional reason for changing the term financial landownership has been to reduce the risk of confusing this type with the discussion of financialization on land. Public land clearly has a connection to financialization. As recently argued by Belotti and Arbaci, public land has been crucial for attracting financial investments into other parts of the housing sector (2021). Nevertheless, the connection between financialization and public land is less blatant than the connection to private land, mainly because of the nature of public ownership.

33 Or other types of governing bodies, depending on the geographical and administrative scale.

34 Although, I guess, some would argue that local taxes could be regarded as a form of rent collection.
improve development, land values could be said to be created collectively rather than individually. The argument being that if these values are created collectively, then they should accrue to the collective, not to the individual. The collective could capture the land value increase, either through taxation, or through land being held under public ownership. Landowning public authorities, who count as moral landowners, either explicitly or implicitly, hold similar beliefs to this notion of land value.

One example of this can be found in public infrastructure development when the land is owned privately. Public infrastructural development is regarded as beneficial for the private landowners themselves, which makes them more inclined to participate as co-financiers. Yet, as discussed by van der Krabben and Needham (2008), even in a successful cooperation, where the private owners willingly take on parts of the financial burden and risk, public authorities will make a relative loss in relation to how it would have been if they owned the land themselves. Development projects often agree to share the costs, not the winnings, because there is a limit to the legislative possibilities of regulating to whom the collectively created value should accrue. Furthermore, even if private actors would agree to share some of the gains from increased land values, from a long-term perspective, the public authorities would still be at a loss. This loss comes as a result of the inherent features of land and its value and makes up an important part of why public landowners acting under the moral rationale will seek to own the land themselves. Public infrastructure investment increases the value of the land, and if the land is owned publicly, then that increase could make the project partly ‘finance itself’ (Haila, 2016).

The moral landowner regards accessibility to land (leased or owned), as a necessary factor of reproduction as well as production, in the sense that land is a necessary condition for everyday life outside of work and trade. Therefore, this type of landowner adheres to the notion that it is the moral obligation of a public authority to address at least some of the injustices created by the economic system of private landownership and land monopoly. Because of this, the moral landowner identifies themself as an actor who is separate from the

35 Variations of land value taxation have been brought forward by Mill, Marshall, Friedman, Krugman and Stiglitz, to name a few (Gunnison Brown, 1943; Backhous, 1997). Its most famous advocate was the 19th century writer Henry George (1879) who argued for a single tax solution which would replace all other taxes. The alternative of taxation becomes the most popular during times where landownership is concentrated among a few large owners and decreases in popularity when ownership is more evenly spread out among the population (Linklater, 2013).

36 As argued, for example, by Massey and Catalano themselves, along with many other Marxist researchers. However, it has not only been Marxists who have argued for land nationalisation. The most famous example being Walras, who argued that it was the only way to counter the monopolistic tendencies of private landownership, which hampered market development and competition (Foldvary, 2008).
regular market and actively reflects on these differences in objectives and scope.

This separation is not only a part of their identity as a landowner, but more importantly, their main justification for its existence. It reflects the older character of former landed property, in the sense that the nobility and the church of feudal societies saw themselves as separate from the rest of society. In the same way, moral landowners regard their landowning role as essential to achieve a better land market and just society, something they believe the private market could never handle on its own. The key here is the word ‘never’ because this type of landowner does not consider the failure of private land markets to be a temporary problem, or a problem that would disappear with the right legislative instruments.

Their visionary approach is what enables this type of public landowner to maintain a long-time perspective, like that of former landed property owners. However, their focus on the moral means less focus on pragmatic solutions. Their long-term goals are often characterised by strong ideological principles. At the same time, this type of public landowner prefers stability and gradual development over radical change. This means that at the same time as they seek long-term solutions that are great in scope, in practice, these solutions are often too small to lead to any significant change.

When faced with harsh economic reality, the former landed property type often made decisions that sometimes would be unprofitable, to enable them to maintain their land and societal role. In the same manner, the public landowner of the moral type often makes decisions that in the short-term might cause concern, from the standpoint of financial accounting and the municipal budget. Often, however, the moral landowner will justify these decisions by claiming that their land management will lead to unmeasurable societal benefits over time.

2.3.2 Productive landownership

The rationale for productive landownership is much more pragmatic and goal oriented than its moral peer. As its predecessor industrial ownership, productive landownership values land based on its role in other activities that are deemed important. From the perspective of local authorities in urban regions, one of their main assignments is related to the planning and construction of housing. Productive landownership acknowledges the value of owning land publicly to see that their objectives are met. This form of landownership seeks to control the built environment. While the moral landownership rationale viewed legislation as an insufficient means to capture land value increases and control development, productive landownership instead sees the necessity of owning land if the legislative changes do not improve production output enough.
The choice of the word productive derives from the idea of land being a necessary factor of production. Just as for industrial landownership, this type is not interested primarily in the land. Instead, it instrumentally regards land as a theatrical scene upon which the real forces of production, capital and labour play their parts. The purpose of public land then, becomes to ensure that these forces of production, which meet in the process of housing production, can continue unhindered.

In many ways, buildings are the perfect second-hand goods; they are durable, convertible, and re-sellable. However, this also means that when it comes to new construction, each new project increases the risk of not being profitable, since it always must compete with the already existing stock. Therefore, most cities never reach construction levels of new housing that exceed 2–3% of the total sum (Angel, 2000). A common misconception about housing prices is that they represent a reflection of the quality of housing and that what drives them is a shortage of housing in attractive areas. On the contrary, as demonstrated by Knoll et al. up to 80% of housing prices today can be traced back to the cost of land (2017). Thus, when the value of a house increases, it is the value of the land that has increased, nothing new has been produced. Instead, what has happened is a reallocation of resources, which shifts capital from productive sectors to cover up for increased housing costs. This tendency is actively demonstrated by the fact that a housing shortage tends to decrease innovation of construction, since innovation is a risk. As argued by Ryan-Collins et al. (2017), the increasing land prices will often lead to a decreased quality of housing and increased density when developers try to break even.

For productive landowners, this becomes their main justification for public intervention in the land market, because public landownership can incentivise increased production from a more holistic perspective in a manner that the private market cannot. It is not that the public land market is regarded as separate from the private, as in moral landownership. Productive owners acknowledge that public actors always react to changes in the private market, either when the land is sold, when it is bought, or when it is leased (Needham, 1992). However, public landowners can be more proactive when it comes to housing development, because private actors put their land up for sale when the ‘price is right’, which, as argued by Rajack (2009), is always more related to effective demand than actual housing needs.

Golland and Boealhower have discussed how public landowners can actively contribute to stabilising the economy, all while housing those in society who would be affected the most by an economic downturn (2002). A public landowner driven by a productive rationale will always put production numbers first, and can use their approach to create strategies for allocation of land

37 Furthermore, this explains why housing costs are more dependent on the total supply of housing than the supply of the newly constructed, as discussed by Needham and Verhage (1998).
specifically to affordable or social housing as a response to changes in unemployment or interest rates.

This productive relation to land has further implications, as it becomes a relation based on necessity and therefore easy to break off if that necessity should change or disappear. To put it simply, the focus on production means that there is an intended end goal that can be met, and that there is no inherent long-term engagement in the ownership as such. In fact, for this type of public landowner, if the private sector had no difficulties in supplying housing, there would be no need for public actors to own land at all. Productive landownership, in other words, lacks the generational understanding of landownership that characterises the moral rationale; it does not have the same ideological basis for its intervention in the land market.

At the same time, the productive landowner is often willing to take on a great amount of risk and maintain its landownership through market fluctuations if they perceive their production numbers being threatened by privatisation. In fact, housing policies need to be long-term and cover large areas to have any real impact on production, because they do so by having a standardised effect on the overall market, something which can take decades due to long turn-over times in real estate (Needham & Verhage, 1998). This means that depending on demographic changes and investment interests in the housing sector by private actors, the productive landowners can at times show some of the most aggressive land grabbing tendencies, using every means necessary to ensure that production continues. Their intervention, as an example of this, often depends on the possibility of purchasing land cheaply through expropriation or strategic acquisition of raw land (Ryan-Collins, Lloyd, & Macfarlane, 2017).

The goal-oriented nature of productive landownership sometimes runs the risk of creating unforeseen consequences, as its pragmatism can create ripple effects in other sectors. This landownership rationale is not as concerned about what happens when the end goal is met; instead, it has a more project-based time perspective. This means that if they would meet their quota, it might lead to a power or production vacuum afterwards, in the sense that the productive landowner solved their perceived problem and by that now consider themselves done. As such, the knowledge infrastructure and land assets, or organisational change that had built up the structure surrounding their original production plan runs the risk of being dismantled. Consequently, the next time a situation occurs that requires a similar approach to public land, the local authorities might find themselves needing to start from scratch.

2.3.3 Investment landownership

Finally, investment landownership. Massey considered its progenitor, financial ownership, the dominant one in capitalist cities and the only one to regard land as purely an asset from which to maximise profit. While Massey and
Catalano focused on the treatment of land by financial firms and pension funds, the rationale for investment landownership takes on a broader scope that is not as bound to fluctuations in the stock market. Instead, from the perspective of local landowning authorities, it often builds on the heritage from previous moral and productive rationales, since those rationales provided the authorities with a land bank to draw from in the first place.

Investment, in this case, becomes the term to describe both the monetary value possible to draw from land, and the idea that land is interchangeable with other types of investment opportunities. This view of land clearly separates this rationale from the previously described, because the other two definitely saw public landownership as a special type of ownership. Land then, within this rationale, loses its status as a unique and necessary factor of production. Like financial landownership, land for investment landowners becomes a commodity among others, albeit with certain characteristics. To hold on to land, in the face of alternatives with a better rate of return becomes illogical, especially if you are a public authority responsible for carefully managing the assets of your citizens in the municipal budget.

In a similar manner to how financial landowners recognise their main responsibility as being to their shareholders, investment landowners see management and improvement of the assets of their citizens as their main job. This type of landowner feels a strong commitment to their tax-paying citizens, and often does not want to take an active approach to increasing their land bank if that would clash with other budgetary interests.

In the long term, investments in land are probably among the safest investments there are. However, as with all assets, there are fluctuations in the market and investments always come at a risk. To purchase new land on credit is a risk, and yesterday’s growth regions can become the next de-populated areas due to unforeseen demographic or economic changes. Furthermore, interest rates can change, and other areas of maintenance might need those funds immediately, and periods between land acquisitions and land development are often decades apart even under the best of circumstances. Taking all this into account, for many public actors, the timeframes are too far to lock up that amount of funding. Most public authorities do not have extra funding lying around and allocating taxpayer money always comes with alternative costs. Not to mention how short the public’s memory can be at elections, which is also a risk to consider, especially for this type of landowner, who is much more concerned with the shorter time frame than the previous two. The investment landowner, in many aspects, is a risk-calculating actor, and due to their responsibility towards their citizens, they take it upon themselves to decrease the budgetary risk factors as they see it.

Urban land holds enormous values, and as development increases, so do these values. Different from the other two types, the investment type of landowner does not necessarily see land value increases as a problem. Often, they
instead regard increasing land values as a positive receipt on their land approach. At the very least, they are a sign that the value of the public assets is growing as well, thus simultaneously increasing both the actors’ financial solidity and the potential return at a future sale.

To increase the value of their assets, the investment-oriented landowner might even develop strategies to push land prices further or develop new instruments to capture these values. As argued by Mazzucato (2019), a speculative behaviour of a public actor becomes more common in political cultures where public authorities see themselves as ‘facilitators’ of a market system, rather than co-creators or interveners. For investment landowners, this is often the case, as they do not regard the land market as something that automatically creates injustice or runs the risk of being unproductive. Instead, they see it as part of their role as a public authority to improve this market through eliminating problems that might derive from public regulation and other artificially created boundaries on said market. To create a better estimation of the market price, investment landowners often seek to increase competitions among developers and other actors, as well as encourage small landowners to partake. Likewise, the increase in land values should not be controlled by public authorities, but rather be met with proposals for increased rental allowances for those unable to afford the increasing prices.

The assetisation of land is what often leads investment landowners to regard their land bank as a perfect collateral for debt. By using the land as security, they can finance other, more urgent investment projects. As described by Clark in the Scottish case (1981), the temptation for local public actors to sell increases with the increased value of land when money is tight. Many local authorities struggle to finance necessary investments and therefore rely on different credit institutes to maintain their fiscal responsibility. If these public actors are in possession of public land, then that land becomes an attractive source to tap from to address these problems; either as collateral for debt, or as an asset to sell to pay off interest of improved solidity.

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38 For more on this, see e.g. Bröthaler et al. (2015), Omstedt (2020), or Schnitzler (2017).
### 2.4 The value of a different approach to public landownership

There are many arguments as to why land and landownership more often should be the point of departure for research to increase the understanding of urban development. This chapter has presented some of those arguments, with a focus on understanding the landowner specifically. There is a reason for why land and real estate make such an attractive investment sector. Land is not only the original factor of production but also the original storage of production values, and thus the largest measurement of future possible wealth. This means that whether the economy is in an up-swing or down-turn, those who own land will have a better starting position than those who do not. Public land makes no exception to this rule and becomes one of the few key elements to enable a more just distribution of a finite resource.

To own land, either publicly or privately, means the control of both future land rent and future land use. Additionally, since land is so entangled in all aspects of society, power over land gives the owner great political influence. The power of landownership is thus threefold: It is a reflection of a social role, it gives the owner power over a necessary factor of production, and it provides the owner with a valuable economic asset. Each landownership rationale plays into one of these types of powers related to landownership. However, while
one rationale might be more prominent in a case, they do often overlap, since the ownership includes all three types of power dynamic. The overlap is not to be considered a reason to disregard the value of working with the framework of distinctive landownership rationale. In the words of Massey:

These distinctions are important because different types of landownership will have different implications, both for the wider economic and social system and, consequently, for the ability to plan according to socially-useful goals (Massey, 1980, p. 268).

In most countries, national legislation regulates local conditions, while local authorities largely are the responsible actors for land banking and urban development. This creates an interesting dynamic where local authorities can be dominated by one type of landownership rationale simultaneously, as another is promoted at the national level. Additionally, global economic and political shifts affect both national and local conditions. Through accepting the notion that decision makers’ treatment of land is heavily influenced by how they perceive their role as landowners, a door opens to further exploration and possible explanations for why local government acting under similar legal conditions can demonstrate such different outcomes in their management of land and housing.

To depart from the diversification that Massey and Catalano began to develop in the 1970s, puts the focus on specifically public landowners. It creates an opening towards other ways of dealing with both national and local approaches to land and housing, while still recognising the capitalist and legal context in which these public authorities act.

The value of looking at public land through the lens of landownership rationales is that it demonstrates that the treatment of land is not deterministically locked into the economic system in which its actors operate. Instead, land as a necessary condition for all types of economic accumulation holds the potential of either advancing the interests of global capital, or countering certain aspects of the dominating economic regime. The constructing of this approach leads to new insights that in turn facilitate future analysis on municipal land management. I hope that this will enrich the relational interpretations between land and landowner, between citizens and authorities, and between public and private interests.
Apart from the importance of transparency of methods when conducting research, the methods chapter plays an essential role when explaining the more abstract epistemological interpretations of the study. In this case, how theoretical concepts about landownership rationale translate into a choice of methods and data collection to convey the role public land plays in Swedish municipalities.

The chapter is organised chronologically, in the order of how the different parts of the study came about. Most of the data gathering for the thesis was done between the years of 2016 and 2019. The study builds on the analysis of mainly three types of empirical materials: semi-structured interviews, the analysis of Swedish Government Official Reports [Statens Offentliga Utredningar] (henceforth SOU), and to some extent newspaper articles.

The interviews with political representatives and the historical document analysis have contributed twofold to the aim of the study. They have provided the empirical foundation for the answer to the first research question, about how public authorities think about and rationalise land and the role of public landowners, as well as significantly contributed to the theoretical development of the framework of landownership rationales. The development of landownership rationales, in turn, is integral to the second research question concerned with how this framework can work to interpret the challenges and opportunities of different approaches to public land and housing.

3.1 A selection of places: Case study research through interviews

The study began as a case study of land allocation\textsuperscript{39} practices among different Swedish municipalities. Back in 2015, a new legislation had just been passed

\textsuperscript{39} The concept of ‘land allocation’ refers to a practice where the state allocates land for a certain purpose, and the process often entails specific demands in a regulated distribution process. In the thesis, land allocation is used for all types of municipal distribution of land for development, including both land that is sold as well as leased. This mirrors the Swedish term markanvisning, used in both types of public land allocation.
that demanded landowning municipalities to increase the transparency regarding how their land was allocated, priced, and on what grounds. As I began the PhD programme in 2016, the ambition was to understand how and if municipalities would change their land allocation strategies in relation to the new legislation. Soon the study headed in a different direction, because of the findings in an initial pre-study done for the Stockholm commission for social sustainability [Kommissionen för ett social hållbart Stockholm].

One of the main findings of this shorter study was a great variety of how municipalities interpreted the legislation surrounding public land, and how that influenced the kind of land allocation strategy that the respective municipalities came to develop. The approach of the thesis developed in response to those findings, concerned with why municipalities saw it fit to act so differently from one another in relation to public land and housing.

To understand the whole of anything, it is necessary to comprehend the pattern that makes up the pieces, and case study research enables the researcher to investigate the intricacy of a problem during a certain period (Yin, 2014). As such, the empirical base for the thesis builds on an explorative, qualitative, collective case study, in which the Swedish planning and management of publicly owned land are investigated.

A case study can be considered as more of a strategy than a method, and as pointed out by Robson and MaCartan (2016), it has therefore often faced criticism from more conservative research traditions, who believe this to mean that the strategy lacks possibilities for theory development. This belief has been highly contested by Flyvbjerg (2006), as a pure misinterpretation of case study research, and in the thesis, the case areas have been crucial for theory development. According to Groat, the use of explorative case study research becomes extra valuable when analysing the meaning-making processes of a situation or a concept, because it aids the researcher in the understanding of how people in real-world situations ‘make sense’ of their environment and themselves (2002, p. 179). As the thesis is concerned with exactly such meaning-making processes, as in how public authorities understand their role as landowners, the use of case study research is appropriate. Additionally, Massey contests the idea of case study methods being less suitable for theory development, arguing that the study of local contexts and specific cases are not more or less useful for theorisation than to study the global, generalised context. Instead, Massey points to the fact that broader scales always run the risk of missing out on important particularities that might affect the grander scale.

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40 As part of a larger research group, I studied the land allocation strategies of six different Swedish municipalities. These cases were chosen based on being important growth regions and/or famous for their innovative approach to public land allocations. For more see Andersson et al. (2016).
later, especially if it risks creating a global narrative in which capital always wins (1991).

The three municipalities chosen as case study areas – Stockholm, Uppsala and Örebro, are all categorised as growth regions of the type ‘larger city’ by the Swedish Association of Local Authorities and Regions [Sveriges Kommuner och Regioner], with Stockholm as the largest one of the three (SKR, 2016). Even though they have certain similarities, they were chosen mainly because of their differences, as the study sought to include municipalities that owned both plenty of land, and those that owned relatively small amounts, to see how that would influence municipal land management. Furthermore, all three municipalities, at the time of 2016, had an ongoing active discussion on land allocation strategies present in the media, which presented a rich material to draw on. Out of the 290 municipalities that Sweden has in total, the land management of these selected three cases composed the great majority of what was written regarding public land allocation in Swedish national media during the past decade.

Many other municipalities could have been included to add nuances to the study. According to the Swedish Association of Local Authorities and Regions, 21 other candidates matched the criterion of belonging to the category ‘larger city’ or more. However, none of the other potential municipalities has been getting anywhere near the attention of the selected three cases, and that includes Göteborg and Malmö, the country’s second and third largest cities following Stockholm.

With Stockholm being the capital, the fact that the city draws media attention might not come as a surprise, but Stockholm presents an interesting case in itself since the municipality owns approximately 70% of the land within its borders and used to own land in neighbouring municipalities as well. Conversely, Uppsala municipality has been drawing attention because the municipality does not own much land themselves, but it still manages to uphold an active approach to its landownership, characterised by its creativity. Finally, if there ever was such a thing as being a “celebrity” municipality, Örebro would be it among Swedish planners, who are sent there repeatedly by their respective administrations to learn from Örebro’s approach to land and planning. Overall, the three municipalities chosen for the study display a great variety in their approach to their public responsibilities as landowners.

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41 Stockholm was categorised as ‘big city A’, and the other two as ‘larger city B’.
42 Categories A1 or B3
43 Another issue that put Göteborg aside as a case was the fact that part of their public land assets is not managed directly by the local political administration but driven in corporate form through Älvstranden Utveckling.
3.1.1 Interviews

Early in the study, the decision was made to use interviews with local politicians as the main source of material for studying the case study areas and their contemporary relation to public land. The decision derived from reading Bodström’s work on public land in Stockholm and its management (1994). Bodström realised during her gathering of materials that meeting protocols, municipal strategy documents and other types of official publications did not provide her with viable information, mainly because of the tacit decision-making processes among local politicians, which largely took place outside of board meetings in informal settings, and thus never found their way into the protocols. In her thesis, Bodström, therefore, greatly emphasised the need for interview material out of purely practical reasons when working with land allocations, as that becomes the only option left for researchers trying to dig deeper.

That the only way to access relevant information came through interviews became clear early on in my own research as well, when reading through the public protocols of board meetings at various municipal land and development boards. Because the process is characterised by negotiations, it is almost impossible to capture the nuances in protocols. The protocols are short, and even when there are disagreements and the opposition writes a special utterance [särskilt yttrande], it becomes difficult to grasp the complexity of the discussion from it. This notion was further confirmed in one of the first interviews held with a local politician who described the actual board meetings as being between 10 to 15 minutes long, with the character of a completely formal procedure where nothing new was discussed as the decisions had already been made.

The use of semi-structured interviews facilitated the capturing of those nuances missing from the public protocols and became an increasingly valuable methods approach to the interviews as the study went along. As argued by a multitude of researchers, in-depth semi-structured interviews can grasp the tacit and unexpected, and enable the respondents to steer the conversation into points of discussion that the researcher might not have understood enough of the subject to ask about (Dalen, 2007; Ésaiasson, Gilljam, Oscarsson, & Wängnerud, 2012; Morris, 2015). This is especially valuable in the early stages of research. For the study, the structure of the interviews invited the respondents to reflect openly on their more tacit understandings of public land and their role as landowners.

The themes by which the interviews were organised revolved around questions on present day municipal responsibilities, budgets, the role of municipal

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44 The term ‘särskilt yttrande’, is a Swedish technical meeting term referring to a remark on the protocol of a meeting with a public board with the purpose of commenting on the decisions made.
land, housing politics and policy, municipal relations to developers, the different land allocation strategies and how these strategies developed in relation to other processes, local politics, discussion climates and relations among the local political parties along questions on internal party relations, recent changes in legislation, urban development areas, etc.

The interviews took between 45 min and two hours, depending on how much time the respondents had available and the interest they took in the discussion. They had the character of conversations, with the distinction that the respondents were asked to elaborate on their reasoning (Morris, 2015). The great majority of the interviews took place during the spring of 2018, except for some complementary interviews done in the spring of 2020.45

In Sweden, planning is a political process, since elected politicians set the goals that planners are supposed to work towards. Because of this, local political trends and changes can drastically affect development. When it comes to municipal land assets, they are managed by municipal land- and development boards that work separately but beneath the municipal councils. Therefore, the study centres on the accounts of those board members from the interviews.

At first glance, getting access to political representatives in Sweden seems easy, as their contact information is publicly displayed on the municipal websites. The year of 2018, however, happened to be an election year, which might have affected the number of representatives willing to participate in the study. As discussed by Marland and Lennox Esselment (2019), politicians seeking to be re-elected might find it difficult to talk openly in an interview situation due to worries about voters holding them accountable for unguarded comments. Regardless of whether this was the case, election years are particularly stressful for those engaged in party politics, and thus stress and lack of time could also explain the number of participants.

Related to this issue, some commentary on the ethical considerations taken is required. Even if the interviews did not include questions of any sensitive or personal character, it did clearly involve questions on political standpoints, and by choosing to interview politicians in their official role, there was no possibility of ensuring the respondents’ full anonymity. Even if the thesis only presents them with their title and party affiliation, it is relatively easy to identify them if one wanted to. This issue was discussed with all respondents during the interview, and none of the respondents expressed any distress about being named when asked about it. To be entrusted with the management of public assets creates a certain obligation to be transparent, something that they

45 Most of the interviews were held in person, but the Covid pandemic of 2020 forced the complementary interviews to be held on Zoom. Due to bad internet connection, only two out of the three interviews held in 2020 were included in the final study, as the sound quality of the third recording made it impossible to transcribe. As discussed by Irani, this is an unfortunate but common issue when it comes to videoconferencing interviews (Irani, 2019).
were all aware of. Therefore, no other effort was made to improve their anonymity. The choice to avoid using the respondents’ full names and to present them only with their titles instead stems from my own desire to avoid unnecessary possible tension, and to let their opinions speak for themselves without connection to the respondent’s personal history of statements made on other subjects.

Out of 40 contacted politicians, 46 made the choice of participating in the study, and to complement their accounts, additional interviews were conducted with public servants and retired local politicians, making up a total of 22 interviews. As there was a limited number of relevant respondents, it became important to include as many of them as possible. Bergman Blix and Wettergren have argued that when studying organisations with a limited number of key figures and respondents, respondents neglecting participation could mean that the study becomes impossible to carry out, making it increasingly important to carefully manage the contact by establishing common points of reference (2015). For the study, the most helpful strategy was to refer to the other respondents when asking for their participation, as they knew each other through their political engagement, thus performing the classic ‘snowball’ method of gathering respondents (Valentine, 2005).

The aim was to reach a full representation of respondents from all political parties to have seats in the local councils of the three cases. Unfortunately, three parties proved difficult to pursue. Two of them, the Christian Democrats (Kristdemokraterna) and the Feminist Initiative (Feministiskt Initiativ), where at the time of the data gathering part of ruling coalitions of Örebro and Stockholm. While it would have been interesting to gain their perspective, it is possible to argue that some of their political points of view have been included through the interviews with their coalition parties. However, when it comes to the third party that did not want to participate, the national-conservative Swedish Democrats (Sverigedemokraterna), the thesis completely lacks their perspective.

Often, those who work in planning are so accustomed to its different practices that they seldom reflect more profoundly on the underlying rationales that shape their decisions (Needham, 2014). During the interviews, the respondents were invited to reflect on practices they often took for granted. In a lot of research, ‘Experts are invited to tell a story, or indeed a range of stories, that the researcher then assembles into an overall narrative, drawing on other sources and theoretical debates’ (Hitchings & Latham, 2020, p. 394). In the

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46 The total sum of elected politicians working with public land management from the three case study areas at the time were 46, but 6 of them had, for unknown reasons, made the choice of not presenting their contact information publicly which is why they were never contacted.
47 The interviews are presented in Appendix B.
study however, the respondents’ relation to land and the role of public landownership, could not be told by them as such a story, since they often had not previously reflected on the value of public landownership in this manner, according to most of the respondents. As such, I interpret their answers as aspects of their landownership rationale rather than as expert opinions on technical statements. This means that while the story they told might have been informative about the technical aspects of their municipal land allocation strategies, their main contribution to the study comes from my interpretation of what that reflective account conveys about different landownership rationales.

3.2 The development and use of public landownership rationales

After an initial analysis of the transcribed interviews, a pattern began to emerge, which did not fit with my initial expectations – of finding evidence of how public land was increasingly treated by all actors as a financial asset, but instead held a resemblance to the characteristics of landowners developed by Massey and Catalano. Their work provided an intriguing lens through which to interpret what the material reflected. Nonetheless, the contextual difference between the cases made it necessary to rework their forms of landownership to fit the Swedish case, and public landownership more broadly. As such, this study was guided by an abductive approach to research, with a constant move back and forth between the empirical and theoretical material (Schwartz-Shea & Yanow, 2012). This approach allowed the varied workings of landowners under capitalism to be understood, not as anomalies to landownership under capitalism, but as integral parts to it, since the premise of Massey and Catalano enabled an understanding of how these different forms of landownership could co-exist.

By developing the old forms of private landownership rationale, the new categorisation could be used to further the understanding and insights about the material. At the same time, this parallel development and analysis of both theory and the empirical material meant that these categories did not begin as finished rationales that were afterwards applied on the material. Instead, they are pointed condensations of respondents’ accounts and historical SOUs, distilled through the theoretical work by Massey and Catalano.

The rationale for public landownership provides an engaging and intuitive narrative, and in the thesis, it serves a twofold purpose. Firstly, in chapter 4, it is used as a lens through which to retell the Swedish history of public land and

48 The interviews were all transcribed and colour coded with notes in the margins in a form of open coding (Crang, 2005).
housing, and by doing so captures its complex transformations from the perspective of landownership rationales. Secondly, in chapter 5, it demonstrates its potential for interpreting contemporary municipal land management in a nuanced way, explaining the value systems that tacitly shape the built environment.

These landownership rationales are not fixed, but constantly evolving in relation to changes. In a similar manner to how the empirical cases and historic accounts on Swedish landownership developed the original forms of landownership by Massey and Catalano, these new forms of public landownership will, if applied in future cases, adapt and evolve with them.

3.2.1 Identifying landownership rationales: coding the material

The categories of public landownership rationales are not arbitrary, and how the thesis labels different actors or time periods stem from the analysis of recurring arguments found in the source material. Arguments that demonstrate the differences among landowners, and the historical shifts between dominating rationales. The following section presents some examples of how these arguments could present themselves, explaining the systematic coding process.

To enable the analysis of the material, the first step was to identify certain key formulations, which indicated that one or another rationale was at play. Some of those formulations were relatively easy to imagine even before diving into the material. Variations in the material such as ‘society should own land to ensure a fairer distribution of resources’ could indicate that moral landownership was at play. Conversely, if the source material instead concluded that ‘we must own land to control the built environment’, then the most prominent rationale would be the productive type. The argument of ‘selling public land assets to keep the budget intact’, instead, might demonstrate that the category of investment landownership was present.

In most cases, however, the connections to the different rationales were more implicit, and thus required a more refined instrument of interpretation. Therefore, a structure of key identifiers was made within four themes found in the material: i) the public/private divide, ii) proposed changes, iii) unstated statements, and iv) outcomes.

3.2.1.1 The public/private divide as a key identifier

There has always been a political tension between the advocates for public landownership and those who would rather leave it up to the market. Whether the public should own land in the first place is a classic matter of dispute within politics. As mentioned previously, Massey argued that the arguments and rationales surrounding private landownership are mirrored in its public counterpart (1980). This means that it is not possible to identify which rationale is at play simply by looking at the amount of land owned publicly, or
by going by the political colour of the party in power. Instead, by analysing the arguments from both public landownership advocates and those who would rather find private solutions to public problems, the implicit rationale can be uncovered.

When it comes to moral landownership, those who advocate for public landownership often prefer a socialisation of land, trusting the state to better manage the land market. Those who instead favour private solutions but still recognise the problems that derive from an unregulated land market, on the other hand, much rather prefer variations on the land value captures through taxation or other means of decentralised ownership that would not hamper the sanctity of private property.

If the rationale for productive landownership is present, this conflict instead would centre around one side promoting public developers and landownership to secure control over the complete chain of production, such as a nationalisation of the whole planning and building process. While the advocates for private alternatives, instead, would argue for increased constructions incentivised by better building regulations, increased funding for construction through state guaranteed credits, or other types of incentives for construction that would affect public and private actors alike.

For investment landowners, these two sides are more concerned about what to do with capital gained from public assets. This might include one side arguing that the increased value of public land assets is necessary for investment in other important projects for public benefit, such as infrastructure, public schools, or other collective necessities. The other side, instead, might argue that the income from selling off land assets could be used to lower taxes.

3.2.1.2 Proposed changes

Another way of identifying which rationale is most prominent is to look at the proposed changes and problem formulations. What is considered a problem and why? How is this problem addressed?

Arguments to purchase land to expand the expropriation tool, to provide public actors with pre-emption rights, state loans for land acquisitions, or discussions on land value taxation and leasing agreements are all more present when moral- or productive landownership is at play. These are all proposed changes that identify the problem as related to lack of publicly owned land or lack of control over land value and land use.

However, for productive landownership, there is an additional focus on building regulations and norms, and a core focus on productive output often measured in production numbers. The moral landownership rationale might instead avoid discussing such hands-on measurements of productive output.

If the material instead showcases a strong belief in the efficiency of the mechanisms of market-pricing, and the discussions on changes to the system include ways of improving the valuation of market price, then the investment
rationale is more likely to be dominant. Another indication of investment landownership is a strong focus on ‘black numbers’ in the budget, meaning that the land assets should generate profit, something which shapes and limits the perception of possible pursuance by the public authorities. Moreover, this rationale often has an active discussion on the necessity to harness the increased land values, to ensure necessary investments are made in other sectors.

3.2.1.3 Unstated statements
It is not always possible to characterise the actions of a public landowner by only looking at what they do and what they advocate. In some cases, the present rationales are identified by what is not said or complained about. In other cases, a discussion on a particular issue could help with excluding the rationale that is not at play, thus aiding the characterisation from another angle.

Complaints on reoccurring land speculation, or increased land values are an example of how investment landownership is not the most prominent, since that rationale does not regard increased land prices as an issue. If there is a lack of such complaints, the likelihood increases that the public actors are acting within the rationale for investment.

If the source material argues that public authorities are withholding and stockpiling land, thus affecting production numbers, this could be an indication that the public authorities are not acting within the realm of productive rationale. Instead, both moral and investment landownership could be at play. Moral, because the output numbers are not as important for an end goal, or investment because stockpiling land could push land values to increase.

In the same manner, a lack of discussion on the necessity of increasing production numbers could indicate that the moral rationale is dominating. The same goes for material that is concerned about questions on political ideology, instead of pragmatic solutions.

3.2.1.4 Outcomes
The last key identifier of landownership rationales found in the material is not an argument per se but found in the material outcomes. Massey and Catalano argued that ‘…even when the groups appear to be involved in exactly the same activities, the structure in which they occur is different, and this produced clear effects on the real nature of the activity…’ (1978, pp. 63-64). The analysis of these effects, however, is not always as clear-cut as it might seem at first sight.

One such issue regards the production output. For the historical section, the time frames are wide enough to see a correlation between the dominant rationale and production output. This correlation becomes much more difficult in the chapter on contemporary municipal land management, mostly because of the drawn-out reality of the building and construction process. It is not possible from the material to argue convincingly that there is a direct correlation between production numbers and the presence of a particular rationale. However, what is present in the material is a clear distinction between how the
rationales identify future challenges that their respective municipalities will face.

A public actor who argues that the main challenge ahead is to continue to uphold and/or increase production output is more inclined to be working from the perspective of productive landownership. If they are instead arguing that their main challenge relates to the access to funding for other projects, this might imply that the investment rationale is more likely to dominate. For the moral landowner instead, the future challenges might be related to other themes that are more ideologically coloured, such as how to use their land to address issues of homeownership or affordable housing.

3.2.2 Applying a framework: concluding remarks

To interpret the empirical material in this manner, the rationales for public landownership can be used to retell the historic and contemporary story of public land and housing. The systemic analysis and characterisation that is presented in chapters 4 and 5 are the results of working with the material in several steps. The study continuously uses a combination of all the above-discussed key identifiers to label the different historic periods and municipal actors. The section has intended to de-mystify the process by exemplifying how the theoretical framework developed and described in chapter 2 was used together with the empirical material.

3.3 Reading and writing history

In the 20th century, Sweden went from being one of Europe’s poorest countries to one of its richest. During this transformative period, the Swedish treatment of public land went through several changes as it developed into an important instrument for the implementation of the national housing goals. To enable an understanding of this shift in the role of public landowners, it becomes necessary to look at the national scale, because municipalities are indeed the ‘doers’, but they can only do what the state allows them to.

There are many aspects to take into consideration when working with historical accounts, such as the importance of including the context in which the material was once produced. If the material is analysed simply through present understandings and hindsight, important insights will be lost in the interpretation (Esaiasson, Gilljam, Oscarsson, & Wångnerud, 2012). Additionally, as argued by Torstendahl, if the data are conflicting it can be difficult to detangle the root cause and effect from different episodes (1971).

Tosh has argued that to get to the core of historical research, it is important to first reconstruct the complex and often contradictory historical events before doing the analysis (2010 [1984]). In the historical chapter, this has been
done by contextualising legislative changes with both national and global contemporary political debates and discussions. By doing so, the discussions surrounding the changes in legislation are more easily understood as products of the time in which they were written, and additionally serve as one explanation for why certain shifts in dominating rationales occurred when they did.

The historical account in chapter 4 serves two purposes. Firstly, it provides a contextual understanding on the evolution of the Swedish system of public land for housing purposes; and secondly, by using the developed landownership rationale as the narrative framework, the chapter provides a novel interpretation of the value system connected to landownership and public responsibilities that underlies the whole system of public land.

3.3.1 SOU: Swedish Government Official Reports

The main source that makes up the historical material for this thesis consists of SOU reports. For much of the 20th century, Swedish politicians’ favourite strategy when faced with a political dilemma was to issue a committee of inquiry. These committees often consisted of representatives from the largest political parties in Sweden who came together to prepare the groundwork for policy change. The committees were appointed to investigate certain areas of political contest to serve as arenas for negotiations between different interest groups.

Each committee produced a report, the SOU, and the government then used these reports as the main foundation on which they based their proposition to parliament. Because of their impact on the legislative process, these reports were always sent out on submission to involved stakeholders (mostly public actors), before drafting the following bill. For minority governments, the opportunity to ‘test the feasibility’ of a proposal made these committees a practical necessity to find a consensus (Dahlström, Lundberg, & Pronin, 2021).

The scope of an SOU can vary greatly. Some SOUs discuss specific topics, such as the regulative change of tomträtt [Public land lease], while others are supposed to deal with the entire housing system. These differences in scope affect the volume of the final report as well as the time they spend on the subject. Among the 94 SOUs that were analysed for the study, the shortest consisted of about 90 pages, while the longest covered over a thousand pages.49 Some of these SOUs have taken years to finalise and were written by

49 The selection process for SOUs began with the revision of all SOUs since 1922 that had had anything to do with housing, planning, public land, property law and/or land taxation (the SOUs since before 1922 have not yet been digitised). This resulted in 228 SOU that went through a second selection process to define their actual relevance to the study. The SOUs were thus narrowed down to 94 of varied relevance. See the reference list for a full account of those that became part of the final study.
elected committees in collaboration with representatives from all political parties, while others were written by one person only and compiled in less than a year.50

There are indications that the independence from the government has changed since the 1990s, with more SOUs being characterised as written by only one person [enmansutredningar], and an increase in government directives to steer their work. Moreover, Dahlström et al. (2021) have demonstrated how the broad representative parliamentary commissions have decreased from 50% historically to 3%. The difference behind the production process of an SOU creates an obstruction to treating their value as source material equally. However, because of their role as bases for political propositions, their impact on the political discussion remains similar; therefore, they are still a valuable material to study.

Bryman has pointed out that public documents are products produced with the intention of being read by the public, which is something that affects how they are produced (2011). The SOUs are written not only as temporary relevant public documents, but with the knowledge of them being archived for future reference as well. As such, they are part of an ongoing writing of history. All these aspects make the SOUs interesting to review, not only because they are the main basis for understanding the reasoning behind legislative change, but also because they are supposed to consider all aspects of how these changes might affect society. With that being said, they are still normative documents of change, as are all other planning related documents, emanating as they are from the standpoint that a better planning solution is achievable.

Another aspect that is important to consider when working with SOU as source material is that the political governing majority engages these investigations. This means that even if the reports are supposed to review the question at hand as nuanced and politically neutral as possible, their mandate often builds on the interest of the governing majority. Had another fraction been in power, then the question that guides the investigation would have been another, resulting in a dissimilar final report and thus a completely different change in legislation. Therefore, an SOU is not a neutral objective account but an ideologically framed inquiry.

Instead, the study approaches SOUs as valid dictums from the position in which they were written, meaning that the information revealed in them is treated as well-reasoned and elaborate works from the point of their assignments and perception of reality (Bryman, 2011; Esaiasson, Gilljam, Oscarsson, & Wängnerud, 2012). As such, the study uses the SOU in two separate ways, both as relevant material for historical information regarding such

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50 During the 1960s–70s many inquiries lasted for up to 6–8 years, but since the 1980’s the government has limited the length to up to 2 years (Dahlström, Lundberg, & Pronin, 2021).
things as construction numbers or records of policy changes; and as docu-
ments whose ideological nature can reveal insights about contemporary un-
derstandings and reflections on the relations between public institutions and
the role of public land in development.

My first intention with the material was to write an overview of the histor-
ical background of Swedish landownership to contextualise the contemporary
case studies. The first read of the material thus identified the discussions on
land, public landownership, land taxation, housing and planning for this pur-
pose in a conspectus manner. However, the richness of the material soon in-
spired a more thorough analysis, which developed into its own core chapter.
Therefore, the second read critically interrogated the material, analysing how
SOUs from different times portrayed and evaluated the land market interven-
tions, legislative changes, and future plans of their governing commissioning
body. Finally, in the third read of the material, these portrayals and discussions
were categorised according to the coding process described in section 3.2.1
and contextualised into what became chapter 4.

The value gained from working with SOUs as a material to understand the
rationales surrounding public land from a national standpoint surpasses the
issues of reviewing material of a political nature. When necessary, the chapter
brings up internal conflicts within the committees, or complementary histori-
cal accounts to either strengthen or question the content. The main benefit of
building the chapter on the SOUs is that they provide an insight into the rea-
soning behind legislative changes on public land. Insights that portray a dif-
erent aspect of the story of Swedish housing construction and welfare poli-
tics.

3.3.2 On the issue of translating Swedish planning terms: Some
definitions
Most of the material for the study was written in Swedish, and sometimes
certain concepts do not translate well. In the translation process, nuances get
lost, and occasionally, the translation changes because of the application of an
old concept to new occurrences. The professional language of planning itself
is full of continuously updated insider concepts and points of reference. For
the study, the intention has been to remain true to the original meaning, and
when possible, to stay loyal to specific formulations, while still making the
translation accessible and comprehensive. In some cases, clarifications will be
in the footnotes to explain nuances.

The problem of translation is not only due to language but also equally to
differences in time. Sometimes it has been aggravated by the difficulty of
translating historical Swedish concepts into modern Swedish. A great deal of
the historical material from the beginning of the century refers to concepts that
have changed their meaning or are no longer applicable at all. In those cases,
the reader’s comprehension has been prioritised over remaining faithful to certain formulations.

The study uses the same approach when it comes to the political parties. Several of the political parties active today have more than a century long history and have during that time gone through name changes. To avoid confusion, they are consistently referred to in the study by their contemporary names.

Some concepts need a more detailed explanation. The thesis uses the concept of ‘state’ to refer to the central government, or actors, in relation to the national level. In other cases, the terms ‘municipality’, ‘region’, ‘county’, or the clarifying ‘local state’ are used for regional and local authorities. Furthermore, the terms ‘public land’ and ‘municipal land’ are often used interchangeably. This is mostly, because it has been specifically municipal land that has been used for housing production in Sweden historically, and because the study concerns itself with that branch of public land. When state or regional land are in question, the text refers to them as such, and in one particular case as Crown land [Kronomark], for land previously owned by the Crown.

Another concept that requires a definition is the concept of ‘land’ itself. When working within a specific legal context, there is an argument to be made for using the terms ‘property’ or ‘real estate’, instead of ‘land’. However, the argument for consistently using ‘land’ throughout the thesis stems from two reasons: One is to retain a clear separation between land and what is built upon it, both to reduce confusion and to maintain the focus on land specifically. The other reason is to keep a clear connection to the Swedish concept of mark (which means land), which is found consistently throughout the SOU in words like: Markvärde, markvärdsestegring, markpolitik, markanvisning, markägande, kommunal mark etc.

3.4 Additional material

To contextualise some of the political debates and discussions presented in both chapter 4 and chapter 5, the study relies on a collection of newspaper articles. Newspaper articles can be an important source of information since the media plays an important role in mobilising the public, especially when it comes to the question of housing, which tends to engage a great many. The media are not only transmitters of news and information, but important channels for bringing up new ideas and opinions. As such, they have the power to steer an agenda (Nilsson, 2010), and influence which opinions become normalised truths (Håkansson, 2010).

The thesis uses articles from several newspapers, but the systematically collected articles come from Dagens Nyheter and Svenska Dagbladet between 2016 and 2021. Dagens Nyheter (liberal) because it is a national newspaper
with the ambition to cover all of Sweden, and Svenska Dagbladet (conserva-
tive) due to its specific interest in planning related controversies.

Additionally, I have participated in a couple of workshops with represent-
atives from the planning profession. One took place in Stockholm at the mu-
icipal department of development, and all the participants were development
engineers who worked with public land.\textsuperscript{51} The other featured local politicians
as well as practitioners.\textsuperscript{52} Even if these workshops were not part of a procedure
of systematic data gathering, the discussions that took place there have influ-
enced certain aspects of the study, especially the understanding of how plan-
ning practitioners perceive their acting space in relation to legal and political
interests and constraints. In addition to this, there have been recurring meet-
ings held with representatives from the Swedish Union of Tenants
[Hyresgästföreningen], since they have recently taken an interest in the ques-
tion of land in relation to the construction of affordable rental housing. Those
meetings have also helped to broaden the understanding of how specifically
rental construction is affected by different approaches to the land instrument.

3.5 Landing the researcher: A reflection on
positionality

In geographical research, there has long been an acknowledgement of how the
subjective interests and background of the researcher affect knowledge pro-
duction. The researcher often reflects upon this issue in the methods chapter,
in an attempt to be transparent about their positionality. Unfortunately, as
many have noted throughout the years, ‘the search for positionality through
transparent reflectivity is bound to fail’ (Rose, 1997, p. 311). Fortunately,
Dowling has argued that even if this failure is impossible to avoid, it is still
possible and important to make conscious some of these subjective assump-
tions while doing such a reflection (2016). To do that as well reasoned as pos-
sible is all that can be done about it, and that is what this section intends to
carry through.

The first issue comes with ‘defining the field’. As an educated planner, liv-
ing in Stockholm and working in Uppsala, who has been engaged in politics,
and with a wide contact net among both politicians and planning profession-
als, there have been plenty of ‘blurred boundaries’\textsuperscript{53} between private life and
the role of a researcher. Two of the local politicians interviewed in Stockholm,

\begin{footnotes}
\footnote{On 2016-11-29, a workshop in municipal land policy arranged by the Stockholm municip-
ality, in Stockholm.}
\footnote{On 2019-02-19, a conference and workshop on sustainable land development held by Svea
Fastigheter in Nacka Municipality.}
\footnote{To borrow an expression from Katz, 1994 (Desmond, 2004).}
\end{footnotes}
as one example of this, happened to be former supervisors of mine who had taken up politics. The interviews with them were conducted in the same format as the others, yet it needs to be considered that these two have previously been part of shaping my view and knowledge of the field, and thus ultimately, of the study.

On a similar account, me being an active participant in ongoing planning debates among friends and acquaintances, and a keen listener to planning and geography related podcasts, it should be noted that there are several experiences over these past years that have influenced the final work without being part of any systematic or structured gathering of data. Needless to say, it is impossible to account for all of them and their impact on the study, but for transparency’s sake, they are mentioned here.

Another question that needs to be addressed in this section is a reflection of the omnipresent power relations when interviewing politicians. Several researchers have written about the switch in perspectives that occurs when ‘studying up’ (Desmond, 2004; Bergman Blix & Wettergren, 2015; Dowling, 2016). As argued by Miraftab (2004), the respondent’s way of categorising the researcher can transform a situation, and as the interviews are limited in time, this can greatly affect a situation and change the outcome. At the same time, the researcher wields the power over their material, making it a multi-faceted situation of power imbalance. The researcher’s age, sex, and appearance are some of the things that might affect an interview situation. One of the ways to counter this power imbalance is to create the perception of being an ‘insider’, someone who shares similar experiences with the respondents (Dowling, 2016). When some of the interview situations became uncomfortable, this proved a helpful approach to re-establishing a more professional atmosphere, done by bringing up common acquaintances or different involvement in planning related projects.

In many ways, a reflection on positionality is as much a reflection on the role of the researcher in conversation with the field as it is a conversation about the research themselves. Before beginning fieldwork, I had expected the interviews to divide themselves in to two categories: those who advocated for public landownership and those who did not. This expectation, furthermore, assumed that these two groups would align themselves after party affiliation, with the political left being in favour of public landownership, and the political right being against. Nothing could have been further from the truth, and these preconceived notions instead hindered a full understanding of the complexity of the question at hand. The surprise of the result of the actual interviews was a large part of why the study developed into its existing state. It was only by leaving the initial assumptions about the role of public landownership in local politics that the study opened for other interpretations of what was taking place.
When working with land, Haila writes that the research needs to be cautious. Because it is easy to get trapped in some Physiocratic\(^{54}\) notion that land is the most important matter there is (2016). To that hortation, there is nothing to do but to agree with Haila. There is a tendency among researchers working with land to regard it as the most important of the three factors of production, and easy to fall into the trap of almost regarding pre-industrial society with a nostalgic shimmer only because of its supposedly more ‘sacred’ relation to land. This nostalgia often pops up as a reaction to the financialization of land and the consequences that treating land as a financial asset has had on the climate, on people’s livelihood and on the economy. It becomes important then to be reminded that not everything in society is related to the treatment of land, and similarly, that solving the intriguing question of what land really is, or who deserves the created land value, does not signify a solution to all of society’s problems.

Because of the context in which Massey and Catalano developed their theory of landownership rationale, for a time I admittedly felt more inclined to regard former landed property in this nostalgic shimmer. Nevertheless, through working closely with the forms of public ownership rationale, I concluded that these rationales for landownership are not comparable in terms of creating good or bad outcomes for development. The reason for this is that they ask completely different questions as to what their landownership should mean, and as such, they all seek the good outcome, based on their own situated knowledge of what that may be.

### 3.6 Conclusion

There is much more to research than to just head out in the field and collect information, ask some questions and analyse the responses. The method chapter has laid out an overview of the production process of the study, with the intention of presenting a transparent discussion of the methodological choices that have affected the empirical and theoretical base for the study. Additionally, it has presented some of the ethical considerations taken and issues of the author’s positionality.

We cannot know everything, nor can we survey power as if we can fully understand, control or redistribute it. What we may be able to do is something rather more modest but, perhaps, rather more radical: to inscribe into our research practices some absences and fallibilities while recognizing that the significance of this does not rest entirely in our own hands (Rose, 1997, p. 319).

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\(^{54}\) The Physiocrats were a group of French 18th century economists who argued that land was the only true source of economic value and thus the foundation for everything in society.
Whatever destined the reflexions on positionality are to fail, this has been an attempt to adhere to the call by Rose to recognise fallibilities, while remaining confident that there still remains something to say in the conducted study.
4 The historical rationales for Swedish public land

Swedish local authorities have a long tradition of owning land publicly, but the rationale underlying such ownership has not always been the same. Chapter 4 investigates the shifting historical rationales for public landownership and land related legislation from the perspective of the national government, to better understand and make sense of the changing role of Swedish public land at the local level.

Over the last hundred years, Sweden went from being one of the poorest countries in Europe to one of the richest countries in the world – from a country in which a third of the population emigrated to escape poverty, pauperism and oppression, to a country with a growing population and a net immigration from all corners of the world. Simultaneously, the relationship between land supply and housing provision has changed, and so have the instruments to manage that relationship.

The objective of the chapter is not to present the full history of Swedish public landownership. Rather, it is to show that the rationale behind owning land publicly, and connected to this, the land’s utilisation, has undergone several important historic transformations. These transformations have had a direct impact on housing policy and provision, as well as created the foundation for contemporary landownership practices by local public actors.

This chapter thus demonstrates how in the first half of the 20th century, the interest in and discussions on land value were an integral part of the intellectual debate in Sweden, exhibiting how the rationale for moral landownership developed alongside the growing responsibility of public authorities towards their citizens. For these public authorities, owning land made it possible to control and capture Land Value Increment (LVI), as well as the power to control the built environment. Public landownership thus became valued for its potential of providing public ‘goods’ in the broadest sense. As the ideals of the Swedish welfare state developed, especially after the Second World War, the rationale behind public landownership began to shift, becoming more pragmatic and focused on housing all citizens of the Swedish Folkhem55 in

55 Folkhem, directly translated to ‘All people’s home’, is a concept used to describe Swedish welfare politics. It carries the notion of the country as one family, where the stronger takes care of the weaker and where no one is left behind. The concept was popularised in 1928 in one of
suitable dwellings. This focus on land development, on what was built on the land rather than the interest in the value of land itself, represents a shift towards a rationale for productive landownership. The chapter further examines how this rationale came to dominate until the end of the 1970s, when neoliberal ideas began to emerge and alter the perspectives on the social and economic role of the public sector. Years of developing a detailed and rigid planning legislation now made public landownership seem superfluous, and in the 1980s, this shifted the focus of the Swedish welfare state. It paved the way for a rationale of investment landownership, rephrasing the purpose of public landownership completely. If owning land was no longer connected to control over the built environment or the capturing of future land value increases, for municipalities with squeezed budgets, the logic of owning – or selling – land was reduced to the cold calculus of financial accounting.

The chapter has three main sections, each corresponding respectively to one of the three main historical periods associated with the different landownership rationales (see figure 1). Contextualising bridges tie the sections together, highlighting intellectual debates and global shifts, contemporary to the respective periods, beginning by visiting Sweden 200 years ago.

![Figure 1. Historical timeline illustrating the dominating period of each public landownership rationale in Sweden](image)

### 4.1 Setting the stage: Public land and housing during the 19th century

Ever since the Middle Ages, Swedish cities have had a tradition of owning land. This land was long called unfree land [ofri mark], and usually included both land for housing and rural hinterland to secure food for the citizens. Often, the land had been donated to the cities by the crown under the condition that it must not been sold on to private actors. The city then leased the land to different actors (Blücher & Nuder, 1987; SOU, 1956:7).56

56 However, calling them cities is a slight exaggeration from a global perspective. ‘Small towns’ might be more appropriate. Before the 19th century, Sweden did not really have cities in plural. Stockholm, the capital, had about 76,000 inhabitants at the beginning of the century, and the second biggest city, Göteborg, had only 13,000 during the same time period (Holmström, 1988).
The second half of the 18th century saw a dramatic shift to this approach. Inspired by the ideas of classical liberalism, private ownership and property rights in land came to be regarded as essential for increasing productivity (Heimbürger, 1976). The result was vast privatisations of urban public land, which drastically changed the power dynamics of landownership in cities.57 The tax base of cities had up to this point, to a large extent, been connected to the revenues from the land the cities leased out, and the privatisations of land thus effectively reduced the city budgets, while simultaneously making the owners of newly privatised land exempted from most taxes all together. These early buyouts of publicly owned land in cities were only open for the nobility and the bourgeoisie, as it was not until 1810 that all Swedish men58 secured ‘The right to acquire real estate and land’ in cities (Blücher & Nuder, 1987, p. 17).59

In the early 19th century, a combination of industrialisation and rural land reforms sparked a rapid urbanisation. When people migrated to the cities in search of labour, the private landowners of the urban areas could profit from people’s desperation. By the mid 1800s, the housing problems of Swedish cities reached levels that made the country infamous across Europe.60 During this period, about a fifth of Sweden’s population migrated, mostly to the US. Deland has described how, in 1876, the City Medical Officer [Stadsläkaren] of Stockholm pleaded that something had to be done about the urban housing situation for the poor and how contemporary parliamentary debates and newspapers portrayed the situation not only as severe, but as a disgrace for the motherland and a hotbed for dangerous and revolutionary ideas (2015 [1996/97]). The growing urban working class began to organise through trade unions, and they demanded better salaries and improved housing conditions, leading to an increase in labour related conflicts. This meant that from left to right, everyone agreed that the housing situation for the workers was getting out of hand and had to be addressed somehow.

Unfortunately, even though the housing question was present on the political agenda, almost nothing was done to address the problem, and among those in political power, the belief in the market’s ability to solve the housing problem by itself remained strong. This was well before the introduction of universal suffrage in Sweden, and therefore all changes in private ownership of land or real estate had to be acceptable to the economic and political elite.61

57 For the Stockholm example, see Sheiban (2002).
58 It took until 1920 with the new Marriage Act, for women to gain legal rights to landownership (SFS, 1920:405)
59 My translation.
60 During the latter half of the 1700s and the first half of the 1800s, Stockholm had the highest mortality rate in Europe, and in 1920, the city still had some of Europe’s worst living conditions (Deland, 2015 [1996/97]).
61 According to Sheiban, this was the main reason behind the paternalistic framing of the housing problem as an individual issue (2002).
Every small regulation caused such an intensive debate before passing that it often lost most of its power during its redaction.

Nevertheless, in 1874, the parliament passed new building statues and health legislations [Byggnads- och hälsovårdsstadgor], making it possible for a municipality to seek minor control over its built environment by regulating height and density for a district within the city borders (SFS, 1874:25; SFS, 1874:68). These new legislations obliged cities to implement their own drawn up plans but gave no effective tools for them to enforce them on private landowners. This meant that, in practice, cities had to buy back land from the private sector at high costs to use their legislative power or adapt their plans to the interest of these private landowners. Another weakness with the legislation, which Heimbürger has discussed (1976), was the fact that a city had no power to regulate slum growing on private land if they were located outside the legislative border. Combined, these issues meant that the new legislation, in many ways, continued to spawn its own problems.

Previous experiments with incentives to have private landowners and developers build for the poor had failed, and instead, municipal ownership of land became the only functioning way for a city to gain control over its physical structure. By owning land, a city or municipality had the power to buy land, plan it, and later sell it to a private actor who had to abide with the plans through the stipulations in the sales contract. Thus, ownership of land became necessary for public control. Unfortunately, city authorities were still responsible for providing streets, squares, sewage and other infrastructure, on public or private land alike. This forced cities to behave like any other land speculator, in the sense that they had to buy land and wait for it to increase in value before selling it, using the profit for infrastructural developments. As pointed out by Lundén, this meant that many of the unregulated slum developments during this time were built on public land kept in anticipation of increasing land values (1997).

The late 19th century was a time of extensive government investments in infrastructure, of mainly gas, electricity and railways in many European countries, Sweden included. This prompted an extensive discussion about the necessary exemptions from the absolute ownership of land and the ideals of private property. Firstly, the discussion brought to light the fact that private landowners could, and were, hindering important infrastructural development. Secondly, it became obvious that these improvements in infrastructure, a huge expenditure on part of the public authorities, played right into the hands of

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62 One such experiment was the poor building found [Fattigbyggnadsfonden], which was terminated in 1873. It had aimed to be an incentive for private developers to build for the poorer segments of the population but had instead resulted in a complete failure as developers simply pocketed the money for themselves. When this behaviour led to stricter controls, the developers just stopped applying for funding all together, no longer interested in taking part in the programme (Sheiban, 2002).
private landowners who subsequently could enjoy the revenues of increased land rents as a result. Increased values in land were no longer a consequence of location, quality of soil or improvements made by landowners and tenants themselves, as in the idealist liberal version of capitalist society. Instead, the private landowners clearly profited from the land value increase through no endeavour of their own. Combined with the rapid urbanisation and worsening housing conditions, this increased the notion that someone had to do something.

In response to this development in Sweden, the latter half of the century saw a multitude of strong grassroots movements sprung up all over the country. They had their origins in the unions, the churches or the temperance movement, and all of them addressed different aspects of the negative consequences found in the current economic system.63

As the century was coming to an end, the ruling class also saw a change in attitude. The emerging fear of revolution and concerns that emigrations would make the country lose all its young people of working age, along with the insight that private interests unfairly captured the value of public investments in infrastructure, slowly began to transform the previous faith in the free market system of land and housing.

From the communists and social democrats, thus came demands for agrarian socialism inspired by Marx, from the liberals’ different versions of Georgism or questions of Betterment levies. The conservatives were most reluctant towards economic interventions, but even among them, the need to address housing issues called for a re-evaluation of the current system, albeit mostly from a paternalistic approach built on Christian morality (Holmström, 1988).

Thus, it is from this steppingstone of forced necessity to transform the contemporary system that the next century’s discussions on public land and land policy take off. Accordingly, as the stage is set, the next section steps into a new century, carrying the hopes and fears of the 1800s.

4.2 Moral landownership: Land values and public responsibility

The distribution of land and its legal relations are in all countries vital to the existential conditions of the population, because on that depends their way of life, customs culture and politics, the interests of different sections of the

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63 For example, in 1889, the Social Democratic party was founded, the Liberal coalition in 1900, and the Cooperation Alliance in 1899 (Ramberg, 2000).
At the beginning of the 20th century, Sweden had almost no regulations on land speculation, construction or housing administration (Andersson & Nuder, 1977). Those who oversaw housing were, to a large extent, industrial employers, private developers and philanthropists (Ramberg, 2000). Housing in the urban regions was regarded as any other good, where price depended on supply and demand, or in the case of larger cities, depending on the extensive housing shortage and overcrowding. The only option for the majority was to accept the conditions as they were and crowd together in small apartments without any standards of quality or hygiene. According to Johansson and Karlberg (1979), the public authorities at the time held the general standpoint that they had no responsibility to adjust the situation; at most, they were obliged to find housing for public officials and to keep the poorest off the street during wintertime.

When reoccurring labour strikes and demands for democracy emphasised the need for a re-evaluation of the political system, Swedish intellectuals 65 looked to the continent for inspiration. Influenced by contemporary liberal and socialist discussions, they began to publish articles, pamphlets and books on the matter of land value capture and taxes on land value increments (Deland, 2015 [1996/97]; Holmström, 1988). An increasing number of intellectuals began to argue that it was a moral obligation for public authorities to correct the injustices of the free market system. These intellectuals regarded the land value increase they saw in the cities as derived from public investments, housing shortages and speculation. Most importantly, the low quality of what was being built ensured them that the increase of value in the land had little to no relation to actual improvements made by the private landowners (but far stronger relation to the above-mentioned external factors). The results of the last century’s market driven housing system convinced them that public authorities had a moral responsibility to care for their citizens, at least the well-behaving ones.

The movement for universal voting rights gained momentum during the 1920s. When the movement advanced, it enhanced the political pressure to address the needs of the general population.66 New ideas regarding state and

64 My translation, see appendix A
65 Among others, Gustav Cassel, Carl Lindhagen and Erik Palmstierna.
66 Even if almost 60% of the male population could vote at the beginning of the century, their income level stood in direct relation to how many votes they had, meaning more political influence for the economic elite. Important expansions of voting rights were made in 1909, in 1918 and in 1919. In the election of 1921, all Swedish law-abiding men and women above the age of 23, who had paid their taxes and other such requirements, could vote. This meant that many
municipal responsibility grew during the following decades, often in relation to economic crisis and war. All of which had drastic effects on housing construction as each of those periods were plagued by skyrocketing constructions prices and lack of credit.67

The following section puts a focus on the most important changes and legislative debates on the treatment of land in relation to housing during this era. It explores the efforts to implement a tax on land value, the long-term leasing of public land, and the movement of home ownership called egnahem. Each of these instruments display certain characteristics that can be traced back to the category of moral landownership, in the sense that they grow out of an increased appreciation of the responsibility that public authorities have towards their citizens and how that is translated into a politics of land. The chapter argues that the underlying rationale that came to shape the instruments discussed resembles the understanding of moral landownership, and that this, in turn, had direct consequences for what was built, or what was not built during this time.

4.2.1 The ‘unearned’ land value increment: Who has the right to land value?

In Europe, the discussions on land value and land rent were central to the scientific debate at the turn of the century, and Sweden was no exception. The book Progress and Poverty by Henry George had been translated into Swedish in the final years of the 1800’s and picked up by many of the contemporary intellectuals.68

From the liberal side came arguments for implementing a national tax on land value in the Georgist spirit and to increase public landownership to achieve the same capture of land value increments (henceforth LVI) on a municipal level (Deland, 2015 [1996/97]). Among the advocates for this was the then Mayor of Stockholm, Carl Lindhagen from the Liberal coalition party [Liberala Samlingspartiet], who later became a prominent politician for the Social Democrats [Socialdemokraterna]. At the other end of the spectrum,

were excluded from the system, e.g. those on welfare payments did not gain their voting rights until 1945. Sweden did not implement full universal suffrage to all citizens above the age of 18 until 1989.  
67 For more on the relation between construction prices and housing during the First and Second World Wars as well as the economic crises of the 1920s and 30s see Johnsson and Karlberg (1979), and additional SOUs (SOU, 1922:56; SOU, 1933:14; SOU, 1938:10; SOU, 1941:4).  
68 The bestselling liberal author Henry George was part of the contemporary international discussion on land value. In his book, he suggested the implementation of an encompassing taxation of all LVI, the ‘Single tax’, which would be able to replace all other taxes and correct the unfair oppression and exploitation created by rent extraction from landowners (Backhous, 1997) (Ryan-Collins, Lloyd, & Macfarlane, 2017).
there were the social conservatives, with Professor Gustav Cassel and his colleague Erik Palmstierna as the frontmen. They similarly argued for a land reform that included a tax on land value increment, but strongly disassociated themselves from Georgist ideas, since they regarded that as a socialist model. Instead, they based their arguments on conservative morality (Cassel, 1906; Palmstierna, 1907a; 1907b).

The two fractions regarded themselves as rivals. While the social-liberals argued that a national tax on land value increment could replace other taxes and thus diminish the need for additional state-interventions, the social-conservatives saw state intervention as an inconvenient necessity and preferred to limit the tax to only the increments directly related to public investments. The Social Democrats had already in 1905 included a tax on land value in their party programme, but overall preferred the system of public ownership of land, as they regarded it as being more aligned with their version of socialism (Deland, 2015 [1996/97]; Holmström, 1988).

Even if the interest in Georgism was short-lived in Sweden, the idea of taxing LVI in some way or another to finance public expenditure remained (Johansson I., 1987). For a long time, it was seen as self-evident that all land value increment that did not derive from the landowner’s own improvements on the land was to be considered unearned [oförtjänt] and belong partly or entirely to the society (Holmström, 1988). Between the beginning of the century and until the late 1950s, no less than nine elaborated legislative proposals were made to address the problem with land speculation and land value increases, either from the perspective of taxation, or through civil law regulations (Blücher & Nuder, 1987). The interest in the unearned land value also sparked a number of government investigations, proposing different forms of implementation. The only thing that these reports and legislative proposals had in common, as the upcoming sections will explain, is that none of them were implemented.

4.2.1.1 The difference between principles and execution
The problem of land speculation during the beginning of the century was a particular focal point in the political discussion. Housing construction followed the economic cycle, not the actual need for housing, and because of urbanisation prices on land, thus shot through the roof. The most extreme example could be found in the capital, as Stockholm land prices increased by 40% between the years of 1895–1905 (SOU, 1928:5). Simultaneously, the need for public investments and the expansion of state responsibility sparked a discussion on how to extend taxes to new areas. In combination with the discussion on unearned value increment, Sweden was considered having favourable conditions for the implementation of a land value tax.

According to Holmström (1988), the general opinion among economists and politicians was that it would be easy to distinguish ‘unearned’ from ‘earned’ value increment, especially since public investments in infrastructure
so drastically increased the value of raw land or agricultural land – planned and converted to the more valuable urban land [stadsmark]. The opinions parted, however, in how the tax should be modelled. The alternatives stood between a ‘direct land tax’ on LVI, which its advocates argued would be more theoretically sound as it taxed the increment continuously; and the ‘indirect land tax’, which was regarded as more practical since it only taxed the profit as the land was realised through sale (SOU, 1957:43). When the parliament could not reach an agreement on which of the two suggestions to continue with, the financial department proposed a compromising solution with a tax on property which would create a source of income for the state, while evading the issue of distinguishing the ‘earned’ from the ‘unearned’ LVI (NFF, 1910). However, the parliament rejected the proposal, as the advocates for land value taxation (henceforth LVT) argued that a tax on land was profoundly different from taxing real estate, because of the inherent features of land.69

This new tax system that will be implemented, should separate everything that can be traced back to productive labour, such as houses in the cities, and that, which is the real land value. From a purely economic perspective these two are completely separate. While the value of houses over time becomes less and less and ultimately disappears, the land value, over longer periods, increases perpetually. Consequently, a tax on land value and one on real estate will have totally different ramifications. A tax on real estate will make housing more expensive and therefore endanger the solution to the housing question, since the consequence will be higher rents; a tax on land on the contrary is included in the actual price on land (Riksdagens Protokoll, 1909 II:19 §4).70

Conflicting ideals aside, a majority believed for a long time that an agreement was possible, mostly because the question had such a strong parliamentary support. Nevertheless, the devil is in the details, and while in the following decades, the question was raised in parliament several times, it always fell on those practical details.71

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69 A form of property tax was implemented in 1928, and in place under different forms until 2008, when it was converted into an almost flat rate municipal fee.
70 Argued by Erik Palmstierna, my translation see appendix 1.
71 Between 1907–1914, no less than thirteen motions were lifted, but they never led any further than that (SOU, 1942:39). In 1917, two re-worked proposals were presented which led to a full proposition in 1919 (Prop., 1919:329); however, it was overruled by the second chamber. Finally, in 1920, a proposition was accepted by both chambers (Prop., 1920:22), under the circumstance that it would not stipulate any details of a LVT that might be implemented in the future. Another committee was thus set up to assess the value of land in Sweden (Markvärdeuppskatningen); in 1923, the board of the committee decided that the groundwork was no solid enough and requested the parliament to issue another investigation. In 1926, a new discussion took place in the parliament on the urgency of implementing a LVT, leading to yet another investigation (challenged by four commissioners who wanted to implement the tax right away).
With these discussions, demands were made for a more specific description of what should count as ‘unearned’ LVI. There was a general agreement across political borders that LVI traced back to public infrastructure investment should be considered unearned, but the opinion on other types varied greatly. Holmström has described how the parliament could not agree on whether LVI based on inflation, urbanisation or speculation should be counted as unearned, and neither on how the proposed system of taxation should respond to possible land devaluations (1988). Even if no one seriously was suggesting a tax on all LVI, historical or present (á la Henry George), how to decide on which year to set as a standard of measurement was by itself an intensely debated issue. Not to mention the question on whether the tax should accrue to the municipalities – supporting the local area, or the state – allocating resources more evenly on the national scale. The practical implementation of a LVT just seemed too difficult with the contemporary tools of land valuation available, and instead the parliament suggested further investigations, hoping to solve the issue in the near future.

In the late 1930s, several politicians reckoned that the question of LVT had become one of parliaments’ favourite topics of procrastination. If it was to be implemented, it should be soon, as the state and municipalities year by year increased their areas of responsibility.

It should, from different viewpoints, seem awfully doubtful that so many years have passed without this important societal question being solved in a satisfactory manner from a societal perspective. During the time after 1920, both the state and the municipalities have taken far-reaching actions to ensure urban renewal and rational planning, to develop communications and improve means of public transport and for societal convenience and comfort in many other areas. All these interventions have contributed to the substantial increase in land value, which has occurred in densely built communities all around our country, but most of all in the larger cities. That all this value increment in great part must be characterised as unearned, in the sense that they derive from societal intervention, paid for by taxes from the taxpaying citizens and not from the efforts of individual landowners, which would not even be denied by the latter themselves (Motions I: 156 and II: 229 from 1939, in SOU, 1942:39, p. 67).72

To come up with a solution, the parliament appointed a new investigation, and in 1942 came its final proposal for LVT. The proposal emphasised the value of taxing land instead of buildings, arguing that it would decrease the negative impact on production (since land is not produced), and that the tax should accrue to the state to contribute to its compensatory effect. The main aim was to address the problems of land speculation, and therefore the tax excluded all

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72 My translation, see appendix A
property with less than 15,000 SEK\textsuperscript{73} in taxable value, and enabled tax deductions on all real estate improvements, unless they were deemed as luxury renovations that did not objectively improve the standard (SOU, 1942:39, p. 116).\textsuperscript{74}

However, the investigators had included inflation value increment to their definition of unearned, and since value increase through inflation does not increase one’s economic solvency, several stakeholders thought the proposal went too far. In the end, the proposal never ended up in parliament for voting (SOU, 1966:23), and so the second wave of taxing land value increment ended.

4.2.1.2 Save the last dance
Something happened to the debate on unearned value increment in the late 1940s. Until then, the general opinion among policy-makers was that some investment in the land, or developments on the land, caused LVI. Someone did something and as a result, the land increased in value and therefore, the value increment should accrue to the one who contributed to its increase. However, as Holmström has discussed, during the 1940s, the expectation value [förväntningsvärde] began to gain legitimacy as a form of value increase. This form of LVI had nothing to do with actual development or investments in land improvements; instead, it depended on speculations of future rate of return. This gradual decoupling of LVI from its previous strong connection to endeavour rendered the idealist moral argument on which LVT was based on in the first place, obsolete (1988).

The discussion on LVT was dealt its final blow in the 1957 report from The Investigation on Land Value [Markvärdeutredningen] (SOU, 1957:43), titled To capture the unearned land value increment. The era of broad political agreement on the potential of a LVT had ended, and new trends in political and economic theory were emerging, something which was reflected in the final report. The purpose of the investigation had been to deliver to parliament a fully reworked proposal that would solve the issue once and for all. The task had been to both decide on a clear definition of ‘unearned’ LVI, and on a sound method of how to capture it. Instead, the report presented three different proposals, each unable to get a supporting majority of its research committee behind it. As the investigators themselves melancholically expressed it: ‘The question of method has always been the Achilles heel of land value capture’ (SOU, 1957:43, p. 476)

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\textsuperscript{73} Which can be translated to about 314,000 SEK measured with CPI of 2019, or 200,000 SEK when compared to the salary index of an industrial worker (Edvinsson & Söderberg, 2011).

\textsuperscript{74} After a discussion with Stockholm municipality, which wanted to exclude tomträtt [public site-leasehold right] from the tax, the investigation decided to maintain that all land above a certain value should be taxed, with the argument that otherwise municipalities could in theory speculate in land just as much as any other private actor (SOU, 1942:39).
Even the authors of the first proposal, who took the idea of LVT the furthest, had to admit that they thought the Swedish population would find the tax highly unfair and that their proposal risked turning the Swedish society upside down. They admitted this, even as they stated that the tax would be ‘significant advancement towards social justice with benefits for production and reduced conflicts between sections of the population’ (SOU, 1957:43, p. 380). The second proposal (among other things) argued that none of this would be a problem, if society just owned all the land in the first place, while the third proposal went furthest in its critique of the whole idea of a land tax as such. The third proposal argued that the whole concept of unearned LVI was built on the wrong premise, a moral argument on how the earth belongs to us all, something that the authors regarded as both outdated and unjust. The profits made by landowners only demonstrated their provident anticipation and clever investment strategy, for which they should not be punished but rather be rewarded:

With the above mentioned, we have tried to clarify, that it is not logically sound nor from the judicial perspective justifiable to generally claim that an increase on the value of real estate, to the extent it has not arisen from the landowner’s investment of capital or labour, is unearned, and that there should be societal precedence to it and that it would be taxed (SOU, 1957:43, p. 525).

The report’s only consistent conclusion was the housing shortage was a larger problem, and that all focus should be on how to solve that issue instead.

The report demonstrated a change in the political tone and climate, as the previous broad agreement among the political spectra, namely that at least part of the LVI should accrue to society, now had given way for division along three different lines. As exemplified by Holmström, liberals who had long argued that a LVT would be the most appropriate type of tax now instead did a complete U-turn and argued that the right to LVI should be considered the cornerstone of private property rights (1988, p. 120).

The dream of a LVT had attracted many from both left and right, because of its potential to keep the system of private property intact while still being able to counter the negative aspects of capitalism, such as land speculation. However, Sweden in 1957 had changed from the Sweden of the beginning of the century. The influence of liberal theory among intellectuals had been replaced by a politically strong social democracy that had given the state more influence over the economy to decrease societal polarisation. The same polarisation that had been the reason for implementing a tax on land value in the first place. The last years had opened for rent regulations, expropriations, public housing companies, state funded credit system, etc., all of which made the

75 My translation, see appendix A
arguments for LVT obsolete. Furthermore, the previous division between capital, land and labour, had become blurrier, as workers with better wages and access to credit now increasingly became landowners themselves, and thus often opposed to taxes on land. The term ‘unearned’ gradually disappeared from the political discussions and the investigation reports, except as a technical-historical term, describing a time and value system long gone.

4.2.2 Keeping public land public: The practice of tomträtt

During the first decade of the 20th century, regulations were weak in the construction of housing and infrastructure. Even though efforts were made to improve regulations and ensure a more controlled development, the right to plan and build to a large degree still depended on ownership. Consequently, the municipalities’ own ownership of land became crucial to gain control over the built environment. However, when public authorities increased investment in land, infrastructure and housing, private actors bought land close to planned areas to capitalise on the expected LVI or raised the price on land they already owned that was about to be developed to increase their own revenue. The state left the municipalities to handle this problem of land speculation as they saw fit, and the results varied greatly.

To address this, in 1907, a new legislation opened for a version of an old instrument for municipalities to lease their land banks. Carl Lindhagen, the Mayor of Stockholm, had long argued that cities should own the land themselves to maintain control over urban development and capture the LVI (Deland, 2015 [1996/97]). Lindhagen and his supporters argued that the old system of leasing unfree land had worked better than the current system, where the municipality sold the land to developers. They issued a bill to the parliament proposing a new system, where municipalities could use what they called tomträtt [site-leasehold right] to keep land in public ownership. To them, this instrument would improve housing, planning and wealth distribution all together (Runesson, 1997).

The, mostly conservative, legislators did not actually believe that this bill would have any significant consequences for the built environment, but it was an opportunity to conform to the contemporary social-liberal and democrat demands on more public intervention. For this reason, the parliament passed on the bill without any major discussions in a manner which has been described by Johansson as ‘…slipping through’ (1987, p. 346). The act defined tomträtt as a possessory right, and declared that land owned by municipalities,

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76 As described by Ekström von Essen, it was not until after 1910 that the idea of the housing question as a social issue that should be addressed publicly began to spread (2003).
77 ‘…slinker igenom.’ my translation.
the state, churches and land under rights of primogeniture could be leased by their owners for housing purposes.\textsuperscript{78}

In this context, it must be noted that even though many of the conservative legislators at the time did not consider \textit{tomträtt} to be of any larger significance, they still saw themselves as stewards and protectors of their cities and used public land to do so. In his work, Tonell has described how the first larger land purchases in Stockholm were made by conservative politicians who believed that a city with large landholdings was a wealthy city and saw it as a long-term holding for the benefit of its citizens (2016).

In contrast to the legislator’s belief, \textit{tomträtt} became an important instrument to control the built environment in several cities. Municipal landowners now had an efficient tool to both regulate construction \textit{and} capture LVI without the state’s involvement (Bodström, 1994). The new legislation gave tenants more long-term security than before, without conflicting with the rights of the landowner. A significant difference from the old system of unfree land was that the land leased with \textit{tomträtt} had a termination date between 26–100 years (SFS, 1907:36).\textsuperscript{79} The idea was that municipalities would use the instrument primarily outside the city core, and at the end of a leasing contract, the land value would have increased enough to allow the primary owner to either sell the land at a profit or close the rent gap by densifying the settlement (SOU, 1928:25).\textsuperscript{80}

The benefits of using \textit{tomträtt} were many. It provided municipalities that practiced the instrument control, revenue and allowed for the implementation of long-term plans, but it was unfortunately difficult to spread outside of the larger cities such as Stockholm and Göteborg. The instrument required municipal capital to be immobilised for long periods, something that weighed too heavily on most municipal budgets.

\textsuperscript{78} There was a rather big discussion around the fact that private landowners would not be able to lease by \textit{tomträtt}. In many industrial districts, the industries were big landowners and often contributed to housing construction to house their workers (Ekström von Essen, 2003; Caesar, 2016). To not include them in the legislation was one of many important steps towards shifting the responsibility for housing from the private sphere on to the public.

\textsuperscript{79} The unfree land donated by the crown was often stipulated to be in possession of the municipality for all eternity, but to private individual renters, the contracts were much shorter, between 10–15 years during the 1700s. This meant lower production output from Crown land compared to other types of land, since the short time of the lease led to a minimal interest among tenants to improve and invest in the land long-term (SOU, 1922:2).

\textsuperscript{80} Something worth noting is that in the third chapter of the Act, Sweden’s first rental law was presented. It built on liberal grounds where the private ownership was to be protected and therefore mostly regulated the relationship between the tenant and landlord to the landlord’s benefit. It did, however, include a paragraph on the right for a tenant to revoke the contract if the residence did not meet the health requirements or was deemed unfit by the authorities (SFS, 1907:36).
Yet another instrument to battle land value increment is offered by the *Tomträtt* institute. However, the institute has only had limited usage. In consideration of this the special advisers advocate, that establishments meet to give the institute a more widespread application and to spread enlightenment about its importance. Significant profits can emerge for individual landowners through land value increases without their own endeavours. This value increment, in fairness, ought not accrue to the landowner alone, rather, a part of it ought to impute the municipality, or state (SOU, 1938:10, p. 694).81

After the discussion on a national LVT faded in the 1950s, *tomträtt* became one of the best methods still to ensure the perpetual capture of LVI for municipal purposes. The state sought to promote the usage of *tomträtt* and spread its practice. To increase its attractiveness among private individuals, the state made it easier to use land leased by *tomträtt* as security for mortgages in 1948 (SOU, 1952:28). To increase its attractiveness among municipalities, the state issued a credit fund for purchasing land to lease with *tomträtt* in 1965 so that municipalities could expand their land banks without straining their budgets (SOU, 1966:23).

The instrument became the preferred tool for the central government to promote the long-term treatment of municipal land. However, the aim always was to make the instrument attractive and available, not to force it upon municipalities, which meant that even as the state actively promoted *tomträtt* in several ways, its practice continued to spread unevenly across the country (SOU, 1964:42; SOU, 1965:32; SOU, 1966:23).82

4.2.3 Everyone can be a landowner: *Egnahem*83

Another important instrument that marked the emerging state responsibility towards its citizens at the beginning of the century grew out of the *egnahem* movement (sometimes called homecroft in English). The *egnahem* movement was a progressive conservative land reform movement with supporters in many countries.84 Although different in execution, the movement built on the general idea of private ownership and worked to fund the possibility for a family to build their own house, with a garden or some acres of land. Through

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81 My translation, see appendix A.
82 In 1907, only seven cities used the instrument, in 1966 the number had increased to 24. In 1978, 50 cities used it, and in Stockholm, Göteborg and Malmö, all public land during this period was leased with *tomträtt* (SOU, 1966:23; SOU, 1980:49). After the 1980s, the interest in the *tomträtt* instrument decreased in many parts of the country due to cuts in municipal finances (Runesson, 1997).
83 Roughly translated, *egnahem* means ‘One’s own home’.
84 For example, in the US, there was the “American Homecroft Society (Boime, 2019); in Britain the “Three acres and a cow (are enough for a family to live on)” – campaign had a similar agenda (Christophers, 2018). In Denmark, it was called “Statshusmanbrug” (Germunsson, 2001), and in Germany, they were called “Kleinhaus” (Lorbek, 2018).

84
egnahem, Sweden would counter the problems of emigration, industrial expansion and the growing interest in socialism (Edling, 1996).

In Sweden, the movement developed during the last decades of the 1800s as various organisations began to purchase land to pass on to their members. The first egnahem were organised through civil society in the rural regions, but soon public authorities in the urban areas became interested. They saw it as an instrument to improve housing conditions while both counteracting emigration flows and suppressing revolutionary tendencies.

In 1904, parliament decided to fund egnahem investments (through Egnahemslänefonden) (Prop., 1904:92), and with the funding came a list of paternalistic requirements to select who was eligible. According to the bylaws, the fund was only open for ‘less fortunate workers’, who wanted to purchase land and build their own houses, and who ‘earn their income mostly from manual labour’ (Lindkvist, 2007, p. 157). Furthermore, to access these funds they were obligated to have a reputation of being well behaved, sober, and known for their good husbandry (Ramberg, 2000). The desire to decrease emigration led to new efforts to colonise the inner northern region of Sweden, Norrland, for the development of egnahem, using the selling of Crown land along the newly constructed railroad (SOU, 1922:22).

The initial implementation of egnahem by conservatives thus led to further privatisations of land, but there were also more radical fractions arguing to keep land in public ownership. When the movement gained the attention and support from the Social Democrats, it strengthened the voices for public land to remain in municipal ownership, with the argument that it would make egnahem cheaper and accessible to broader segments of the population.

In 1908, the funding opened for lending to egnahem projects in urban areas as well as rural. Soon, prefabricated and easy to assemble module houses became the main signature feature of the suburbanisation of Sweden’s larger cities. Between the years 1905–1936, the government funded the construction of 28,447 egnahem in Sweden (SOU, 1938:34). In many urban regions, the use of public land for egnahem development became the norm through the system of tomträtt, especially after the credit system began to accept tomträtt lessees as security for mortgages. Egnahem continued to be an integral part of housing politics up until the large-scale development of the 1960s.

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85 These societies mostly organised themselves out of pure necessity rather than ideological conviction, and often they would disappear when construction was completed. Examples include AB Hem på landet 1889, Förening Egna Hem 1892, and Hundramannaföreningen 1893 (Lindkvist, 2007; Kjellberg, 1999; Ramberg, 2000). In 1907, the National Association Against Emigration was formed; being well funded, they had the means to support many egnahem organisations to counter the migration to America by providing another alternative (Lindkvist, 2007).

86 ‘mindre bemedlade arbetare’ my translation

87 ‘hufvudsakligen af kroppsarbete har sin utkomst.’ my translation
It had not come naturally for the Social Democratic party to embrace the practice of *egnahem*, as the movement was so focused on the individual family (Edling, 1996; Deland, 2015 [1996/97]). Nevertheless, as their body of voters increased their living standard, they had to adapt their policies to the new conditions. According to one investigation report, the party considered the engagement with *egnahem* as a strategic move to address the issue of land speculation by private landowners, something that was more apparent in urban regions where land values were higher (SOU, 1938:34). The Social Democrats considered private individual families who chose to be a part of the *egnahem* programme as less likely to partake in housing market speculation than corporate landowners due to these families’ presumed emotional connection to the houses they built and the land on which they lived.

4.2.4 The decades of Moral landownership

When regarding the legislative changes and political discussions during these first decades of the 20th century, the rationale for moral landownership seems to pervade important aspects of the relation that public authorities have to the land. The ideals are consistent, be it public or private land, the unifying theme is that the land is continuously treated as something more than its mere market value.

From the advocates of public landownership came the instrument of *tomträtt*, a way to have land remain in public control for societal good. The conservatives instead developed *egnahem*, through the self-construction of houses with government secured mortgages. Together with the discussion on land taxation that never led any further, these public interventions in the land market demonstrate the common understanding that the market valuation of land came at a cost of social injustice. This injustice needed moderation, and the growing sense of responsibility among public authorities meant that they had to seek out different ways to see it done. The instrument of *tomträtt*, should in this regard be seen as the local implementation tool to mirror the discussions on LVT, but from a municipal ownership perspective.

The idealist notion of moral landownership meant that much of the implemented and discussed instruments of this period did not lead to any significant increase in housing production. Instead, the solutions proposed or implemented during this era in many regards centred on creating incentives to promote a different market behaviour, which would in the long-run lead to a more just housing market. As cities built up their public land assets, these assets were part of a long-term engagement in the urban development, and their vision did not include letting go of the wealth they had invested in the land.

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88 This is especially true when compared with what is to come in section 4.4.
This paternalistic approach was the consequence of a political power structure that only recently had begun to include broader segments of the population. It was a slow way to build and change society, formulated by social elites with the time and money to afford to take it slow and to stand by their idealism. However, as the working class began to gain political influence, a more pragmatic relation to societal changes emerged.

In addition, the demands for more radical change were also driven by the municipalities, whose frustration with the state grew as they were assigned new obligations while still lacking appropriate tools to deal with them. Several questions needed to be addressed: What hindered the practice of tomträtt from spreading to more parts of the country? Should the municipality be able to demand more from the private sector? What would be needed to stimulate the market to meet the demand for housing at affordable costs? (SOU, 1923:40; SOU, 1928:10). Clearly, the immediate political reality demanded more out of land politics than the moral rationale could provide.

4.3 Idealism and realism in conflict: The road of transition

The years passed since the turn of the century had changed the political approach to housing and planning in Sweden. From an issue left for the market to handle, the question had repositioned itself into a political responsibility. Much of the ideological argumentation had been based on idealist moral questions: from conservatives about the morality of traditions and the interests of the nation state, from liberals on the morality of production and development, and from social democrats the moral right to the fruits of one’s own labour for the working class. This focus on morality also turned these ideals into antagonistic social systems, since the hegemony of one meant a world without morals for the others.

In the 1930s, a new school of philosophy emerged that would have an enormous impact on Sweden. Their main figure of thought became Axel Hägerström, a value nihilist who questioned the whole system of morality that made up the basis for the contemporary political debate. He argued that morality was just an expression of human sentiment, and could not be, must not be, regarded as an objective truth (Hägerström, 2010 [1939]).

Moral philosophy as science is strictly and solely a science about the actual moral valuations in their historical context, based on a physiological analysis and leads by philosophic criticism interpenetrating active ideas (Hägerström, 1939 in Sigurdson, 2000, p. 54).89

89 My translation, see appendix A
The labour movement and the Social Democratic party adopted Hägerström’s ideas and thus transformed their own revolutionary agenda into a more reformative programme, building the foundation for their upcoming housing politics of the *Folkhem*, addressing everyone in Sweden regardless of class. As pointed out by Esping-Andersen, the Social Democrats soon realised that they needed to expand their body of voters to the middle class to gain political influence (1994), and so unifying pragmatism became their political compass, instead of polarising idealism.

They were able to do this, largely because of the widespread book *Kris i befolkningsfrågan* by Alva and Gunnar Myrdal [A crisis in the question of population, 1939], which defined a national threat that could not be ignored by anyone. In the book, the authors argued that the poverty of the working class and lack of adequate housing were putting the nation at risk by diminishing birth rates. In a similar manner through which the fear of losing the population to emigration had led to conservatives promoting *egnahem*, conservatives who had been against improving the conditions for the working class now saw it necessary to support, at least in part, the politics of redistribution (Sigurdson, 2000; Ramberg, 2000).

All this increased the influence of the Social Democrats, but at the same time, it forced the party to focus less on idealism and more on pragmatic, measurable solutions at hand. Such as the acute housing conditions, where public landownership still was the most powerful instrument to control and ensure a qualitatively built environment.

Consequently, in the 1930s, Sweden began its transition from a marginal welfare system, in which the government played a smaller role and only addressed issues in times of crisis or to citizens incapable of self-help towards a system of institutional welfare, where the welfare of individuals is seen as the responsibility of the social collective (Esping-Andersen & Korpi, 1986).

### 4.3.1 From marginal to institutional welfare

It would be a false writing of history to say that the Social Democrats had the layout of the welfare state and their housing politics all figured out in the 1930s. Closer to the truth would be to say that they had an ambition. The housing question was not yet bound to their party’s political agenda; being more interested in labour rights, they did not engage specifically in the housing of workers. As pointed out by Vedung, it took until 1944 for the party programme to include specific housing demands (Vedung, 1993). Nevertheless, the 1930s is a commonly used point of departure for the *folkhem* housing
timeline, often referring to the new City Plan Act and Building Code of 1931\textsuperscript{90} and the fact that the state credit system for housing became permanent in 1930 under the name the State’s Fund for Housing Mortgages \textit{[Statens Bostadslånekassa]}. The more nuanced story of how this decade became known as the beginning of the era of state steered housing politics in Sweden is connected to the economic depression of the 1930s and the Second World War.

The construction of housing did increase during the economic crisis, but this was more due to the strategy of the Social Democrats to tackle unemployment than as a holistic approach to the housing question (Esping-Andersen & Korpi, 1986; SOU, 1948:4). By financing housing construction, they hoped that the spill-over effects would jump-start the rest of the economy.

The nature of the crises of the 1930s is very present in the different investigation reports from that time, many of which contain pleadings for more state interventions and warnings of the risk of private speculation. ‘A modern urban planning system and politics of land requires an analysis of demand and a housing programme’ (SOU, 1933:14, p. 94), wrote the \textit{folkhem} icons Gunnar Myrdal and Uno Åhrén in one of the reports, arguing for a long-term engagement in the housing question, instead of short-term programmes that were always phased out after the immediate crisis.\textsuperscript{91}

For many years, the discussions of the horrible living conditions of poor families had persisted without resulting in any significant changes, but in 1935 a new reform was implemented, specifically directed towards poor families with many children. It was based on the report from The Social Housing Report \textit{[Bostadssociala utredningen]}, which promoted a new system for state intervention in the housing question.\textsuperscript{92} The houses in this new programme were called ‘Child-rich’ housing \textit{[Barnrikehus]}, and were financed by state issued long-term loans, with a decreased monthly rent for the tenants depending on the number of children living in each household.

The construction of these houses required continuous cooperation between the municipality and the state, since the state required non-profit actors under municipal control to build the houses as well as municipal land to build on.

\textsuperscript{90} The City Plan Act of 1931 emphasised the responsibility for housing and distribution of municipal land, aiming for municipal initiatives above the private sector initiatives (SFS, 1931:142). It further gave the municipality the right to economic zone expropriation if the land around a project seemed to increase significantly in value (but as the landowner had the possibility to pay a legislative fee to avoid expropriation, the Act never resulted in any economic zone expropriations at all (SOU, 1952:25)). Blücher has described how the City Plan Act of 1931 significantly strengthened the municipal position towards the private landowners, especially on unexploited land with the municipality (2006).

\textsuperscript{91} Gustav Möller, the Minister of Social Affairs for the Social Democrats, had already in 1925 argued that the temporary credit system for housing in place during the First World War should be made permanent, but was overruled in parliament (Ekström von Essen, 2003).

\textsuperscript{92} The report defined ‘overcrowding’ as more than four people in a one-bedroom apartment with a kitchen. Even with this rather generous definition, more than 30% of all children belonged to overcrowded households in the beginning of the 1930s (Ramberg, 2000).
that the municipalities should supply without any financial compensation (SOU, 1935:2). This cooperation between the state and municipality to engage in the housing question underscores the political shift in the housing question as a public responsibility.

Because of the severe housing conditions, many of the political programmes during this time eventually came down to the question of housing and public land. Not only in family- and labour politics, but it also came to influence elderly care, agrarian policy, education and health care (Boverket, 2007). Clearly, the housing question required a more holistic approach.

When World War II broke out, it deeply affected the Swedish economy, even if the country did not participate directly. Rents and building costs skyrocketed simultaneously as access to credit decreased, forcing the state to act. The temporary tools to address this, rent control and state loans, led to the state taking on more risk than before, and to reduce this risk, the state began to increase its control over development, making housing a political top priority.

The most important difference between the housing politics of the 1930s and 40s was that change of scope. Housing became an essential part of the institutional welfare and economic policy. By providing better welfare for all, the poor would be included.

The state-led incentives made housing construction increase after 1942, as the housing tools developed since the beginning of the century were moulded into a more advanced toolkit for long-term purposes, specifically targeting housing shortage and speculation in land. In 1939, only 5% of new development had been built with state funding; three years later, in 1942, 100% of new development was built with state loans, regardless of it being built by public or private actors (Boverket, 2007).

93 In 1934, the state implemented grants and loans for renovation and improvement of housing in the countryside (Boverket, 2007); a call for a special university programme for urban planning was made (SOU, 1933:26); and municipalities were soon expected to transfer land for free to the construction of homes for the elderly (SOU, 1938:40); in 1938 several committee members of a government investigation argued that the term ‘societal good’ in the expropriation law should be broadened to include community centres for political associations, unions, religious conventions, etc. (SOU, 1939:30)

94 One investigation report described the housing crisis during the Second World War as much worse than any other during the previous 100 years, all while the housing shortage and continuous urbanisation remained a problem (SOU, 1941:4). Even if this description might be an exaggeration, the conditions were harsh, especially for the poorer segments of the population who saw their situation worsened due to layoffs in the industrial sector.
4.4 Productive landownership: Land to build the welfare state

It should without further ado, be clear, that a planning activity [...] requires a commanding and directing operation from the public side, which exceeds what was considered in earlier planning legislation. The society must ensure a far-reaching control, not only of what is constructed but also over land use. If the unbuilt land around cities and conurbation is transferred into public [...] ownership, they could in another manner than otherwise, organise the development in line [...] with the policies for societal development, not the least the general housing policy guidelines. To, in the future, as before, trust the possibility of voluntarily transfer by landowners would, as experience show, be costly for municipalities, and would limit their possession of land due to economic reasons and therefore endanger the implementation of the political housing programme. (SOU, 1948:4, pp. 33-34)95

After the war, the Swedish economy boomed, and the relationships were warm between state, municipalities, private development and administrative sectors. The state provided capital and legal structure, while the municipalities were responsible for planning and conveying land, making sure that they met the long-term national construction goals. The post-war years were heavily influenced by the ideals of functionalism, technological optimism and trust in top-down planning regimes, and the ambition was to transform Sweden into a modern, urban society.

This section dwells on the role public landownership played in housing the country, and how ambitious housing programmes came to demand increased public intervention, which led to significant increases in municipal land assets. The legislative instruments developed, and the actions taken by authorities during this time are within the rationale for productive landownership. A pragmatic approach to land and value that narrows the focus on one goal above all, namely the implementation of the housing programmes.

At the beginning of the folkhem era, in the 1930s, half of the population had lived in urban areas, and half in the countryside, by the end of the 1950’s, three quarters of the population had moved to the rapidly growing cities. The housing census of 1945 had demonstrated that 64% of apartments lacked access to toilets, and that only 21% had access to showers and bathrooms (Boverket, 2007). Now, politicians made an extensive effort to address the question of housing holistically, in an organised attempt to solve the issue of housing affordability, housing sanitation, and housing redevelopment. The

95 My translation, see appendix A.
aim was that no more than 20% of a normal salary of an industrial worker should go to house a family.\(^{96}\)

To achieve the set goals, an intricate system, based on access to state construction loans was set up, which required developers to keep within set goals to partake in the generous financing programmes. During the 1930s, most state subsidies had been directed towards social housing through public housing companies and cooperative housing companies, but in the 1940’s, the system of subsidies became both generalised and more generous, accessible to both private and public actors alike.\(^{97}\) Between the years of 1945–1960, 822,000 apartments were constructed or redeveloped, almost all of them with some sort of state funding (Boverket, 2007). All while urbanisation, a surprising increase in childbirths, and post-war immigration from the continent, kept the demand for housing at an all-time high.

At the end of the 1950s, technical advancements in construction transformed the whole industry, from an industry characterised by craftsmanship into one characterised by industrial mass construction. The previous ambition to house the Swedish population had been achieved at this stage, but as Swedes were improving their income levels, they developed a demand for a more spacious and higher standard of living. Consequently, to address the housing shortage once and for all, and see to that ‘… the whole population shall be prepared with spacious, sound, well planned and suitably equipped homes of good quality at reasonable costs’ (Prop., 1967:100, p. 172),\(^{98}\) the Social Democrats launched what would later be recognised as the million programme [miljonprogrammet], the construction of one million dwellings over the span of ten years (1965–1975).

The ambitious plan of the million programme meant a drastic increase in demand for buildable land for its implementation, and the question of landownership in relation to the housing programme became crucial. By letting go of the idea of the ideal tax system, focus instead was put on the pragmatic development of other land instruments to increase construction numbers, such as the expropriation tool, and versions of the betterment levy, sales taxations,

\(^{96}\) To spend at least a third of your salary on rent was normal in 1945 (Johansson & Karlberg, 1979).

\(^{97}\) In the loans, the state stood as a guarantor of interest, with secured loans to cover up to 90\% of the building costs, and additional interest free loans for non-profit developers to cover up to 95\% of their costs. The additional loans for non-profit actors were a direct subsidy, since the instalment was dependent on the developer’s income, and could be written off if necessary. The state preference for non-profit actors in their financial regulations led to an increase in cooperative and public housing companies. Most public housing companies that exist today were funded during this time (Ramberg, 2000; Johansson & Karlberg, 1979).

\(^{98}\) ‘Samhällets mål för bostadsförsörjningen bör vara att hela befolkningen skall beredas sunda, rymliga, välplanerade och ändamålsenligt utrustade bostäder av god kvalitet till skäliga kostnader.’ My translation.
but mostly the usage of public land, either through *tomträtt* leases or conditioned sales. The application of each of these instruments captured parts of the LVI, and together they laid the groundwork for a transformation of the previous rationale for owning land publicly.

While the moral rationale for owning land publicly had been more concerned with the capture of LVI and ideas of creating public wealth, the public ownership of land now became an essential ingredient for the ambitious construction plans of the period. Not before, nor since, has Sweden seen that many dwellings constructed, and at the end of this period, the country was even left with a housing surplus for the first time in history.

4.4.1 Market stimulation and political navigation

In the post-war years, the construction numbers were high thanks to the state’s incentives through funding and legislation. The stimulation of the private market to increase construction was threefold and included i) funding through an advanced credit system,\(^99\) ii) municipal long-term plans to ensure the market felt secure enough to invest and iii) the encompassing welfare system of social insurance and full employment, which reduced the risk of citizens not being able to pay rent or mortgages.

The large-scale operation to house the Swedish population required a renewed and updated legislation. Thus, in 1947 came a new Building Act and Code, and the Act on Municipal Responsibility for Housing (SFS, 1947:385; 1947:390; 1947:523). The new legislation expanded the areas of public regulation. What had been characteristic for previous legislations had been the consideration of the individual landowner, but that approach did not fit with the new institutional welfare model that required a great deal of public intervention for its realisation. In a way, it completely decoupled the ownership of land from its planning, even if the landowner still retained the right to decide if and when something was to be built on their land.

Furthermore, following the spirit of the market-critical Social housing report [*Bostadssociala utredningen*],\(^100\) it was demanded that new municipal comprehensive plans should include questions on socio-economy, demography, housing construction demands in the municipality and a detailed map of the long-term construction plans that included plans for commercial and industrial development (SFS, 1947:385; SOU, 1948:4). Consequently, the legislation now explicitly made municipalities the main responsible for urban

\(^{99}\) This credit system was focused on keeping the interest rates stable. One investigation at the beginning of the 1940s had concluded that interest rates above 3.5 % completely hampered construction (SOU, 1941:4), and therefore the state should subsidise the interest rate for developers to stimulate the market. For more detailed information about the subsidies system, see Johansson and Karlberg (1979), or SOU (1945:63; 1947:26; 1974:21).

\(^{100}\) SOU 1945:63 and 1947:26
planning and housing supply, requiring them to make ten-year plans for housing provisions and aid the state in the administration of financing its construction (SFS, 1947:523).

By increasing regulation, the aim was to create a politically ‘neutral’ judicial framework, in which the market was to be controlled, but still had the main responsibility for the actual construction and implementation. The updated building code moulded local variations of building norms into one national legislation applicable for the whole country, with the ambition to ensure that the quality was upheld everywhere. However, most municipalities were small and had little to no resources to support their own planning departments, and therefore had nothing to set against the interest from private developers and landowners, even with the development of these new regulations.101

Regardless of all these incentives for the market to build, the construction from the private sector was not enough to achieve the national housing goals, and municipalities still lacked strategic tools to force private landowners to implement their plans. Therefore, the advocates for public landownership could convincingly argue that to fulfil the housing goals, municipalities themselves needed to own more of the land. In other words, to increase production in new and less attractive areas, and ensure sanitation and infrastructural development of older districts, the need for publicly owned land remained.

In the post-war political programme of 1944, the Social Democrats (together with LO, the largest trade union) had presented their vision for the Swedish welfare system. In the document, they proposed several suggestions on how to stabilise housing demands and rationalise construction. They argued that in areas where private investment led to wastefulness and monopoly ownership structures, the state should provide larger financial support to public housing development and strategic socialisation of land. What stands out in the programme, from the perspective of the thesis, is the fact that the programme argued for a gradual transfer of land and real estate into municipal ownership. According to the Social Democrats, this would ensure both increased quality and housing for all, as well as serve as a strategy for society to secure the LVI on its improvements.

So that land value increment in the cities will be of good to society, and even more so that future urban renewal will not be obstructed due to ownership being scattered among different landlords, land for housing should be communalised and rental dwellings should gradually be transferred to municipal ownership (Socialdemokraterna & LO, 1946, p. 8).102

101 This was before the process of municipal merger, and Sweden had over 2,500 small municipalities, of which many had less than 500 inhabitants. The mergers began in the 1950s, and today Sweden has 290 municipalities.
102 My translation, see appendix A.
The document was full of ideological standpoints, such as in the above citation, but the Social Democrats had increased their political power because of their pragmatism, and the ability to find a middle ground in their day-to-day politics. It was an act of political balance, working towards the redistribution of land value and increased public control of the built environment to not lose credibility with the grassroots, while still avoiding the full confiscation of private property, not to scare off their liberal coalition partners in parliament.

While the other parties in parliament were not on-board with the idea of transferring all land in urban regions to municipal ownership, the two social-liberal parties, the Centre Party [Centerpartiet] and the Liberals [Liberaterna], agreed with the Social Democrats on the premise that public landownership should be used to counter the negative consequences of the private land market (Vedung, 1993). Mostly because they saw, as described in the work of Andersson and Nuder (1977), how private landowners and developers strategically bought up increased amounts of buildable land and used it to negotiate favourable planning deals with municipalities that were desperate to fulfil their housing goals.

By collaborating in parliament, the parties developed a new regime for housing construction, one that required access to public land to achieve its goals. They made municipalities explicitly responsible for housing and obliged to develop large land banks to keep housing production up and land prices down. Several of the larger cities had already begun developing their land banks decades ago, but it was only now that a plurality of Swedish municipalities on the state’s incentive began to rapidly buy vast acres of land for housing development. There was only one problem; land was getting more and more expensive.

4.4.2 The development of the municipal land bank

When the need for public land increased, the heavy investments in housing and infrastructure led to an increase in land prices. The price increase depended on several factors, one being the natural price increase in the face of increased demand, but a significant part came because of speculation. Resourceful landowners, owning land in prospective areas, could easily calculate the increase in land value and charge the municipality – now responsible for fulfilling national construction goals, huge amounts to accept sales.

To worsen the position of negotiation for the municipalities, they often had few alternatives to choose from, since land assets belonging to the state, or the church were treated the same by their owners and administrators. In several

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103 At the time, the Centre party and Liberals both went under their previous names, Bondeförbundet and Folkpartiet.
investigations from the post-war period, municipalities tried to voice their discontent with the situation, as state landowners refused to sell their land to municipalities for development at a reasonable price, often ignoring the official housing policy of the central government (SOU, 1948:4; 1956:7). The power-dynamic between the different scales of government remained imbalanced, with municipalities unable to expropriate state land, while state actors in need of placing their institutions on municipal land themselves often required land price subsidies from municipalities.

The municipalities’ position thus meant that the purchasing of land could be a difficult objective, especially for smaller municipalities; and they were still obliged to fulfil their housing goals, regardless of land accessibility. Because of these circumstances, there was a clear need to improve the municipal advantage if they were to be able to achieve the set goals in the future. Especially when one aim for the Swedish national housing strategy was that all municipalities should own enough land, in both central and peripheral areas, to secure market domination and housing production ten years ahead (SOU, 1965:32).104

One of the suggested solutions included a municipal pre-emption right to purchase land, a way to access land that was up for sale, but it would have doubled in price if the seller knew that a municipality was interested in buying. Another suggestion was to open state funds for municipal land acquisitions, so that lack of funding would not hinder the development of municipal land banks (SOU, 1964:42).106

When it became clear that the 1960s would mean an enormous nationwide plan to build one million dwellings, these suggestions were quickly realised to improve the municipal leverage on the land market (SFS, 1967:868; 1965:905). Their quick implementation came about because of the apprehension that access to publicly owned land would mean fewer distractions or deviations from the set national goals. Much of the public land developed in 1964 had not been bought by municipalities until the year before, in 1963 (SOU, 1964:42), something which demonstrates the lack of preparation for the large-scale development that was about to be implemented. Consequently, the pre-emption right was introduced in 1967, and the year after, in 1968, the fund for land purchases was launched to ensure municipalities would not lack

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104 One reason for this ambitious aim for municipal land banks was a growing concern that a smaller municipal land bank would force municipalities to build where land was the cheapest, instead of where it was most suitable to build (SOU, 1965:32).
105 A pre-emption right is a policy instrument that gives public authorities the right of first refusal on property that is for sale.
106 These were old ideas that had been discussed decades ago, but had not gained enough support for their implementation (SOU, 1945:15; 1947:38).
funding (Boverket, 2007; SOU, 1969:50). Now, a municipality was able to be the first to the table, whenever a landowner decided to sell their land.

4.4.3 Eminent domain: The threat of expropriation

The pre-emption right and the funding for land purchases were important, but they could not aid the municipalities in cases where a landowner completely refused to sell their land. Therefore, considering ongoing developing plans, it became clear that the existing law of expropriation needed an update.

Ever since 1866, public authorities had had the possibility to expropriate private land under certain conditions, mainly in relation to infrastructural investments or for main streets and plazas. The law, however, required the landowner to get a compensation well above market price, as the instrument conflicted with the contemporary view on private property rights (SOU, 1948:4; Heimbürger, 1976). Caesar has described how the municipalities seldom put the expropriation tool to practise, since the law was only applicable under very specific conditions (2016). Furthermore, the law had not been designed to fit the conditions of the occurring large-scale developments. With the housing goals and increased responsibility of municipal authorities, the old legislation soon became an obstruction in the implementation of national plans and policies.

Over the years, the expropriation instrument went through several changes. The rules for compensation to the landowners changed in 1917 (SFS, 1917:189), but the legislation remained something of a last resort. Then a change in 1924 made it possible for municipalities to buy back land they had previously owned, but only if they could prove that the current landowners mismanaged it in conflict with the original stipulations in the sales contract (SFS, 1924:384). However, the land speculation problem of the 1940’s came to bring about a radical change in how the instrument was regarded.

The instrument changed from being a last resort, an important but dangerous tool as it intruded on the sanctuary of private property, to an obvious part of the municipal repertoire for the implementation of plans. SOUs from this period describe it as essential for municipalities to have the right to expropriate all land within conurbation if necessary, and that they should be able to do so at the market price the land had had before the release of the municipal plans (SOU, 1945:15; 1948:4). Ekström von Essen described how the derogation...
of private property rights was justified with the idea of a societal “higher justice” to adhere to (2003). Soon, legislators enabled municipalities to expropriate whole zones and blocks (SOU, 1952:25), albeit mostly for sanitation. As discussed by Caesar (2016), these changes had the purpose of giving the expropriation tool a closer connection to the practical construction of housing.

Nevertheless, these changes were not enough in the face of the large-scale development of the million programme. Because of land’s tendency to increase in value over time, as well as increase in value due to changes in building permits and plans, many private landowners saw their chance to let themselves be expropriated to increase the price tag of the land they owned at the municipality’s expense. To counter this, the parliament issued the presumption rule in the 1970s. The presumption rule made it possible for municipalities needing to use the expropriation instrument to compensate private landowners financially on nothing more than for the price their land had had at the market ten years prior to a municipal decision to expropriate it (SOU, 1974:21). Furthermore, if the original landowner wanted to counter the decision, the presumption rule put the burden of proof on the landowner, and not the municipality, to demonstrate that they had themselves by endeavour produced the LVI (SOU, 1996:45). In 1972, during the final years of the million programme, parliament passed a completely new legislation on expropriation, fully adapted to the large-scale urban development (SFS, 1972:719).

The instrument of expropriation was, and is, a powerful instrument, and therefore it has always been surrounded by bureaucracy to ensure that it is not used irresponsibly. The time-consuming process of enforcing it, including a judicial trial in a special expropriation court, actually made expropriation a relatively unused tool compared to its theoretical potential. Nevertheless, its expansion during this period was considered crucial for the increased control of public land and development. The question is, why was that?

One answer that can be deducted from reading the SOU is that the first and foremost purpose of the expropriation tool was to function as a standing and tacit threat to landowners who, for different reasons, refused to sell their land (SOU, 1964:42; 1996:45; Bergström, Carlsson, & Svenson, 1968). With landowners now facing the risk of being expropriated, possibly at a lower price than offered to them by the municipality when selling voluntarily, this practically meant that municipalities in search of land for purchase would be less

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109 The expropriation of whole blocks was a demand from the city of Stockholm and was further enhanced with the 1953 decision on zone expropriation. Stockholm needed these tools to realise its ambitious plan for public transport, i.e. the subway (Boverket, 2007).
110 This new Act did not differentiate between expropriating land within or outside the municipally planned area, which made it easier for municipalities to access land outside of the comprehensive plan.
likely to run into supply deficits. However, as argued by Brunfelter (1984), this approach meant that the purpose of the expropriation tool had changed completely, from initially being a way to stop individual landowners from preventing important infrastructural developments, to a method by which municipalities could push land prices down. As elaborated on in the next section, this was part of a deliberate strategy.

4.4.4 Domination as price control

As the expected prices on land went up, because of increased land banking and development, the economic reality forced municipalities to develop strategies to keep this increase at a minimum. This strategy had dual objectives. a) To control land prices and keep them stable increased landowner’s incentive to either sell or develop their land, as they would gain little from hording the land in anticipation of increasing land values (SOU, 1964:42) and b) it made sure that what was built did not become too expensive due to increased land values (SOU, 1966:23).

The previous aim of capturing the LVI was discarded completely, with the argument that even if captures of LVI were in theory a profitable taxation for public authorities, citizens would still be left with the consequences of increased housing cost because of LVI. A sentiment expressed clearly in the following quote:

The main purpose should [...] no longer be to attempt to capture unearned land value increment for the public. Instead, one should concentrate on getting to the root of evil and try to hinder or at least dampen the increase in land prices (SOU, 1966:23, p. 12).111

The monopoly status of landowners was regarded as an obstacle that prevented the market’s equilibrium price mechanism from functioning. Therefore, it became the responsibility of municipalities to create an improved land market, neutralising land as an interest for speculative monopoly investment, so that the mechanism of supply and demand on the housing market could work as intended. When municipalities now had the instruments at hand to increase their land banks, they consequently became the normalised price setters in the areas where they were the dominant landowner. Many municipalities sold their land at lower than market price on purpose to stimulate construction, thus slowly forcing the private land market to mirror its public counterpart (SOU, 1964:42). Why should developers even buy expensive private land when municipal land was sold cheaper?

111 My translation, see appendix A
The state played an important part in upholding the ambition to keep land prices in check, through the national credit system that provided the industry of housing construction with capital. For subsidies to be issued, the state demanded that land prices had to be kept under a certain level (SOU, 1966:23), thus securing the final housing cost through a control of the whole process – from start to finish. The state guidelines for municipal housing provision soon stated that municipalities should own enough land to be dominating all construction within the foreseeable future (SOU, 1970:40); with this approach it became important to legitimise the implemented strategy for land valuation.

In several SOUs from this period, the investigators convey a worldview where it was essential to neutralise land as a factor of competition to achieve the goals of the national housing programme. In the same manner as the state was to keep the inflation stable through financial policy, politics of land and housing had the purpose of keeping the LVI to a minimum. Through public landownership, the system instead required developers to compete on other factors than price, such as quality and production competence, as evaluated by municipal professionals. This strategy would force developers to do what they did best: build and develop and hinder them from engaging in land speculation (SOU, 1972:40; 1974:17; 1974:21).

In the spirit of this argumentation, a new proposal was made at the beginning of the 1970s to further increase public landownership. The aim of the proposal was to make municipalities the sole purchaser of land, and thus give them almost complete control over the land market. It stated that all developers who needed state subsidies to finance their projects had to build their constructions on land allocated by a municipality (SOU, 1972:40). Since about 90% of new construction at the time used state funding, it is easy to see how this requirement effectively handed all the power over land and housing into the hands of the municipalities. For private landowners, it became less attractive to own land, and consequently, they were more inclined to transfer their land to municipal ownership. As described by Brunfelter, over 80% of housing construction by the mid 1970s was built on public land, and to a large extent, the public housing companies came to be the main developers for many areas (1984).

At the end of the million programme, all the state intervention in the housing market, and the municipalities’ strategic use of their land assets had succeeded in accomplishing not only the set construction goal of one million new dwellings but also in ensuring that rent levels on new production did not exceed 20% of a normal workers salary for a two-room flat.

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112 It was recommended to the municipalities that they should lease their land with tomträtt. However, as it was optional, many continued to sell the land they allocated.

113 In 1958, about 94% of what was constructed was built with state subsidies. In 1970 the number had shrunk to 88%, and in 1978 it rose again to 90% (Nordic Housing Administration, 1981).
4.4.5 Legislative control: Pushing it too far?

A peculiar thing during this era is that much of the more direct landownership interventions were not in place until the 60s, even if they were up for parliamentary discussion way before that. The reason for this stems from the general trust in legislative control and power. As described by Bodström in her work on Swedish land politics (1994), the Building Code and Act of 1947 carried on their shoulders the hope of never needing other instruments than legislation itself to control the private land market.

To be clear, the new legislations were a huge deal at the time with their holistic approach to planning. One of the new municipal advantages was that a municipality could plan privately owned land and not be required to compensate the landowner, even if it was decided that the area should not be developed at all, thus effectively decreasing the land value (SOU, 1948:4). However, as the political parties in the years to follow competed to surpass one another in promising how much they would build, the legislation lacked the proper tools to implement plans of that enormous scope.

Both the political left and the political right had supported the legislative changes of 1947. It was an act of balance for the state, to ensure local authorities the proper tools to control planning and development, while avoiding conflicts with private interests. In his research on the period’s political debates, Vedung has demonstrated how the contemporary liberals supported the legislative changes since they did not consider them a grave interference with private interests (1993).

Nevertheless, as labour organisations grew stronger, their grassroots argued for a more drastic transformation of the Swedish housing system, and as the Social Democratic party year after year remained in government, the expectations grew on the party to deliver. Some researchers emphasise this political pressure from the grassroots as an important explanation for why the Social Democrats seemingly abandoned their previous post-war pragmatism during the latter 1960s and 70s, especially regarding the expansion of the expropriation tool (Brunfelter, 1984; Holmström, 1988; Vedung, 1993).

The rapid transformation of land and housing legislation could with today’s eyes be interpreted as a rather drastic socialisation of a whole sector by the Social Democrats, especially since conservatives and liberals of today, often preach the value of privatising the housing sector. It is important then to recall the debates advocating for different forms of state and municipal intervention in the land and housing market, which had been part of both conservative and liberal discourse since the turn of the century. As emphasised by both Johansson (1987) and Vedung (1993), the Social Democrats could pass these legislative regulations in parliament, only because of a general agreement across the political spectra on the importance of public control on the housing market. Vedung, especially, has argued that just as the changes to the Building Code....
and Act of 1947 were widely supported, so were most of the changes to the legal system during the 1960s and 70s.\textsuperscript{114}

However, with the implementation of the land requirement [\textit{Markvillkoret}] to access state funding in 1974, which stated that land for development must be allocated by a municipality (SFS, 1974:946), something changed. The proposition had come from the Social Democrats, as an attempt to break up private land monopolies, and both the Liberals and Centre party supported it.\textsuperscript{115} A SOU in 1972 had warned that some of the larger private landowners were trying to compete with the public authorities by drastically increasing their own land banks, and between the years 1965–1970, they had done so by 300\% (1972:40).\textsuperscript{116} The party programme of the Liberals emphasised the importance of publicly owned land to control and hinder speculation (Vedung, 1993), and this proposal went in line with their ambition to achieve that.

Before the million programme was even completed, an emerging critique of the large-scale development and the top-down decision-making process had begun to spread. First, the critique spread among mostly leftist and environmentalists who desired a more human-scale development and more democratic influence over the planning process. Soon, conservatives joined in the critique from another perspective, arguing that the socialisation of land was a threat to democracy (Blücher & Nuder, 1987).

The conservative and liberal parties had not been cooperating in decades, but the conservatives effectively argued that the Social Democrats had held the power for too long, and that they were slowly turning Sweden into a socialist country. Vedung has described how the land requirement became part of the conservatives’ attempt to break up the alliance between liberals and social democrats, with conservative media describing it as a ‘New step towards a socialist society…’ (SvD 26.06.1972, in Vedung, 1993, p. 12).

They succeeded in their attempt, made new alliances, and so, after an epoch of 44 years with Social Democratic ruling, a Bourgeois coalition won the election of 1976.

\textsuperscript{114} Often, the million programme is connected to the brand of social democracy, but at the time, all political parties were proposing drastically increased construction figures, promising to solve the housing crisis. Political goals are seldom as defined as the goals of the million programme (because of potential failure being more difficult to cover up), and the set goal at the time was, according to Vedung, a direct consequence of the pressure put on the Social Democrats by the other parties (1993). Even during the actual process of implementing the programme, bourgeois parties continuously proposed to increase construction numbers by 10 or 15 thousand units per year, arguing that the pace was too slow, or that it was focused on the wrong type of construction (Andersson & Nuder, 1977; Ramberg, 2000).

\textsuperscript{115} The proposition also held the support of the socialist Left Party.

\textsuperscript{116} From 6,000 to 18,000 hectares. The SOU emphasised that ‘In some municipalities the landownership by private interests is so extensive that they can be said to have a local monopoly’ (1972:40, p. 32). My translation, see Appendix 1
4.4.6 The decades of productive landownership

As the welfare state developed, along with long-term plans to house the Swedish population, public landownership transformed into a powerful tool for implementation. During this period, the value of owning land publicly was less about accessing a finite resource for long-term stewardship and social development, and more about improving and expanding every tool necessary to uphold production output, of which land became an important aspect.

If the rationale behind moral landownership had been more about redistribution of land-related resources for the public good (access to either land or LVI), the rationale during this period became to neutralise land completely as a factor of production. This was either done through planning regulations, but mainly through forms of public landownership and price control, encompassing the features of productive landownership.

A more developed legislation effectively meant that the old argument advocating for municipal landownership to control the built environment gradually lost its influence. This is something that can be seen during the 1940s and 50s, when much of the market stimulation show how the market was now entrusted with both control and execution of the developed plans. The aim was to incentivise the market to keep construction numbers high. However, in the 1960s, the national housing programmes required a different approach, with their large-scale ambition of lowering production costs and rents in both public and private housing. Perhaps because the ambitious plans went beyond the markets’ own interest to build.117 Famously, the final years of the million programme featured a surplus in housing for the first time in modern history. Consequently, as the global oil crisis of 1973 hit the world, many municipalities had to face the fact that they had indebted themselves to build what there was no longer an effective demand for.118

Land related policy development at this time was connected to the production of housing. Both through subsidies and legislation, but most importantly by owning enough land to completely dominate and control the market. While the previous period, characterised by moral landownership, still upheld the sanctity of private landownership, this period instead saw its restrictions as essential to achieve production goals.

In some ways, the political domination of the Social Democratic party also meant a domination of their preferred pattern of landownership. The strong focus on public landownership during this time could therefore be interpreted

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117 As discussed in previous chapters, every new building effectively increases the risk for developers.
118 The actual number of uninhabited dwellings never exceeded 30,000, a small number in comparison to what had been built. Nonetheless, their impact on city landscapes, with barricaded windows and the negative effect they had on the economy of, mostly public, housing companies made them the symbol of a failed policy (Johansson & Karlberg, 1979).
as the consequence of two things: a) the attempts to use regulation and construction incentives was not enough to achieve the desired outcomes, and b) the fact that a social democratic party with a historical preference for public ownership completely dominated the political arena.

An interesting dilemma that emerged in the 1970s, was the realisation that the better municipalities were at keeping land prices low, the less they actually earned by leasing or selling the land. From the perspective of municipal financial accounting and annual budgets, it became increasingly unjustifiable. Therefore, to continue this type of land management came to require that its municipal actors fully relied on the holistic framework of the national housing system, trusting that the strategy would result in lower housing costs for the end customer. Many municipalities did not even increase the land rent on their tomtärt leases along with the LVI, a clear indication that the maximisation of the rate of return from their land assets was not their highest priority (SOU, 1952:28).

During this period, the previous concern of losing control over future land use when selling land diminished as new legislation enabled municipal control over future land development for sanitation or redevelopment, thus reducing the original reason to own land for the long-term in the first place (SOU, 1964:42). This period of productive landownership, consequently, did not regard the purchase of land as an obligation towards future generations in the same manner as the previous. This tendency was enforced by a second dilemma that occurred at the end of this period and that has been further elaborated on by Roberts (1975). This dilemma came as a result of the heavy involvement in land and housing markets, because the parallel evolvement was a falling marginal utility for more state intervention. Each new intervention risked being one too many, thus changing the political balance, and as argued by Esping-Andersen, when the welfare state had expanded as much as it had by the end of this period, there was no argument left to expand it further. There was in fact nothing else left but to criticise what had been created (1994).

With this in mind, it should come as no surprise that the rationale for productive landownership came to face its negative consequence in the mid 1970s. The oil crisis and its following ascending interest rates, combined with a system of generous loans, and a growing critique towards the large-scale construction regime, led to economic problems for many indebted municipalities and an unsettling of the trust in the welfare system. The rationale for productive landownership had depended on the need and demand for housing, but as demand declined, the rationale behind the last decades of public landownership seemingly fell apart.
4.5 A brave new world of economics

Up until the end of the 1970s a model of welfare state capitalism dominated in Sweden, like for so many other western countries. Like in the rest of the world, this changed with the energy crisis of 1973 that hit the core of the Fordist production regime, dependent as it was on access to cheap energy (Garavini, 2012). As a result, the Keynesian welfare model endured heavy criticism in most western countries; slowly, ideas about privatisation and consumerism took over. The new economic turbulence required adaptation, and as discussed by Steiner, in Europe, much of that adaptation meant different forms of austerity. To lessen production costs, the strategy of many states now became to cut the cost of labour to secure employment, mostly by decreasing the influence of trade unions (Steiner, 2009). This meant surplus capital invested overseas instead of in the home countries, thus generating more profit while continuing to put pressure on the national labour force. Consequently, the austerity programmes led to public discontent, and traditional majority holding parties in Europe saw themselves in need of political compromise to remain in power.

A new movement among trend setting economists emerged, who emphasised efficiency, investment policy and the liberation of state markets. These ideas, which researchers later collected under the umbrella term neoliberalism, gained global fame through the political victories of Thatcher in Great Britain (1979) and Reagan in the US (1980).

Since Sweden was, and is, an export dependent country with a small internal market, the country could not withstand the international shifts in trade and economic policy. The 70s was a turbulent time for the Swedish economy, but recurring currency devaluations kept the national balance of accounts on track. Nonetheless, increasing interest rates, a decrease in investments, and an increased inflation turned the previous surplus of the public sector into a rapidly growing deficit. Consequently, unemployment numbers soon began to increase (Boréus, 1994).

To tackle unemployment, much of the housing politics at the beginning of the 1980s came to have employment policy motives. The need for new housing construction was low after the million programme, and the sector instead came to focus on repairs, sanitation, renovation and reconstruction (Boverket, 2007). Unfortunately, the national debt kept growing on a yearly basis, and the system of housing subsidies created during the previous period made up a significant portion of it.119 As the political climate came to favour reductions

119 Because the system was built around state warranted interest rates, the inflation and following ascending interest rates drastically increased the cost of the system. In the beginning of the million programme, the system was almost self-financed (Blücher & Nuder, 1987), but after 1974 the costs began to increase rapidly. Between the years of 1977–1994 the costs of housing
in public spending, soon the focus was put on how to limit the state’s engagement in the housing sector.

In many ways, the 1970s has come to mark the beginning of the end of the Social Democratic hegemony in Sweden, since the party lost control of the political narrative. However, that did not necessarily mean that their days in power were gone, and some international analysts still describe the 70s and 80s as the Golden age of social democracy in Sweden (such as Garvini, 2012). Then again, even when the Social Democrats were governing, advocates for privatisations still set the agenda. As described by Boréus, the days of political consensus on the necessity of market control were replaced by a desire to expand market logics to additional sectors of society (1994).

To stimulate the economy, the Social Democrats abandoned one of their most important instruments of economic control in 1985. They deregulated the Swedish credit market. The housing market boomed in response when people could now access mortgages more easily. Many borrowed as much as they could, trusting that high inflation combined with state warranted interest rates meant that their loans decreased over time. The previous public investment in rental dwellings now unfortunately came to contribute to a pattern of societal segregation; as people with economic resources, capacity and dreams of home ownership now moved away from the large-scale constructions of rental dwellings. Parallel to, and partly because of, this development, the Swedish mountain of debt grew uncontrollably.

4.5.1 Decentralisation and democratisation

While the economy struggled, so did the Swedish planning regime. It was criticised by both citizens who felt what was constructed was more adapted to rationalised construction models than to human needs and desires, and from developers who argued that the system hampered both industrial competition and creativity. The elections of 1968 had given the Social Democrats their biggest victory in history, but the leftist winds also inspired the bourgeois parties to unite the right. The top-down model of expert-led rational planning was contested, sometimes under violent forms. The protest and the critique of previous planning brought about a revision of the Building Act and Code, and a

subsidies amounted to over 300 billion SEK (Bengtsson B., 2006). About 400 billion SEK in today’s krona (SCB, 2021).

120 The Bourgeois coalition went through several complicated changes but managed to remain in power between 1976–1982. Then, from 1982 the Social Democrats ruled with a minority government until they lost to a new Bourgeois coalition in 1991.

121 The grand plans of the million programme had favoured certain types of larger developers, and disfavoured smaller firms. After it was finished, there were four firms who stood out as winners, often referred to as the ‘four dragons’ because of their enormous size in comparison to the rest. These firms continued to dominate during the following decades, effectively hampering competition.
draft was made for a new legislation that would largely include citizen’s opinion in the planning process. However, because the turbulent times caused a politically unstable environment in which governments changed on a frequent basis, it took more than 16 years for the new legislation to pass.\textsuperscript{122}

When the new Planning and Building Act (henceforth PBA) was finally passed in 1987, it was an indication that a new era had come to replace the old. The Building Act of 1947 had heavily focused on top-down regulation of new construction in undeveloped areas, but the new legislation instead aimed for preservation, infill projects, restoration and citizen participation (Boverket, 2007; SFS, 1987:10). The new PBA-87 took on a holistic view on planning as a local practice and thus, decreased the influence of national government; instead, it favoured increased municipal planning power through decentralised decision-making. If the municipalities just followed the new act, the state would no longer interfere in how they chose to provide housing for their citizens. Conversely, this reduced the municipal mandate for planning, as the new legislation made it more expensive for municipalities to arrogate private land (Blücher, 2006).

The criticism of the welfare state as static and not delivering on its promises was not new; the critique from both left and right had been present from the very beginning since its launch in the 1930s (Olsen, 2019). Nevertheless, after the turbulent 80s, it was clear that the welfare state had taken the blame for all that had gone wrong with the economy,\textsuperscript{123} and the Social Democrats could either ride on the new wave or lose their political relevance. In 1990, the party published a report to renew the public sector \textit{[Förnya den offentliga sektorn]}, where they stated that: ‘… we ought to see the demand for the freedom to choose as something positive and as a victory for welfare politics’ (Olsen, 2019, p. 221). With the report, they wanted to demonstrate their new approach to welfare politics, as one striving for efficiency and the promotion of economic growth for society’s benefit, replacing their former goal of full employment with the objective of a stabilised currency (Mudge, 2008; Olsen, 2019).

Despite the efforts made by the Social Democratic party to reframe themselves, the winner of the election in 1991 was a Bourgeois coalition, inspired by neoliberalist ideas of ‘public choice’.\textsuperscript{124} To address the country’s economic problems, the increased interest rates, low growth and budget deficits, they thought it necessary to discontinue the system of housing subsidies and war-rants of interest (Bengtsson B., 2006). The previous idea that the housing market was as necessary to regulate as the inflation rate was replaced by the notion that housing politics must be subordinated to the overall economy.

\textsuperscript{122} Between the elections of 1976–1982, Sweden changed government no less than five times.
\textsuperscript{123} The political right did their best to ensure that the blame was completely put on the welfare state, and thus played a big part in constructing this narrative, according to Boréus (1994).
\textsuperscript{124} The school of public choice is an economic theory that sees society as constructed by rent-seeking, rational individuals (Mazzucato, 2019).
Through the turbulent years of the 1970s and 80s, the dominating narrative still advocated for a slow and stable rearrangement of the economic policy to secure future economic growth (Boverket, 2007). However, the years around 1990 were dramatic, and led to a systemic shift in Swedish economic policy. Unfortunately, the deregulation of the credit system in 1985 had funded a housing bubble, which burst at the same time as the state decided that keeping the inflation rate and national currency stable was the new top priority of economic policy. The measures taken to keep this new policy led to a shocking increase in interest rates, something that directly influenced the construction of new development. Not since the First World War had the construction numbers been so low. In the aftermath of the bubble burst, over 50,000 apartments stood empty in 1993, and housing prices plummeted by 30% (Rönnberg, 2002).125

As many people’s private economies crumbled, society expected the welfare support system to kick in. However, instead of returning to a traditional Keynesian approach of increased state expenditures during a crisis, the cuts in state spending continued. In the housing sector, demands were made that all housing should now be built on market principles to reduce future risk for public institutions. During this period, the state emitted many of its previous instruments for controlling the economy. By the end of 1990, Sweden had transitioned into a country with permanent unemployment, low interest rates, and a housing shortage on the rise in several regions.

4.6 Investment landownership: Land as an economic asset

Municipalities are, by municipal law, obligated to sell municipal land at market price. Even if the selling of land by a Swedish municipality can only be used by those who buy land within the municipality, it still affects the direct investment decisions of other properties without any connection to costs that demand funding by municipal fees. [...] The above-mentioned ruling by the tribunal does not allow any further possibilities for municipalities to decide on local norms of pricing property. (SOU, 2015:58, p. 190)126

The 1980s marked the beginning of a new era in Swedish planning. The previous regime had upheld public landownership and state subsidies as necessary instruments to achieve political housing goals, but the turbulent economy

125 For an extensive analysis of the housing crisis in the 90s, see Rönnberg (2002).
126 My translation, see appendix A.
meant that nothing was sacred, everything had to be re-evaluated. Conversely, the new ideals of neoliberalism that began to penetrate society and politics in the 1980’s instead regarded public ownership of any asset as a restraint on the economy, an economy that needed as much stimulation as possible to improve. By following this logic, privatisations of public assets became a favoured tool to achieve two overarching goals: To increase market influence and to decrease public debt by asset realisation. The decade of the 1990s has described by housing researchers as a systemic shift in Swedish housing politics (Löfgren, 2021). The state revoked the system of housing subsidies, which naturally came to affect the management of public land. During the years of 2001–2010, the amount of land under public ownership in Sweden dropped from 21% down to the present 15% (SKR, 2019).

The process of decentralisation transferred more responsibility on to the municipalities, and municipalities themselves now had to budget, plan and structure their control and ownership of land without the state’s financial involvement. This contributed to a renewed diversity among municipal approaches to land, or as a previous respondent who worked with municipal land and planning put it: ‘Now, there are not even two municipalities with the same organisation. It’s just one of those idiot things in Sweden: that we have 290 municipalities with 290 different organisations’ (Zetterlund, 2016, p. 7).127

Previous sections of the chapter, discussing the moral and productive rationales for landownership, have described how ownership of land can be framed in different ways, either as a moral obligation, or as an instrument to control and increase production output. This section will instead elaborate on how public landownership becomes valued, not for the land, nor for the value of what is built upon it, but as an asset. An asset in need of realisation to provide the value it holds.

It might seem strange to describe this trend as the rationale for investment landownership, when the most prominent feature of this era is the deregulation of previous planning instruments. However, that would be to accept the worldview of market-oriented policies being politically ‘neutral’. Another picture emerges if these de-regulations are perceived as planning instruments themselves, with as much societal impact as the regulations had when implemented. A picture where public landowners began to regard land as a commodity to be treated as any other, because of a strong belief that market-oriented approaches effectively lead to the most efficient usage of the housing stock.

This assumption was, in turn, based on the ideological aim of transferring risk and responsibility from public actors onto individual citizens themselves. By doing so for the housing system, the strategy was assumed to reduce the

risk of overproduction (as in the 70s), or the state being left with cleaning up after a speculative bubble burst (as in the 90s), and instead enabled the market to rely on a multitude of creative private initiatives to handle risk in times of economic turbulence.

Furthermore, the notion that land *can* be like any other good, stems from the economic idea that monopoly is not something that should necessarily be avoided, an idea often associated with neoliberalism (Hayek, 2015 [1959]; van Horn, 2009). This changed the whole dynamic of political intervention in the land market, because the problems caused by monopoly ownership had been one of the major reasons for why traditional conservative or liberal parties previously acknowledged the need for public market intervention. Since land-ownership always functions as a monopoly ownership of location, public control was required to create a functioning land market. When the social liberal parties became inspired by neoliberalism, the previous dynamic of common ground between liberal and social democratic interests changed.

This section focuses on this transformation in relation to public landowners-ship during the turn of the millennia. Firstly, it displays the de-regulations of the previous regimes as a strategy to solve the economic crisis. Secondly, it describes the Swedish membership of the European Union and the long-term consequences it has had on land policy and planning. Thirdly, the section discusses how the contemporary housing shortages in Swedish urban regions are met with demands of additional de-regulations.

4.6.1 De-regulation and decoupling: Separating the state from municipal land

Most of the de-regulations during the 1980s had no relation to landownership or land value.\(^{128}\) However, much of the de-regulation was related to planning and housing subsidies, and therefore indirectly, to the management of public land assets.

In the 1960s, more than 70% of new development had been built on undeveloped, raw land \([\text{råmark}]\) (SOU, 1964:42), but after the million programme critical voices, from the isolated suburbs created by functionalist planning, objected to the continuation of the same urban morphology. Instead, the new ambition became to densify and build the cities inwards. There was only one problem; this meant a clear cut from previous land policy. Raw land in the urban periphery had been relatively inexpensive, and state subsidies and incentives enabled municipalities to buy the land at lower than market prices.

\(^{128}\) Furthermore, not all policies during this period were directed towards de-regulations either. Conversely, in 1985 came the first national tax on property, in which both land and housing were included. Previous versions of such a tax had been in place for municipalities since the 1920, but this was the first that accrued to the state.
Urban land was more expensive, and often owned by a patchwork of small landholders. To make matters worse, in 1981, the state revoked the fund for municipal land purchases (Brunfelter, 1984; Vedung, 1993).129

Revoked funding in combination with municipal budget problems, made many municipalities draw the conclusion that they would rather have a housing shortage than ever again stand with a housing surplus, and the same went for land assets (Johannesson, 1989). The focus on land was still connected to housing production, and the role municipal land could play in that regard. However, as the rationale behind publicly owning land began to shift, it soon seemed to make less sense for an increasing number of municipalities to continue to keep the land in public ownership after its development (SOU, 1980:49).

During this time, public investigators tried to voice caution about the risk of enhanced speculation due to the increasing land prices, or how the necessary refurbishment of the older housing stock ran the risk of leading to luxury renovations to maximise the rate of return (SOU, 1981:100). As the credit market was set free in 1985, their warnings came true. While the ambition of keeping land prices low had meant a construction preference for rentals, the promise of LVI over time meant a growing interest in tenant-owned apartments, since they enabled their owners to realise the increased value through sales.

The incentives for publicly owning land furthermore decreased with the PBA-87. Previous legislation had not enabled municipalities to force private landowners to build on municipal demand, only to incentivise them, and in certain cases expropriate them. Municipal landownership had therefore been necessary to ensure that the housing goals were met. With the new PBA-87 however, the legislation introduced a time limit of 5–15 years to the implementation of plans, to pressure private landowners to implement the plans, otherwise the land would return to municipal ownership through compulsory purchase (Caesar, Municipal Landownership and Housing in Sweden : Exploring links, supply and possibilities, 2016). The time limit did not force private landowners to build, but as a pressure tool, it contributed to the decreased need for a municipality to own land themselves long-term to see their plans implemented. Nevertheless, since the new legislation did not enable municipalities to decide which of the tenure types a construction would have, municipal land was still the only instrument available to control that.

As the political wind shifted, the credit market was de-regulated, land value prices increased, and the state stripped municipalities of their older instruments of control; many municipalities became more inclined to sell their land

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129 Since its launch, the municipal fund for land purchases had enabled municipalities to buy land for a sum of 1,400 million SEK (Vedung, 1993).
to private actors as opposed to leasing it, and instead of restocking with new land assets, they used the profits to amend their strained budgets.

In Stockholm, the privatisations of public assets took off already during the early 1980s, as a forecast on what was to come. The Social Democrats in Stockholm, who held power but in a minority position, brushed aside the contemporary critique by referring to the new political and economic reality. As discussed by Bodström, they argued that neoliberalism was on the rise, and that it was better that the privatisations of public assets were done by a social democratic party than the bourgeoisie, to make sure that the revenue was used in the interest of the public (1994).

When in 1991 the Bourgeois coalition won the national election, they abrogated the Housing Department [Bostadsdepartementet], divided and distributed its functions into seven different departments. Much of the land related questions came to fall on the Department of Environment, a department that, according to Vedung (1993), had no particular interest in housing politics.

The process of de-centralisation continued with the abolishment of the land requirement, which had demanded land to have been allocated by a municipality for developers to access state construction subsidies. The land requirement had been controversial at its introduction, but its place in municipal planning developed over time. Vedung has pointed out how at the beginning of the 1990s, the instrument held support among 70% of Swedish municipalities, regardless of them being under Social Democratic or Bourgeois leadership (1993).¹³⁰

Notwithstanding its support, the instrument was revoked in 1992, effectively disconnecting the relation between municipal land and state subsidies that had been in place under different forms since the introduction of Child Rich Housing in the 1930s. One of the effects of this change, as argued by Caesar (2016), was that it left the pricing and managing of landholdings up to each individual municipality to decide on, resulting in a decreased interest for tomträtt and other instruments that required long-term ownership. As argued by one SOU:

The popularity of tomträtt has decreased during the last couple of years. Partly, this could be because of ideological reasons. Tomträtt is undoubtedly a form of land socialisation. […] As a consequence, a rather large redemption of tomträtt has occurred. It can also be added that the privatisation and formation of company among state and municipal land in Sweden has made leasing land by tomträtt somewhat impractical with existing rules (SOU, 1996:156, pp. 195-196).¹³¹

¹³⁰ Noteworthy, Vedung’s source on this is a Social Democratic and thus perhaps, partly biased account.
¹³¹ My translation, see appendix A.
The disconnection between state and municipal policy was present in more than just housing and land politics; the trend covered both education and elderly care. Partly, it was to democratise decision-making processes by bringing it to the local arena, where citizens could stand in direct contact with their municipal representatives. However, this had the unfortunate consequence that the state now made municipalities with already strained budgets responsible for costly and perpetual spending. From the perspective of municipal leadership, municipal land assets that increase in value are a potential source to tap from to relieve the budget, especially in those municipalities governed by political majorities without any ideological connection to public landownership.\(^{132}\)

The aggregated result of all the changes became a shortage in land and housing, and consequently, rapidly increasing land and housing prices as Sweden entered the new millennia.

Land started to become a scarce commodity, at least in the central locations. Nowadays, the prices have, to a higher degree been adapted to the market. Consequently, the price levels have increased and are today the heaviest component in the value chain, aside from the contracted price itself. [...] The steep land prices automatically entail an effect on production costs – often considerably. The developers, [...] often build tenant-owned apartments that are sold at a considerably high market price (“to cover for the high cost of land”). That enables the municipality to increase their price further for the next project, and so on. This has created a noticeable spiral that also inflates construction prices. Because the land is so expensive the construction itself needs to be lavish. These land prices make productions of rentals impossible, at least in attractive locations (SOU, 2000:44, p. 127).\(^{133}\)

For a Swedish society that had just gone through a period with an oversupply of housing, the speed at which the tables turned surprised many. Instead of seeing it as part of a general global trend towards increasing land prices in urban regions, it was seen by many commentators, as in the quote above, as a sidestep from the Swedish system of institutional welfare in which affordable housing was an important part.

### 4.6.2 Entering the European Union: The point of no return?

After a marginal victory for the ‘yes’-side in the Swedish referendum in 1994 on becoming a member of the European Union, Sweden entered the union in

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\(^{132}\) During this period, several SOUs accentuated the importance of public land for municipal planning, advising municipalities to not sell off their land banks. However, as state and municipal land policy had been separated, these mentions were mostly encouragement without any legal or economic weight (SOU, 1988:66; 1996:156; 1997:81). Nevertheless, they do demonstrate the conflicted nature of the decentralisation process of the planning system.

\(^{133}\) My translation, see appendix A.
114. Before the election and entrance to the EU, the advocates had advertised it as something that would improve trade and collaborations between countries and facilitate international travels for Swedes. However, how the EU would come to regulate state aid, thus affecting the basis of the Swedish welfare system, especially regarding housing and planning, was rarely mentioned or problematised.

The EU is built on an idea of an internal single market; therefore, the heterogeneous land development strategies of each membership country have had to be reshaped and adapted to EU standards. As has been problematized by Korthals Altes (2006), this has often caused confusion and frustration among EU countries, since planning regimes are often incredibly local in their layout, and not easily adapted to the international scale of the union.

In the Swedish case since the entrance, the EU has had a significant impact on Sweden’s legislation, mostly because of the union’s preference for judicial trials, instead of the Swedish traditional system of resolving problems and disagreements through politically elected representatives.134

The influence the EU has had on Sweden’s land policy mainly comes from two directions. The first one is from the EU itself, best exemplified by the discussion on Swedish expropriation that occurred shortly after the country’s entrance. The EU had made it clear from the very beginning that they would let each country decide on their own rules for expropriation if they administered appropriate compensation to the original landowner (SOU, 1996:45).

However, in the Swedish case, the EU was concerned about the formulations of the Swedish law on expropriation, especially regarding questions on the burden of proof and the presumption rule. As previously discussed, the Swedish instrument of expropriation at the time only allowed the original landowner compensation at the price levels that the land had had 10 years prior to the decision of its expropriation. The burden of proof was on the landowner if they wanted to claim another measurement of value.

The system had developed as part of a strategy to dampen land speculation by private landowners, but from an EU standpoint, property rights were human rights. Therefore, the Swedish legislation, from the perspective of the EU, lacked legal security and transparency for the individual landowner (SOU, 1996:45). To avoid future problems with the EU, Sweden adjusted its legislation and thus transferred the burden of proof onto the municipality or other expropriating authority.

This adaptation to the EU can be referred to as the ‘soft’ power of the union. In these cases, the EU expressed their concern, and in response, Sweden

134 For more on the EU and the interest of the union in building a supranational judicial framework that trump national legislation, see van Horn and Mirowski (2009), or Andersson (2019).
adapted its legislation, preceding formal complaints and avoiding judicial trials. Sweden has seldom used its membership to push back at the EU concerns to defend its housing system.135

The other and more apparent influence the EU has had on Swedish public land and housing politics relates to the EU ‘state aid’ policies. The EU state aid policy is a legal framework that comprises all public activity when affecting the market. Its purpose is to secure that public subsidies or management of public assets do not premier individual companies and distort competition. The framework does not differ between public or private actors, nor between profit-driven and non-profit organisations. The only way to avoid transgressing the state aid is to be market oriented. For instance, the EU would not consider it to be state aid, if a profit-seeking private actor could have taken the same action of market intervention as the public actor.

The commission accepts state aid interventions if, and only if, directed towards certain groups who cannot access the regular housing market (such as the poor, the elderly or students). To pass the acceptance process, the public actor is required to prove that such an intervention would: a) not influence the market to act differently than it would otherwise have done (‘the incentive effect’), that b) it does not comprise more than necessary (‘be proportionate’), and c) that the benefits of the aid compensates for its market drawback (‘the levelling test’) (SOU, 2015:58, p. 147).

The purpose of the state aid regulation is to foster market-oriented principles in all markets within the EU. In many ways, the state aid regulations were designed for countries with marginal welfare systems, and the Swedish system of institutional welfare thus clashes with it on many levels. Because of the regulations’ proportion and influence, there has been an ongoing debate on the Swedish interpretation of them ever since the entry. Several municipalities have, as one example, argued that their land markets are too local to be included in the EU’s definition of the overall national market. Even though this municipal approach to state aid has not been tested in court, the national recommendation for municipalities is to not go against the EU (SOU, 2015:58).

Another suggestion to round the state aid regulations in different ways is to interpret long-term social sustainability goals as an important factor in the municipal land price estimation. Regardless, the official national interpretation is that the state aid regulation does not include these different perspectives on market pricing mechanism, and the general guidelines indicate that the system

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135 One example of this is how Sweden changed the country’s law regulating the public housing companies. EU never formally requested a change in the public housing system, but when the Property Owner’s Association threatened to take the question to the EU court, Sweden changed its system without any pushbacks. Because of this, the Swedish system of public housing is no longer non-profit, but market driven. For more on the system of public housing in Sweden, see Salonen (2015) or Gustafsson (2022).
is so complicated that it is better to be safe than sorry, and not risk a fine.\textsuperscript{136} Thus, according to EU regulation, allocating land to public rental companies or any other actor at lower than market price is considered as transgressing the state aid regulations. This has especially affected the construction of rentals and affordable housing in Sweden.

Public land has been the main tool by which municipalities have been able to control tenure types during the past 100 years, and usually the land is either sold at a reduced price or leased by \textit{tomträtt}, as rental dwellings otherwise have a hard time competing with other tenure types. However, such a price reduction, practiced by several municipalities still today,\textsuperscript{137} generally goes against state aid regulations. While EU countries with a clear separation between the regular housing market and the social housing sector are able to allocate land for social housing development at lower than market price (Granath Hansson, 2021), it seems that the EU will not waver in this regard as long as Sweden still maintains its ambition of an integrated institutional housing system.

That many municipalities still practice this type of price reduction for rental dwellings thus comes at a risk, and there have been signs that the EU is becoming stricter in this regard. In 2013, there was a case with a Belgian transfer of public land to a non-profit housing company dedicated to building for disfavoured groups. The EU commission ruled that the Belgian municipality had not been able to prove the existence of a ‘market failure’. Therefore, they ruled that the intervention was a transgression of the state aid regulation (SOU, 2015:58).

Because of the EU’s strict approach to state aid, several SOUs have lately recommended other ways to enable municipalities to control tenure types through different means. One such recommendation is to use land allocation strategies based on competition that include both private and public actors, another requires a change in the planning legislation that would allow for the Detail Development Plans to regulate tenure types (SOU, 2018:35; 2018:46). Both these suggestions would round the state aid rules by having rental development compete with other rental projects on a purely ‘rental construction market’. However, if implemented, this approach would undoubtedly contribute to the continuous disconnection between public land and housing development.

\textsuperscript{136} Other countries have taken on a different approach and instead pressured the EU to stretch the interpretation of its legal system. For further reading, see SOU 2015:58.

\textsuperscript{137} See chapter 5 for more on this.
4.6.3 The transfer of public land to private actors: Land allocation practices

To choose among developers interested in building on municipal land, Swedish municipalities have for several decades worked with different types of allocation methods. These methods have been in place since the 1970’s, in response to the contemporary demand for a more objective evaluation system to enhance the quality of large-scale construction projects (SOU, 1972:40; Bodström, 1994). One of the core purposes of the methods is to neutralise the difference between public and private developers and how they are treated by the municipalities.

The allocations system has since its beginning suffered from accusations of not being uniform (since all municipalities have had their own version of it), transparent (since there has been uncertainties on the grounds on which land is allocated) or being an adequate form of evaluation at all.

Today, there is a lack of regulation on the procedure and content of development contracts and land allocations. This often entails time-consuming negotiations in questions of finance regarding the planning- and building process simultaneously as developers experience difficulties anticipating their costs. The Civil Committee CU 2013/14:31 (SOU, 2015:60, p. 141).

As the discussion on the shortage of housing grew in the country, the critique resulted in a change of legislation in 2015 to unify the system and increase transparency. The new law mandated that all municipalities were responsible for publicly present their guidelines for land allocation (SFS, 2014:899). Previous practice had built on a complex system of tacit rules, which effectively excluded new actors from entering the local land market, and the purpose of the new act was to create structure, transparency, and predictability for developers.

The municipal guidelines were now required to be presented in a policy document together with visions, benchmarks and forms of implementation for the land allocations. Moreover, the document had to include the municipality’s principles behind land pricing and valuation. By doing so, the developers would not risk getting unpleasant surprises when trying to establish themselves in a new municipality.

There are two main allocation practices; ‘tender allocation’, which is based on a comparison between developers competing on price or quality, and ‘direct allocation’, where the municipality directly chooses a developer to develop the land (Caesar, Kalbro, & Lind, 2012). Since there is no form of bidding between developers during a direct allocation, it is important that the municipality make an expert valuation of the land to decide on the market price.

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138 My translation, see appendix A.
This is regulated by both the EU and the municipal law in Ch. 2 §8 (SFS, 1991:900).

The direct allocation method is more common with infill projects, but rare in bigger projects where a municipality has taken on more financial responsibility for area development. In those cases, tender allocation is more common, because of the potential for project improvement through competition. For tender allocation, it is required that at least two developers participate in the competition, either on price, quality, or both.

The contemporary methods for transferring land from public ownership to private ownership (or management, if leased by *tomträtt*) were developed as an act of balancing private interests of accessibility to buildable land and the EU’s demands for market-oriented land policies, with the municipal responsibility of providing housing for its citizens in face of an increasing housing shortage. This change purposely increased the commodification of public land by creating a more efficient and uniform instrument of valuation that enables the local Swedish land market to be accessible to a broader segment of investors.

### 4.6.4 Markets to solve market failure: The transformation of a decade

Since the turn of the millennium, Swedish cities have suffered from an increasing housing shortage. Each new political majority has promised to solve the situation, without succeeding. Previous strategies to address the housing shortages during the 20th century meant a strategic transfer of control from private to public actors. However, since the 1990s, the transfer has shifted direction, from public to private. Blücher has described how this new approach in Swedish planning has made private actors the new project initiators, setting the pace for both planning and execution (2006). The loss of municipal planning instruments has diminished the municipalities’ ability to take the lead, or as described in one SOU: ‘An active politics of land has been replaced by developers’ strategic land acquisitions’ (SOU, 2008:68, p. 123). This has contributed to a more co-equal relationship between public and private interest than before, and in several cases resulted in compromises with the municipal commitment.

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139 None of the proposed suggestions from either political branch has come close to the state intervention of the million programme, and that does not appear to change anytime soon either. The National Board of Housing and Planning [*Boverket*] has estimated that from 2020–2029, there will be a demand for new construction of approximately 592,000 to 664,000 apartment units to fulfil the Swedish housing goals. That is half of a new million programme, and according to the report, about 10,000 apartments more per year need to be constructed to reach those numbers (*Boverket*, 2020:32).
The cost of land and its share of housing production continued to increase, from 7% in the production of multifamily dwellings in 1992, to 15% in 1999. In the urban growth regions, the cost of land, around the millennia amounted to over 20% of the total production costs (SOU, 2008:99). While the previous regime had aimed at keeping land prices low, the loss of state subsidies in the 1990s profoundly affected the municipal ability and incentive to maintain price stability.

When the subsidies disappeared, so did a good part of the state and municipal power to control the final rent or price of the product, as that was a requirement for developers to access the funding. With no means of controlling the final rent or customer price, municipalities had no incentives to maintain low land prices, because the difference would only end up in the developer’s pocket anyway.

The presumption rule had made it possible for municipalities to expropriate private land at the value it had had 10 years before the decision to expropriate it, enabling municipalities to purchase land at a lower price than the land would have otherwise been sold at. However, as keeping land prices low no longer was a political objective, the presumption rule now instead created an imbalance between private and public actors investing in land, an imbalance that no longer was desired in a market friendly political climate.

The considerations for or against the presumption rule can be said to be more of an ideological nature, i.e. to what extent the property owners should be seen as deserving of a land value increase to which they themselves only to a lesser degree contributed to. With regard to the guidelines specified in our directives and because the presumption rule should have such a small economic significance for acquirers and for the national economy, it is our assessment that the presumption rule, not even in these cases can be seen as defensible today (SOU, 2008:99, p. 249).140

As mentioned before, the EU concerns about the presumption rule had already edulcorated the instrument by shifting the burden of proof on to the expropriating authority, but now the whole premise of the presumption rule was questioned. Moreover, in 2010, the parliament decided to force expropriating authorities to compensate the original landowner, not only at market price, but also at an additional 25% (Prop., 2009/10:192). The change came about to protect private ownership and property, but it had an unfortunate consequence, as it reduced the landowner’s incentive to sell at only market price voluntarily, if they could earn 25% more by letting themselves become expropriated (SOU, 2015:109; 2018:67).

The same year, 2010, the parliament decided on the ademption of the pre-emption right. It was a decision that had no support in the investigation reports

140 My translation, see appendix A.
that were supposed to revise the decision nor among planning professionals (SOU, 2018:67). Nevertheless, the Bourgeois government and parliamentary majority went through with it on ideological grounds, claiming that the instrument created obstacles for private actors on the land market (Prop., 2009/10:82).

The change of the expropriation tool, combined with the ademption of the municipal pre-emption right, meant that municipalities no longer had any legislative tools to keep land prices low, even if they wanted to (SOU, 2015:109). Because the bourgeois coalition who had governed since 2006 sought to premier private ownership, they did not consider this as a problem. Instead, the government encouraged municipalities to sell off their land assets, and profit from that realisation. The idea was that the planning legislation would ensure future control over land use, even if the land was no longer under public ownership (SOU, 2012:71).

However, the planning legislation no longer held the same potential for municipal control over non-municipal land. In 2015, the parliament abolished the room for municipal specific demands [Kommunala Särkrav], so that developers could expect the same rules and norms within all of Sweden, which would encourage investment. At the same time, this change now prohibited ambitious municipalities– who wanted to exceed national building norms and recommendations on sustainability, to demand such constructions or societal engagement from developers by legislation alone (SOU, 2012:86).

All these changes had one thing in common; they were to increase the influence of market forces in the housing sector. The increasing prices of land and housing meant that an increased number of citizens were struggling to enter the housing market, but the official narrative proclaimed that the reason behind the housing shortage was the leftover strict regulations of the 1970s.

The solution, according to this narrative, was to release more buildable land to the market, so that the prices would naturally decrease (SOU, 2015:48; 2015:105). The municipal organisations were thus to blame for the housing crisis, since they withheld land from the market. The proclaimed obstacle became lack of land for construction, not the lack of interest from investors to build affordable housing.

The same logical reasoning stated that land prices increased as a natural reaction to demand, and those municipalities who artificially tried to keep them low made bad financial investment decisions, with the only result of developers pocketing the difference anyway.

141 For municipal planners, the instrument was important to secure enough land for strategic planning purposes. More on this in chapter 5.
142 However, curiously enough, 1 out of 5 municipalities still seem to practice some form of municipal specific demands today, disregarding this legislative change, according to a survey done by the news paper Aktuell Hållbarhet (2022).
You can also express it in the following manner. If the big problem in larger urban regions is the supply of land and if this supply is fixed, lower construction costs will preferentially lead to increased land prices. In a given total supply of new dwellings, the end price will be given, and then lower construction costs will make companies pay more for the land and thus land prices will increase (SOU, 2015:48, p. 92).143

All in all, these changes contributed to reduced incentives for municipalities to own land for housing development, and them being more encouraged to realise the assets that they already had. The ambition was to make municipalities more restrictive with land purchases, to decrease the budgetary risks. Some of these changes might seem small when looked at individually, but the aggregated result completely shifted the role of public actors in the land market. In one survey sent out to the largest 35 municipalities, 57% of them stated that their land strategies had been affected by the legal changes of 2010 (SOU, 2015:109). Today, there is still no encouragement from the national level for municipal authorities to own land, even if several SOUs as of late, have highlighted municipal land as an efficient instrument to control planning and housing construction (SOU, 2015:59; 2017:73; 2018:67).

4.6.5 The decades of investment landownership

To create a flexible and dynamic land- and housing market, Sweden’s housing system has gone through de-regulations, de-centralisations and privatisations. The shift contributed to a more market-oriented approach to land and dissolved previous instruments available to municipalities to keep LVI at a minimum, thus increasing the cost of land (see figure 2).

Figure 2. Graph translated into English from SOU 2015:105, p. 53

143 My translation, see appendix A.
Furthermore, there are no longer any state funds accessible to municipalities for land purchases, and so municipalities themselves are the sole risk-takers of land acquisitions on the expensive land. This has led many municipalities to conclude that there is less value in owning land for the sake of keeping it public, and thus incentivised them to sell off their assets. Over time, for those municipalities, their decreasing assets mean that they no longer are the normative price setters on the land market, thus further increasing the market influence on the local land market.\textsuperscript{144}

The shift to adapt the Swedish housing system to market needs has been further enhanced by the interests of the EU, who favours market-oriented policies. Combined with the increased municipal responsibilities because of decentralisation, the incentives grow to privatise public assets to relieve strained municipal budgets. In a way, the same land that previously acted as a heavily subsidised means to an end, the construction of housing, has now been reshaped into the resemblance of a municipal income. As shown in the introduction of the thesis, the municipality of Danderyd is the extreme outcome of this trend, where municipal budgets are made dependent on the LVI of public land assets. Even if this behaviour is not present in every municipality, the encouragement from the state level to treat public land in this manner clearly is a heavy incentive, and for many municipalities, it is difficult to work towards optional paths. According to a recent study done by the Swedish Union of Tenants, many municipalities feel the financial restraints of their economic realities, and thus tend to act more reactive than active when it comes to new investments for land and housing development (Bengtsson & Synelius, 2022).

This has further implications. The most prominent one is that the lack of state intervention creates a local climate with little incentive to invest in risky but socially important projects, such as affordable housing.\textsuperscript{145} The other is that municipalities themselves are more likely to partake in land speculations in anticipation of higher profit.\textsuperscript{146}

The rationale for investment landownership is in many ways not about land at all; instead, it is all about the money, and Sweden, at the beginning of the 1990s had a large money problem. The de-regulations, the de-centralisations, and the privatisations since then all bear the mark for the investment rationale.

\textsuperscript{144} There are indications that the municipal debt during the last three decades has increased at the same pace as the national debt has decreased (Synnelius, 2020). With the lack of state credit, municipalities that seek to expand their land bank often must turn to other types of credit institutes, such as commercial banks or the cooperative bank of Kommuninvest (Schnitzler, 2017).
\textsuperscript{145} One example of this is how some traditionally right-wing municipalities in affluent regions have sold off their public assets (both land and public housing companies) and see little value in investing in developing new ones.
\textsuperscript{146} Something that the municipality of Stockholm has been accused of from time to time (Zakhour & Metzger, 2018).
Because of the faith that investment rationale has in the workings of the market, all these changes have intended to get rid of the rigid regulation that held the market back, in the hope of attracting a multitude of actors and investors to enhance both output and quality.

Most of the reforms and changes to regulations in the Swedish housing system since the 1980s have aimed at premiering competition and entrepreneurship, with the unfortunate side effect of increasing segregation, gentrification and the commodification of land and housing (Beaten, 2012; Christophers, 2013; Clark & Johnson, 2009; Franzén, Hertting, & Thörn, 2016). However, to use public market intervention to address these issues is today almost seen as something vainglorious, an attempt to change the natural order of things, because markets have largely come to be seen as apolitical and neutral. After more than 30 years of investment landownership, plenty of economic measures and interventions that were regarded as axiomatic during previous eras of moral and productive landownership are considered politically impossible.

Amid a lack of housing in the larger urban areas, the rationale for investment landownership has been able to maintain its domination due to historically low interest rates. Low interest rates both keep up the housing construction at a sufficient pace to ensure that the approach can avoid much of its critique and ensures the municipalities low costs on borrowed assets. However, with interest rates and inflation potentially increasing in the post-Covid upswing, there is a possibility that the rationale’s legitimacy will come into question.

4.7 One hundred years of public landownership: A commentary

The inherent features of land have always created incentives for public control of its use and value. During the past 100 years in Sweden, shifts in rationales for public landownership have changed how that control over value and use has been enacted. From the attempts to increase legislative control and capture LVT to build the ideal society under moral landownership, via the pragmatic seizing of control and ownership with productive landownership, to the present investment landownership attempt to free the market from hindering obstacles.

These rationales have not only affected legislative changes and contributed to variations in production output, but they have shaped the land market and thus created the conditions for the next form of public intervention. In many

\[147\] For more on this trend internationally see e.g. Huber (2013) or Mirowski (2013).
ways, the rationales are, to a large extent, pre-requisites for one another. Moral landownership encourages a relation to land infused with idealistic plans and long-term agency. These idealist ideas, and the limits to which moral landownership can achieve them, lay the groundwork, and holds the potential to lead up to the more pragmatic and goal-oriented rationale for productive landownership. A great example of this is how the democratic movement put the focus on actual housing production outputs instead of idealist economic theory.

The radicalness of productive landownership, however, can indeed materialise some of the idealistic goals set in the previous period, but there are unfortunate side effects to this accomplishment. The obvious problem being that an idealist world is more difficult to challenge, and conversely, the output of the productive rationale is easier to assess and judge. Another problem, which is more serious, is that the radicalness of productive landownership often creates a societal discharge when taken too far. Either in terms of critique of the structure of what has been built, or through which the means taken to achieve the goals. In Sweden, this critique created an opening towards investment landownership, reducing state influence and increasing de-centralised decision-making.

The same reasoning suggests that the rationales can turn full circle, i.e. for investment landownership to create a passage to the moral rationale. Evidently, in the material, there are clues that point in the direction towards a prelude of transition, even though it is too early to tell. One such clue is the reoccurring notion that the de-regulation process might have given too much power to the market and thus created an imbalance in the other direction.

A SOU from 2018 has argued that previous SOUs have tended to portray developers as dependent on municipalities, and consequently blamed the municipalities for eventual delays in construction and planning. In this report, there is an acknowledgement that the housing shortage in urban regions puts municipalities in weaker bargaining positions. It concludes that many municipalities have become too dependent on high construction figures to make proper demands on quality or affordability (SOU, 2018:67). Moreover, the SOU suggests a re-establishing of the municipal pre-emption right to enable municipalities to act ahead of the market. An idea that later SOU develops further, suggesting an increase in state intervention, so that the state takes over the ownership of land if the municipality cannot deliver on its housing goals (SOU, 2020:46).148

148 Another question that has been brought back for discussion is the capture of ‘unearned’ value increment for public benefit, but under a different brand, namely the return on value [värdeförtöjning]. The discussion on a new land and property taxation emerged because of the new national infrastructure investment plan, Sverigeförhandling, as the state investment would create large LVIs (SOU, 2015:60). Moreover, Sweden’s tax system, with land and property unevenly taxed in relation to income taxes, has been criticised by important institutions such as the
However, that the era of investment landownership might be coming to an end does not necessarily mean a decisive shift in rationale. As shown in the chapter, transitional periods are often long and filled with several turns back and forth before a new rationale can be consolidated. Nevertheless, these discussions do demonstrate that the current investment rationale is under question rather than under development, which is generally the beginning of a transformative period.

4.8 Conclusion

The purpose of the chapter was to present the transformations of the Swedish housing system through the perspective and role of public landownership. It has done so in a historical narrative that categorises the changes to public landownership on the national scale, conforming to the forms of landownership developed in the theory chapter and analysing them accordingly. The core argument of the chapter being that the role of public landownership has shifted as new interpretations of land’s role in political and economic theory have emerged. In summary, as much as legislative and economic changes come about because of political pressure to adapt to new conditions, the ideas about land play a core role in how these changes are executed.

The dominating landownership rationale at each point in time, is reflected in the choice of legislative instruments developed and implemented by the political decision-makers, as well as in the produced outcomes during each period. Most of all, the rationales are present in the legitimisation of the changes to the different land strategies, demonstrating how the shift between dominating rationales, to a large extent, comes about as a response to policies no longer fulfilling their purpose.

The chapter has encompassed public landownership on a broader scale, and thus explored how the state has encouraged, or neutralised, public ownership of land. Given the national scale, chapter 4 has not delved into how the legislative power of the state is interpreted and implemented by local authorities. In Swedish planning, the state might construct the legislative framework, but it is the municipalities who are the core actors and implementors of state planning policy. Moreover, the municipal role for housing production has been further emphasised through the de-centralisation process of the past decades. In this context, evidently, the role of public land in future development will largely depend on how local authorities interpret their public responsibility as

Swedish Fiscal Policy Council, the OECD and the EU Commission, and a wider pool of smaller actors such as Swedish unions and political think-tanks (Eklund, 2020; Kallifatides, 2019). True to its tradition however, the suggestions to tax some of the LVIs have been criticised for lacking legal security for the landowner; moreover, the question has been dismissed by later governmental investigations (SOU, 2018:13).
landowners and the role their land assets can play in achieving their goals. Therefore, the next chapter will focus on the local scale, with the purpose of uncovering the local rationales for present-day municipal landownership, acting under the national hegemony of investment landownership.
The previous chapter focused on how national interests and policy interpreted and shaped the role of public land in Sweden. However, planning is essentially a local practice, and as such, the responsibility to address the issue falls on individual municipalities. Turning to more contemporary times, chapter 5 addresses the role of public landownership from the perspectives of the land-owning municipalities themselves, by investigating the underlying reasons that shape their land asset management and what that means for housing development. Local municipal politics tend to be more pragmatic than similar discussions at the national level, as local politicians work closer to their body of voters and more directly deal with their everyday problems. As such, the legislative changes imposed by the national government often cause conflict with the local organisational structure of municipal land and housing politics.

According to Massey, each landownership rationale unlocks different possibilities in relation to the treatment of land and enhances certain constraints. The chapter will explore these possibilities and constraints, and how local politicians in charge of municipal land assets navigate their responsibility to secure access to housing for their citizens. The chapter demonstrates that, despite the ambition of the dominating rationale on the national level to mould local public actors in its image, municipalities can still within that framework shape their land strategies, according to their local perspective on the role of public landownership.

Chapter 4 described the century-long history of Swedish housing and land politics, and how municipalities became responsible for planning and development. The decisive power Swedish municipalities have over the land and water usage within the municipal borders is called the municipal planning monopoly \textit{[planmonopol]}. Since the decentralisation in the 1990s and the rollback of state involvement, the planning monopoly of municipalities has contributed to increased development of local traditions on land management. Therefore, a comparison between municipalities will display a variety of approaches to public land and land allocation practices, all developed within the same national legislative framework (Andersson, Zetterlund, & Holmqvist, 2016; SKL, 2016; Caesar, 2016; Ibrahim, 2016).
To analyse the underlying rationales that affect municipal land practices, the chapter builds on the interview material from three municipalities: Stockholm, Uppsala and Örebro. In the chapter, the accounts from the local politicians of the respective places demonstrate how the comprehension of their roles as public landowners, and the value that public land assets have for them, shape their approach to land politics and management, effectively influencing the future housing provision of their respective municipalities.

The chapter opens with a presentation of the three cases, introducing their land approach and political composition. In the following sections, I compare the accounts from the local politicians from the three municipalities to one another, highlighting their differences and similarities when it comes to municipal land approaches, land allocation strategies and pricing mechanisms. These aspects are then tied together to understand the potential outcome of each municipal rationale based on the perceived challenges that the municipalities face concerning land and housing.

In the chapter, I argue that the characteristics of the land approaches in Stockholm, Örebro and Uppsala, respectively mirror the landownership forms of investment, moral and productive rationales. Through the interviews, this argument is reinforced by how the respondents frame their answers, and how it compares to the answers from their political colleagues in the other municipalities. By analysing municipal land management from the perspective of the public landownership rationale, the underlying assumptions that guide each municipal land approach are uncovered, and through it the chapter builds a better understanding of what stands in the way of them fulfilling their respective commitments.
Figure 3. Map of southern Sweden with case study areas coloured (Source: © Lantmäteriet).
5.1 Municipal cases and cultures

The three municipalities that make up the cases for the chapter are located in the Mälardalen region, a densely populated area of Sweden (see figure 3). As has already been brought up in the methods chapter, the cases where chosen based on their differences rather than their similarities, and as such, each presents interesting characteristics. The three municipalities have varied conditions for their land politics, including political, geographical, and economical, all of which have contributed to their varying development. Yet, at the same time, as Swedish municipalities, they have lived through and continuously had to adapt to the same changes in the state’s approach to land and planning. More specifically, they all act within a national legal framework greatly influenced by the investment rationale (as discussed in chapter 4). Nevertheless, as the following sections will demonstrate further, within the limits of that framework, the three municipalities have made strategic choices that greatly separate them from one another.

5.1.1 Introducing Örebro, Uppsala and Stockholm

The first municipality to get an introduction is Örebro. The municipality of Örebro has for a long time worked actively with its land assets to ensure that developers deliver and reach the municipal demands. The municipal administration achieves this by working actively with their land bank to dominate the local land market, distributing the land through direct allocation. To enable this approach, Örebro continuously increase the municipality’s own supply of public land to ensure market dominance (Örebro Kommun, 2016).

The municipality has traditionally been a stronghold for the Social Democrats, who over the past decade built a strong coalition together with the Centre Party and the Christian Democrats. However, since the election of 2018, when the coalition lost its majority in the municipal council, the coalition has ruled with the strategic collaboration149 of the Left Party.

In Örebro, the municipal council [Kommunfullmäktige] and the municipal executive board [Kommunstyrelsen] have delegated the question of public land to be handled by the board for societal planning [Programnämnd samhällsbyggnad], a board that brings together all boards and committees related to planning under one roof.150 By designing the municipal organisation in this

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149 Strategic collaboration or technical electoral cooperation [valtekniskt samarbete], meaning in this case that the Left Party is not part of the governing coalition, but has a certain influence and will therefore vote with the coalition on the municipal council.

150 It consists of: The technical board [Tekniknämnden], the environmental board [Miljö nämnden], the building board [Byggnadsnämnden], and the leisure board [Fritidsnämnden], as well as the land survey administrative authority [Lantmäterimyndigheten] and the board of planning and development [Samhällsbyggnadsnämnden].
way, the municipality has created close relations between all branches of the municipal body connected to the development of the built environment.\textsuperscript{151}

Uppsala, on the other hand, has traditionally had a completely different approach to their land assets compared to Örebro, primarily because the municipality has no tradition of being the dominant landowner. Uppsala city is one of Sweden’s oldest cities.\textsuperscript{152} Traditionally, the two large landowners in the area have been the church and the university, not the municipal body. Still today, this means that the municipality of Uppsala has relatively smaller land assets at their disposal. The municipality works actively with smaller land parcels and flexible Detailed Development Plans \textit{[Detaljplan]} (henceforth DP)\textsuperscript{153} to attract a variety of small developers, to increase competition and decrease costs through tender allocation to make the most of the land they own (Ibrahim, 2016).

The political majority in Uppsala tends to shift with every other election. In 2014, after eight years of governing by the centre-right Alliance \textit{[Alliansen]}, a centre-left coalition was elected consisting of the Social Democrats, the Left Party and the Green Party \textit{[Miljöpartiet]}. The previous majority had begun an update of the municipal planning strategy, driven by the demands from the voters to solve increasing problems in the housing market, and the new majority continued their work. To ensure stability within the planning sphere, the new majority bridged a political gap with the previous to build a long-term vision plan of common ground development. After the elections of 2018, the political landscape changed again, and today the municipality of Uppsala has a minority governing coalition consisting of the Social Democrats, the Liberals and the Green Party. Nevertheless, thanks to the broad support for the long-term planning goals, the minority leadership is still able to carry through with the intended development plans.

The political organisation of Uppsala places the land and development committee \textit{[Mark- och Exploateringsutskottet]} in charge of the public land assets. The committee is under the authority of the executive board, and the politicians on the committee are required to be on the executive board. This structure to the chain of command is new since 2010, when it was enacted to ensure an efficient organisation (according to the chair of the Uppsala executive board, 2018).\textsuperscript{154}

\textsuperscript{151} See Appendix C for map of Örebro and the municipal land assets.
\textsuperscript{152} In 500 CE Uppsala was the power centre of the \textit{Svearike} [The Kingdom of Swedes], before present day Sweden existed as a nation state.
\textsuperscript{153} A DP is a legally binding municipal document that regulates all water and land use in accordance with the PBA and the Environmental Code within a limited area. It dictates the rights and liabilities between landowners/developers (as the responsible authority) and the society, regulating the permitted height, width and environmental impact of a construction.
\textsuperscript{154} See Appendix C for map of Uppsala and the municipal land assets.
The last of the three cases is the most populated one, Stockholm municipality. As the capital of Sweden, Stockholm is an attractive location for both people and businesses. The municipality holds great land reserves, owning approximately 70% of all the land within the municipal borders, and almost 80% of all new development in Stockholm is built on public land. The city began its large land purchases already in 1904, and its dominating status as a landowner has given the municipality a strong advantage in negotiations with developers (Tonell, 2016). Up until the 1990s, the municipality even had an active policy of purchasing land outside of the municipal border, aspiring for a holistic, regional approach to their housing responsibility as the country’s capital. \(^{155}\) The land remained in the municipality’s ownership through an intensive use of the *tomträtt* instrument, which is why the public land bank still encompasses the majority of the land within the municipal border.

As the centre of political and economic activity in Sweden, Stockholm politics is known to be more ideologically driven and less pragmatic than municipal politics in general, and the governing majority usually shifts from one term to another. During the gathering of material for the study, the Red-Green-Pink coalition held the majority, consisting of the Social Democrats, the Left Party, the Green Party and the Feminist Initiative. After the elections in 2018, however, there was no longer any strong majority for either coalition, and in the end, the Green Party decided to switch sides and join the centre-right Alliance to ensure a majority rule. \(^{156}\) In Stockholm, the municipal body that manages the city’s land assets is the development board [*Exploateringsnämnden*]. They answer to the municipal council, and the political parties in the municipal council select its members. \(^{157}\) \(^{158}\)

### 5.1.2 The foundation of municipal landownership: Party politics or municipal culture?

Most municipalities in Sweden own land for housing purposes, but as discussed in previous chapters, merely owning land does not say much about the land’s actual management. This begs the question: How do the municipal owners regard the role of their public land assets? To answer it, all respondents were asked the same question, about what they thought of the role that their land bank played for municipal development.

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\(^{155}\) An approach that was not always well received by the surrounding municipalities. See Lundevall (2015) or Tonell (2016) for more on this history.

\(^{156}\) The other reason why they switched sides was to prevent the political influence of the national-conservative Sweden Democrats.

\(^{157}\) This means that it is possible to be a politician responsible for managing public land assets without being elected through the popular vote.

\(^{158}\) See Appendix C for map of Stockholm and the municipal land assets.
At the beginning of the study, I expected a wide variety of answers, ranging from those thinking all land should be under municipal ownership to those regarding public land as unnecessary. Surprisingly, the answers from the respondents were almost the same, regardless of political background or municipality. All described their municipal land bank as extremely important, with many using the word ‘essential’, leading to the conclusion that, on the surface, public land continues to play an important role for municipal planning, regardless of the last decades’ shift in state involvement.

Nevertheless, as this section will demonstrate, when asked to elaborate on the topic, the differences began to show. This was something that emphasised an earlier conclusion, namely that it is not necessarily the public landownership itself, but how the owners perceive and practice that ownership that really influences the outcome in the development. The upcoming quotes comparing two of the comments from political representatives from Stockholm and Örebro are key examples of this:

> Of course, we are, as a city today, lucky to have more than 75% of the land belonging to us. Because that provides us with the economic muscles necessary for city development. [...] From a historical perspective, it is fantastic to have this landownership. However, that doesn’t mean that we should buy more or anything; instead, we need to realise a part of these hundreds of billions that are locked into this [land bank], so that we don’t need to borrow money (Political representative for the Moderate Party, Stockholm).

> We are and have historically been a municipality that buys land. We are active landowners, and it is clear that this has given us a greater advantage. Especially in comparison with other municipalities that haven’t been as active. This is our instrument. When we own the land, we can make demands (Political representative for the Social Democrats, Örebro).

Both comments draw on historical traditions to approach the subject, but that is about their only similarity. Tellingly, while the political representative from Stockholm expresses a valuation of land based on its monetary realisation, the representative from Örebro instead highlights the value the land has as an instrument of control and power in relation to municipal interests. The respondent from Örebro, even states that it is important to who they are and have always been.

One objection to comparing these two quotes is that they come from representatives working for politically opposed parties. That the Moderate Party [Moderaterna] in Stockholm would regard land as an asset to be realised should not be considered peculiar, given that they are a liberal-conservative party, neither should the standpoint of the Social Democrats in Örebro, considering the party’s historic influence on public landownership in Sweden.
Interestingly however, is that these comments say more about the workings and rationales of the respective municipalities, than of the positions of the political parties themselves. Illustrated next by comparing how a representative from the Moderate Party in Örebro reflects on the value of public land ownership in comparison to his party colleague from Stockholm.

I see it as very important. From a purely theoretical, ideological perspective, you could say that the Moderate party should be against the municipality owning lots of land. However, if you look at the question from the point of practical output based on municipal politics of land, it [public land] can significantly improve market competition. Because it [landownership] makes the municipality a more independent actor in relation to the developers (Political representative for the Moderate Party, Örebro).

Continuously during the same interview, the representative explains that the municipal land ownership is a prerequisite for a functioning market, since it impedes monopolistic tendencies by reducing incentives for developers attempting to control the whole production chain (as landowners, producers of the built environment and as property managers).

That two representatives from the same political party can voice different opinions on a question is not strange. However, this is but one presented example of such differences. Throughout the material, reflections such as these indicate that politicians working with land often have more in common with the representatives from other political parties in the same municipality, than with their party colleagues from other municipalities. This relation is further emphasised by comparing the previous two comments from the Moderate Party in Stockholm and Örebro, to their party colleague in Uppsala.

We [the political parties of Uppsala municipality] base our land politics on a map of common interests. We’ve agreed upon that: We need to increase the production of housing; we need to produce office space and business areas and other types of places. Moreover, the question is, what is the best way to do this? Because it’s important for the city’s development, it’s important for commercial life, it’s important for the university and for the people who live here. This is superior to ideological discussions (Political representative for the Moderate Party, Uppsala).

Apart from demonstrating that Uppsala’s land strategy is intensely focused on construction output, this quote contains the explanation for why municipal culture, or traditions, seem to hold more weight regarding public land management than party ideology.

Since urban planning and land politics are something that take decades to implement, while a political term covers only four years, some sort of common ground across the political spectra is a prerequisite to get anything done. This creates a political climate emphasised by almost all respondents in the three cases, where the premise seems to be that public land is too important to be
bound to a particular ideology or party politics. The land practices within each municipality have broad support among the different parties, and instead it seems like the respondents have found different political arguments within each party ideology to justify a certain municipal approach to land.

Therefore, while the representative from the Moderate Party in Stockholm regarded the municipal land bank as an asset to be realised, the one from Örebro instead saw it as a condition for the municipality to create a better land market situation. Contrastingly, the politician from Uppsala saw it as a prerequisite to construct enough development to attract people and business to their municipality. By comparing these comments, it becomes possible to unpack the dominant landownership rationale within each municipality. Because even if, at a surface, there seems to be a consensus regarding the value of public land across all cases, when defined more precisely, the responses highlight a varied reasoning behind the land’s management and practice.

It is not that the local politicians in Uppsala have forgotten about party politics, as stated by the same representative later during the interview. ‘We have taken a stand on that the municipality shouldn’t own [land] for its own sake, we own the land to exploit it’ (Political representative for the Moderate Party, Uppsala). However, the statement still displays a political difference compared to their party colleague in Stockholm.

The upcoming three sections will explore the municipalities’ varied approaches to their respective land bank. It will demonstrate that Örebro continuously manages their municipal land bank in a manner that relates to moral landownership; in the sense that the municipal identity seems closely intertwined with its role as a public landowner and what that land means for the municipality’s power to address housing issues. Uppsala, on the other hand, maintains its focus on production numbers, thus falling closer under the umbrella of productive landownership, as the municipality makes the most out of the land that they own to achieve this goal. Lastly, the chapter will depict how Stockholm, regardless of their large land bank, has taken on the more market-oriented approach of investment landownership, treating the land as a municipal asset.

As the next section will illustrate, these different approaches to the role of municipal land affect the design and organisation of the land allocation process, the land pricing mechanism, and how the municipality addresses its future challenges.

5.2 The role of public land in the development process
Back in the late 1970s, Massey and Catalano argued that the defining ideas about the purpose of landownership would affect how the owners treated their land (1978). This section turns their statement on its head, by looking at the
municipal treatment of land to identify the defining ideas of landownership held by each municipality.

However distinct the municipalities define the role of public land in the urban development process, the common denominator among them is that public land is important for housing development. In a survey among Swedish municipalities in 2019, 98% of the participating municipalities predicted that future housing development needs publicly owned land for its realisation.\(^{159}\) Only 2% of those participating in the study claimed that future housing development would primarily be constructed on private land (SKR, 2019).\(^{160}\)

Since 1987, as described in chapter 4, all land and water usage in Sweden are regulated by the PBA. It is a complex and extensive document,\(^ {161}\) which regulates the structure of the built environment and the process of its development and design. However, while the PBA regulates land use, the question of landownership is a completely separate concept judicially, regulated in Code of Land Laws (SFS, 1970:884). For municipal landowners, their land has additional regulation through the Law on Land Allocation Processes (SFS, 2014:899), a short document consisting of two paragraphs regulating how public land should be priced and transferred.\(^ {162}\)

\begin{enumerate}
\item According to this law, a land allocation is an agreement between a municipality and a developer which gives the developer the sole right, under a period of time and specified conditions, to negotiate with the municipality on transfer or concession of a publicly owned land area for exploitation.
\item A municipality must adopt guidelines for land allocations. The guidelines must include the municipalities’ visions and benchmarks for transfer or concession of land areas for development, their office turnaround routines and foundational conditions for land allocations and their principles for land valuation (SFS, 2014:899).\(^ {163}\)
\end{enumerate}

It is the land allocation process [markanvisningsprocessen], combined with the municipal planning monopoly, which primarily shape the municipal development process. Figure 4 presents the relation between the legislative planning process and the land allocation process as they relate to one another, commonly among municipalities in Sweden. Because of the municipal variations, some municipalities have the processes completely separated from one

\(^{159}\) With 33% regarding public land as the primary land supply, and 65% predicting land being supplied by a combination of public and private landowners.

\(^{160}\) In total, 218 out of 290 municipalities participated in the survey.

\(^{161}\) The PBA consists of 16 chapters and numerous paragraphs, regulating the municipal planning responsibility in detail and the minimum standard for all construction (SFS, 2010:900).

\(^{162}\) Public landowners at state level are instead required to follow the bylaw on the transfer of state-owned estates (SFS, 1996:1190).

\(^{163}\) My translation, see appendix A.
another, with the legislative planning procedure finished long before they allocate the land.

Figure 4. Synchronised land allocation – planning process, as presented in Caesar, 2016, p. 30.

As was discussed in section 4.6.3, municipalities can allocate public land in two ways: through tender allocation or direct allocation. In a direct allocation, the municipality chooses the developer who will exploit the land; however, in a tender allocation, two or more developers are to compete on either price or other criteria chosen by the municipality.164 A municipality’s preferred choice of allocation method is presented in their land allocation policy [Markanvisningspolicy]165 and shapes the relations between the municipal actor and the developers. In addition, the choice of allocation method influences the manner

164 The absence of bidding in a direct allocation requires the municipality to have an external expert evaluation of the land to ensure it sells at market price (SFS, 1991:900).
165 Since 2015, it has become mandatory for all municipalities to present their land allocation strategies in a land allocation policy. However, when the National Board of Housing, Building and Planning made a survey in 2020, 205 municipalities responded that they had one. This is a drastic increase since the survey of 2015, where only 58 municipalities reportedly had an official land allocation policy (Boverket, 2020).
in which the municipal demands are presented, as the nature of tender allocation requires a more formalised list, to ensure the developers compete on equal terms, while direct allocation allows for a more flexible collaboration.

The upcoming three sections discuss the ways each municipality manages their public land in their allocation and development processes, emphasising the variations seen in the material as a consequence of how the respondents in the study understand the purpose of their land bank.

5.2.1 Stockholm: public land for capital development

When Stockholm politicians reflect on the role of public land for the planning and allocation process, it soon becomes clear that their large land bank gives the municipality great confidence in their negotiations with developers.

Well, if you think about it, in Stockholm, we could decide on whatever we want, because we own the land, we have the public housing companies, and then we have the municipal planning monopoly. That’s all three of them. It’s insane how much we could control if we wanted to, but well, there are certain political differences there (Political representative for the Green Party, Stockholm).

The municipality uses a model for land allocation [Stockholmsmodellen], which they outlined during the crisis years of the 1990s to encourage developers to build in the remains of a crashing housing market during a period of recession. According to this model, the developers are the initiators of planning projects, and as such, they are responsible for actively seeking out potential locations for development that they propose to the municipality to thereafter plan and design the area together in collaboration (Stadskontoret Stockholms Stad, 2012).

The close collaboration between developers and the municipality enables a tailoring of every new project to its specific location. The municipality works with direct allocation models, choosing themselves among interested developers, an approach that has been criticised by smaller developers for limiting competition (Zetterlund, 2016). Because of Stockholm’s position as the capital, the municipality wants to avoid architectural mistakes, and through this model, they maintain control from start to finish.

The decision regarding who is supposed to initiate a project – the municipality or the developer, is an important area for municipal land control. The municipalities who prefer to be the initiators of planning projects themselves, are often guided by a strong vision for the future of municipal development, and regard it as essential that the municipality takes the lead in these projects to ensure the best outcome. Stockholm is of another opinion, as they believe the city’s approach is the main contributor to the high architectural qualities of the ongoing development projects in the municipality.
Cars and Hedström have argued that when developers are expected to be the initiating actor of a project, planning tends to become risk minimising and shaped by the developers demand to increase their rate of return, instead of goals related to the municipal housing mandates (2006). This is not a picture recognised by the respondents in Stockholm. Instead, several respondents from Stockholm highlight the difficulties of designing feasible plans for those municipalities who work on their own without the developer’s input. No municipality wants to overwhelm their budget with plans that no developer is interested in implementing. To work together with the developers, as Stockholm does, ensures the project’s implementation, and that compensates for the potential loss of municipal influence over the process.

In the Stockholm model, the municipality either sells or leases the land. Historically, the city has had a long tradition of not selling their land assets, leasing it by tomträtt for both rental and tenant-owned dwellings alike. Even single-family housing in Stockholm has often been built on tomträtt land (such as the egnahem development, see section 4.2.3). The city’s historical resistance towards selling land contributed to a significant effect on its land values. Bodström discussed in her thesis how the land values of Stockholm differed from other European cities of similar size at the time because of this strategy (1994). There were no land values to realise, and so there was no land value increase, as pointed out by one of the respondents.

In most cities, you can just look at the height of the buildings. It’s like a diagram on land value. They start low, and then go up, up in the centre. You don’t see that same pattern in Stockholm. Because there hasn’t been any land value. The city has owned the land and decided on what’s to be built. But that’s gone now. That’s why we’ve begun to see that they’re adding floors in Stockholm city, and that’s why they now tear down offices, and houses, from the 70s (Political representative for the Green Party, Stockholm).

This approach changed with the political shift in the 1990s. Since then, the political left wing has preferred to lease the land, while the right-wing coalitions have strived to sell, thus slightly shifting the strategy with every election. Nowadays, the economic reality has led to a fragile agreement between both political fractions to sell land for tenant-owned development and single-family homes, sequestering the use of tomträtt to rental developments.

The Chair of the Land- and Development Board, a Social Democrat, describes how it is impossible for the city to get any form of long-term insurance when it comes to private developers. As soon as the private developer owns the land, they can unbundle and transfer it to another actor, or start a new

166 Although no municipality want this to happen, there are alternatives to the Stockholm approach, such as using the municipal housing companies to implement plans that seem uninteresting to private developers (SKL, 2016).
process for a development plan they find more profitable. The planning monopoly only enables the municipality to deny permits if the development transgresses the law, and as the municipality sells the land, they lose all other means of controlling what will happen to it in the future.

That the city owns the land means everything. We can work with different values, like sustainability as an example. With private land, well, the only thing we can do is say no. Land is hard currency, and in relation to the market, well in short you can say that we create possibilities [...] but we must limit expenses in some to enable the other. [...] The economy of the city as a whole depends on the fact that we have these big revenues from land sales (City director, representing the Social Democrats, Stockholm).

Even so, several other respondents from both left and right coalitions argue that the regulation of land use in the PBA is enough to ensure long-term municipal control once the land has been developed. This argument often emphasises that if the buildings are not torn down for some reason, the legislative tools are sufficient to secure municipal interests. Moreover, they argue that this is proven by the fact that there is no contemporary case where the city has reclaimed tomträtt land after a lease has expired to densify development (as was the initial intention behind leasing public land for housing in the sprawling suburbs; see section 4.2.2). 167 To do so would be equal to political suicide, according to these respondents. Instead, by sequestering tomträtt to the production of rentals, the municipality can ensure a mixture of housing tenures and control over rental development while still capitalising on the increasing land rents by selling land for tenant-owned development.

The practice of selling land has left a bitter taste among the political left in Stockholm, as it generally goes against their ideological desires. Unfortunately, according to the respondents, it is impossible to neglect what is self-evident, that the city desperately needs the revenues from land sales to fund other investments. By selling, the municipality gradually loses control over the future of Stockholm, but the monetary values of realised land are too high to act idealistically for most respondents. As described by a representative from the then right-wing opposition:

When we held office, there was a tendency from the Social Democrats to try to avoid selling land. Now when they have the majority, I feel that they actually do the same [as us], and I guess that’s the reality of things, because it’s [land is] the resource that we have, that the city has, and if you don’t realise the

167 There is actually one recent case from 2015 in Stockholm, where a canoe club leased the land from the municipality with a lease that was not renewed because of the municipality’s interest in densifying development (Kommunstyrelsen, 2018/759). However, a canoe club is less scandalous than the municipality reclaiming land that has been used for housing.
values, it’s pretty difficult to finance other investments. Like Slussen,\textsuperscript{168} or housing development. You need to have black numbers in the end (Political representative for the Moderate Party, Stockholm).

This statement centres on one of the most raised issues by the respondents from Stockholm. The municipality has an advantage unlike any other in Sweden, owning as much land as they do, but this advantage requires land realisation to be profitable, especially when the city needs to invest in infrastructure, renovations of the current public housing stock, and to restructure and plan unsuitable land to attract developers. According to most respondents from Stockholm, the income gained from only leasing the land by tomträtt would not be enough.

It is easy to believe that the money just flows into the city, but to make the land constructible with environmental remediation, evacuations and sustainability demands, well then, you need high land values. If we hadn’t had the land values that we have today, it wouldn’t be possible to realise many of the projects we have [ongoing] now (Former director of development, Stockholm).

In other words, Stockholm’s approach to the role of the municipal land assets in the planning process intertwines with their need for funding such projects. The municipal model for land allocation ensures control through the whole process by tying a developer to a certain project, to secure its implementation as well as its funding. That way, Stockholm makes sure that the city gets a good return on their land investment. Through the interviews, it becomes clear that although the left-oriented respondents do it lamentably, there is agreement across the political spectra that the city needs to sell land in order to fulfil its municipal obligations.

5.2.2 Uppsala: public land to increase competition and output

While Stockholm debates on how to make the best use of their land bank, Uppsala struggles with similar demands for housing, infrastructure and restoration, but has little of the attractive land assets to convert into money. Not an easy task to fix, and Uppsala has genuinely tried to use their land allocation approach to make the most out of the municipal land bank without cutting back on demands of architectural quality. Many of the respondents from Uppsala describe their municipal land allocation strategy as an attempt to ‘turn every stone upside-down’ to seek out land-related planning solutions.

\textsuperscript{168}A cloverleaf interchange traffic solution in central Stockholm which serves as a lock between the freshwater lake Mälaren and the Baltic Sea. It was built in the 1930’s, and its costly reconstruction has been surrounded by controversies and protests.
The comparable smaller land bank also influences the perceived role of public land in the planning process, as it is often described by the respondents as the ‘potential’ of public land. Consistently, respondents return to how the lack of a municipal land bank has long interfered with municipal development goals.

We couldn’t build schools, there wasn’t enough housing being built, and we couldn’t provide what was needed fast enough. I would like to argue that there wasn’t much insight in the process as a whole either, it was more of a culture of shaking hands. We still lived with the image of Uppsala not owning any land, which meant that we didn’t have an active politics of land (Political representative for the Social Democrats, Uppsala).

Because of the demand for housing, Uppsala had to change their approach to land politics. The previous ruling made a land inventory to identify all the land that the municipality owned, so that they could begin to use their asset as wisely as possible. By reprioritising the land uses, such as a golf course on municipal land now turned into 6,000 new dwellings, the municipality developed an almost experimental approach to their land assets. ‘Sometimes we succeed, and sometimes we fail, but I believe that we have to think strategically all the time. Like: How can we use the land in a smart way?’ (Political representative for the Liberal Party, Uppsala), as one representative put it.

In contrast to Stockholm, Uppsala believes that the municipality needs to make the first move to put pressure on the market, and that this, in turn, will attract more developers and enable them to make the most out of their land bank.

Experience show that the municipality needs to make the first move, because the market is behaving cowardly. But if the municipality then show, as we’ve done in Skyttetorp,\(^{169}\) that it’s possible to build rentals and to have them rented out, then other actors will come to build tenant-owned apartments, and commercial actors. The thing is, the municipality needs to own the land to take that first step (Political representative for the Social Democrats, Uppsala).

By planning and selling the land they own in smaller parcels, having developers compete through tender allocation on both price and architectural quality, Uppsala has managed to attract a multitude of smaller development firms. According to the respondents, this has resulted in faster processes of development and diverse architectural design.

The municipality works in a 2-step process, where developers first qualify themselves by competing on price, and in the second step, the municipality chooses the winner among the remaining competitors based on architectural

\(^{169}\) A smaller village in the peripheral area along the railway from Uppsala that the municipality has deemed as a future area of development.
quality. To reduce disgruntlement among the rejected developers, the municipality has added a ‘second-chance’ feature as an opportunity for rejected proposals to go straight to the finals on other projects in the future. The second-chance feature is unique for Uppsala and has increased the trust between developers and the municipality, as it ensures developers that if they put work and funds into an idea, they can still get a future allocation based on it, even if they lost the first project.

This approach is a strategic choice by the municipality because their lack of land has made it necessary to seek out other forms of advantage when negotiating with developers. One such advantage was to attract a multitude of developers, increase competition, and by that ensure that the municipality could pick the best option available. As such, the municipality only allocates one land parcel at a time, to maximise the competition for that plot, and recently they have begun working with flexible DP to speed up the approval process and enable more developers to fit their projects into already made plans.

We have several reasons for allocating smaller land plots as our approach. One is that it increases market competition. We used to have too few developers acting in Uppsala, and there was no pressure on them. They built too slow, too little and not with enough quality. If you allocate an entire block to a developer, they will pay the price and then try to divide its construction into several stages and slow the process down over four years to capture the land value increase. However, if you give that same area to four different developers, they will build everything simultaneously (Political representative for the Social Democrats, Uppsala).

Since Uppsala has not worked actively with its municipal land asset until recently (a decade still counts as recently in the planning universe), they have met some obstacles along the way that have influenced their approach.

One reoccurring problem was developers who got an allocation, and then just held on to the land without beginning construction to capture the LVI. To address this, Uppsala added a clause to their allocation agreements that states that the municipality can adjust the price to the general LVI up until the final building approval. The clause speeds up the process since developers now want to begin construction as soon as possible to avoid the potential price increase.

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170 A ‘flexible DP’ is a DP with less defined limitations regarding the placement and/or design of a building. They are often not adapted to a specific project idea and are thus applicable over a longer period. When using flexible DP, the final details of a project are regulated in the final building permit (Boverket, 2013). The advocates for a broader use of a flexible DP often promote their feasibility, while the adversaries argue that unreliable developers use the flexibility to lower the quality of plans and projects.
Uppsala region has continuously been ranked as one of the regions that build the most per capita, as a proof of the municipality’s successful strategy (Unt.se, 2016; Dn.se, 2019). In fact, the average construction numbers per capita in Uppsala are double to the average whole of Sweden. However, this increase in construction has led to an LVI that makes it difficult for the municipality to acquire necessary additional land assets to secure future development. Uppsala has long-term plans to increase the municipal land bank by purchasing raw land at low cost to be developed in the future. Nevertheless, the housing shortage the municipality is currently facing has made it necessary to take on a more radical approach.

In 2010, the then ruling right-wing coalition made a deal with the region council, who was in dire need of new funds as the region was on its way to renovate a hospital. The region owned land in relative proximity to the centre of Uppsala, which the municipality identified as an area suitable for development. However, the region council recognised the municipal housing shortage and realised that it could make a neat profit on Uppsala’s behalf. Because of the economic reality, the fact that both the region and municipality were public administrations did little to affect the final price tag.\textsuperscript{171}

The prices went up, making the transfer of \textit{Ulleråker} an expensive investment for Uppsala, which will require a dense development of the area for it to pay off in the future.

It’s easier in hindsight, but we should’ve thought this through before we bought it. For two reasons: One because it became too expensive, and it could be that we can get the invested money back in thirty years; some calculations indicate that. But if you think about it, at the same time, in relation to money spent and invested workload, because the whole administration is working on this right now, putting too much energy into this… \textit{Ulleråker}. This leads to other projects being downgraded, and it makes us lose our strategic perspective on land. The holistic perspective, it no longer exists because we now have other priorities. All everyone thinks about is \textit{Ulleråker}. From that perspective, I believe it wasn’t particularly clever of us to buy this land, because now we have all our capital locked up, our staff locked up, staff that we actually don’t have, because the market is overheated […] If it had been clearer from the beginning that: “This will cost you 30 million per year just for payment on interest […] and it will hinder all other important investments in the meantime…” (Political representative for the Liberals, Uppsala).

For a long time, the lack of public land in Uppsala made it difficult to ensure the construction of sufficient housing. Since the municipality changed their approach to municipal land and planning, the administration has worked hard to compensate for their previous approach. However, combined with the

\textsuperscript{171} Sweden’s administrative scales have different commitments. The regions are responsible for healthcare and public infrastructure, while municipalities are responsible for housing, elderly care and education.
net population influx, and following the housing shortage, the need to expand the public land bank contributed to the complicated and expensive land investment project Ulleråker. In the end, this could cost the municipality more than it gives, but at the same time, Uppsala now owns more land than they have historically, and can thus continue their productive approach to housing development in the future.

5.2.3 Örebro: public land to control speculation

Land politics in Örebro, is not your regular obscure municipal internal affair that no one knows about. Instead, Örebro has been a reoccurring feature in the media loop. The municipality has become a point of reference when it comes to the subject of active municipal land politics, and media articles have continuously presented Örebro as the municipality that “solved” the housing crisis (DagensSamhälle.se, 2018; HemHyra.se, 2017; SR.se, 2016; VA.se, 2016). They even took a, now famous,¹⁷² shot at Stockholm, claiming that the municipality could learn a thing or two from Örebro (Dn.se, 2016).

Örebro municipality has developed a transparent direct allocation process in three steps [Örebromodellen]. First, the developer must present a pre-study on the area of development, and if accepted, that pre-study will be the basis for further negotiations through direct allocation. For the last step, Örebro makes the actual transfer of land when the building permit has been approved and the municipality keeps the deed until construction has begun (Örebro, 2014).

In many ways, the process holds similarities to the one of Uppsala, in that flexible development plans are made beforehand by the municipal planners to ensure a quicker process from idea to result. On its own, however, this does not serve as a good enough explanation for the fascination for Örebro among planners, developers and politicians in Sweden. Instead, what makes Örebro stand out from most, and is easy to overlook, can be found in their document on “guidelines for housing supply”.

The municipality must have a land allocation model for public land that ensures that the land will be built and not stockpiled by a single actor, that mitigates land speculation, and that gives the municipality power to influence the design of buildings and form of housing tenure, even with flexible Detailed Development plans (Örebro Kommun, 2016, p. 10).

According to the respondents, the key here lies with the interpretation of the sentence ‘The municipality must have a land allocation model for public land

¹⁷² With 'famous’, I unfortunately mean within the narrow context of Swedish planning politics and bureaucracy.
[…] that mitigates land speculation.’ Because this small sentence has become the basis for their whole model.

There is nothing strange about this for us, but I can understand if you read that for the first time, that it sounds a bit harsh, especially in a dry municipal document. […] It is a clear expression of the purpose we have with our land. We want to avoid speculation, and we want the land that we sell to be developed. Moreover, you can see that with the fixed land prices, the more we have sold, the more normative effect they have [on the market] (Department of development executive, Örebro).

One example of how Örebro follows its own guidelines is that the municipality strictly avoids tender allocations on public land where developers compete on price, as biddings tend to increase prices. They do this, even if it leads to less revenue for the municipality itself. When asked about it, most respondents agreed that this was the basis of the municipality’s success, even calling the mitigation on speculation a municipal “sacred cow”. Alternatively, as expressed by another respondent: ‘Municipal land is not to be used for speculation, and that’s final’ (Political representative for the Centre Party, Örebro).

The municipality’s approach to public land has proven successful enough that even political parties who would traditionally be opposed to such strong market control are inclined to adopt it as their own policy.

Right now, we all agree on the model, because you can see that it provides results. However, I would also say that it’s not natural for many of the bourgeois parties to say that they’re ‘against speculation’. As experience from municipalities that accept this [speculation] shows, less will be built, since you can just sit there and wait for the land value to increase, or that prices overall will increase. […] Therefore, I think that the bourgeois parties who otherwise would have been critical see the benefits of this system. I don’t think that anyone today is willing to make politics out of it in Örebro. Nevertheless, I have a hard time imagining that some other party would have been the initiators of this model. If I can give myself a pat on the shoulder, the whole reasoning behind public land is very Social Democratic at its core, to use the instruments that we got (Political representative for the Social Democrats, Örebro).

The interview with the political representative for one of the liberal-conservative parties both confirms and rejects the image presented in the previous comment. The respondent agreed that it is not a natural path to take for their party, and that they are not against speculation per se, but rather against certain forms of profit-driven speculation on municipal land. When asked how they would like to change the land allocation strategy of Örebro if they held the majority, the answer underscored the support for the municipal land approach.

The Örebro model would still be there. We have had very capable public officials that have developed the Örebro model. Our recent Social Democratic municipal council commissioner often wanted to take credit, but it’s actually
the public officials who created it, and it has political support from everyone. We, Moderates, also think of it as a good system, and actually even more successful than we thought when it all began. […] What we would change is that we want more land parcels to be sold for the development of single-family housing (Political representative for the Moderate Party, Örebro).

The political representative from the Moderate Party highlights the importance of good relations between public officials at the land department and the local politicians for the development of long-term approaches to land and planning. In Örebro, they achieve this by holding weekly meetings were politicians and administration can discuss current projects. Instead of communicating through hierarchies, the politicians at these meetings get to communicate directly with the planners in charge of specific projects. According to one public official at the land department, these meetings build trust and respect between politicians and public officials, and as such, public officials can make decisions on land investments or sales on up to 15 million SEK. All respondents in Örebro, both public officials and politicians, mention the trust between them as an important key for success.

There seems to be a general understanding that public officials are there to represent the expertise on land and planning, and that politicians represent the citizens and their parties. With their roles clearly carved out, they can all focus on working towards joint goals of long-term land prospects, and Örebro puts much focus on their forward-looking plans for the municipal land bank. The municipality even purchases land outside of their comprehensive plan. This is land that they simply cannot know if they will develop in the future.

Well, in the short-term we’re more rigorous in our calculations to avoid bad investments. Of course, we need to buy and sell land at market price and follow the municipal law and the EU regulation on state subsidies. That’s a bit tricky. But in addition to being market-oriented, we want to demonstrate that it’s good for the municipality and the taxpayers to buy land; we don’t want to just follow the law. When we buy land outside the borders of the comprehensive plan, we can’t calculate on that investment; it wouldn’t be rational. However, we’ve decided to bind that capital for at least thirty years, and as long as we can balance that investment, there’s no problem doing that (Department of development executive, Örebro).

The long-term approach to land that characterises Örebro, is an essential part of their land strategy. It is what allows the municipality to work with fixed prices on land, but most importantly, it is what allows them to maintain their role as the dominant landowner even as they sell off municipal land regularly. The municipality only uses the tomträtt instrument for the development of

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173 Which can be compared to Uppsala, were public officials can only decide on land investments up to 5 million SEK before needing to summon the entire Land -and Development Committee (Uppsala, 2018).
public institutions such as schools, which means that new land acquisitions are the only way to ensure a continuation of their strategy.

5.2.4 Summarising three perspectives: Land in the development process

Through the interviews, a variety of perspectives among the respective municipalities comes forth about the role of municipal land in the development process. From the approach of Stockholm, where the land is continuously referred to as an asset to draw from, or Uppsala’s attempt to maximise the housing output of their smaller land resources, to Örebro’s view on landownership as a municipal responsibility for both curation and market control.

In Stockholm, it becomes clear from the interviews that the municipality uses the inflated housing and land prices to invest in other projects. To do so, the city has developed an allocation model which provides it with architectural quality fit for a capital, but which consequently reduces the possibilities for smaller developers to take part in the close but costly planning process in collaboration with the municipality. Guided by the investment rationale, Stockholm often uses its land monopoly for short-term project-based advantages, rather than a long-term approach, perhaps as a reflection of the continuously shifting political majority in combination with the inherent attraction that the capital has on investors.

Uppsala instead has their focus on the production of housing, putting themselves into debt buying land to achieve their goal of increased housing production. They adapt and update their strategy with every new project so that they can maximise output and improve competition to pressure developers to deliver and improve on both quality and quantity. The municipality seeks to increase their land bank, but that is only due to the market not delivering enough on its own. In line with the characteristics of productive landowners, if it were not for the housing need of the municipality, Uppsala would not have this active approach.

Örebro, on the other hand, strategically uses their land bank with a long-term perspective, using public land to decrease speculation through market domination and price stabilisation, actively countering the inherent negative consequences of land monopoly. The municipality’s control of land speculation has proved successful enough to gain the support of all political parties in the municipality, which ensures the continuation of the long-term moral land approach.

In summary, Stockholm has plenty of land and the municipality often lets the developers be the initiators of planning projects, confident that their dominating role as landowners will provide them with influence anyway. Uppsala on the other hand, wants to take the initiative, but lacks the land and therefore must find other ways to influence developers, leading to the perceptiveness of
their land approach. Örebro, instead, both hold great land reserves and takes the initiative in their planning projects, which have created a powerful municipal leadership when it comes to planning.

While control over land use remains as an important advantage of public landownership, these differences in approaches to land are also connected to land values. Örebro is far from Uppsala in terms of land values, and further still from the land prices of Stockholm. Therefore, the next section will more thoroughly discuss the weight that land values have on the different land strategies.

5.3 The cost of public land: Interpretations of market price

The price of land makes up a significant part of the total production cost of housing. Moreover, the amount of developable land often stands in direct relation to its price. As such, an LVI also increases the amount of developable land, since the increase covers the cost of preparing land for development that had previously been deemed too expensive (such as polluted brownfields or peripheral areas).\textsuperscript{174} As described in chapter 4, land prices in Sweden quadrupled during 1990–2015. The price of land, in turn, affects the cost of the product, with figure 5 illustrating the relation between land prices and total production costs. As much housing construction in Sweden is done on public land, the price of public land influences who can afford to live in what is constructed. Hence, this section provides more explanation for each municipal approach to land valuation.

\textsuperscript{174} The large-scale construction during the million programme often took place on land that was relatively easy to prepare for development. In many areas, this has meant that the land assets of today consist of land that is more difficult, and therefore more expensive, to prepare for development.
The chapter on historical rationales for public landownership highlighted how Sweden during different periods, used a lower-than-market price approach to public land assets to achieve certain goals of lower housing costs, increased construction or to promote political goals of home ownership. Today, the EU legislation on state aid or the Swedish municipal law do not allow for any of this.

Given the Swedish tradition of active land politics, I expected a certain dissatisfaction among the respondents regarding the municipalities’ present inability to sell land under market price, at least from the left-leaning parties. Surprisingly, no one among the respondents questioned the legal framework stipulating the market valuation of public land. At most, some would problematise it, while still agreeing on the necessity of using the market as a tool for land appreciation.

With that said, land valuation and land pricing, are still practiced differently among Swedish municipalities, as an illustration of how the concept of ‘market price’ can be interpreted in various ways. This variation depends on several factors, some of which will be elaborated in this section.

Our assessment is that we cannot subsidise the land prices. That’s not allowed according to municipal law; it must be market priced. Then you can always discuss: What is the market price? Of course, there it can be different in different areas. I think the question is simple, since the law doesn’t allow for it (Political representative for the Moderate Party, Uppsala).
The question is far from as simple as the representative in the above quote would like it to be. The common understanding of market price is the price of a commodity at the moment it is sold on a given market. However, as discussed in the introduction, a land market can never function as freely as the market for cars or toothbrushes. In fact, the owners of land are the ones shaping the same market in which they are acting, giving public landowning authorities more powers than actors in other types of markets.

I understand the principles that have us sell land at market price, or lease if we talk about rentals. But the thing about market value is that it’s dependent on several factors that the municipality actually can control (Political representative for the Green Party, Stockholm).

The main reasoning behind the requirement of selling land at market price from both municipal land and the state aid regulations is that a price under market price would distort competition. However, the legal requirements stated in municipal law related to the selling of land assets are vague at best. There are two paragraphs of importance for the issue; one requires municipalities to keep a good economic husbandry,\footnote{Chapter 11 §1 ‘Kommuner och regioner ska ha en god ekonomisk hushållning i sin verksamhet…’} and one forbids municipalities from economically favouring individual business owners except in rare cases (SFS, 2017:725).\footnote{Chapter 2 § 8 ‘Individuellt riktat stöd till enskilda näringsidkare får lämnas endast om det finns synnerliga skäl för det.’} The EU state aid regulations are a bit more specific (see section 4.6.2), but they also leave the room open for interpretation.

Because of the vagueness in the two legislative documents that regulate the municipal land market, municipalities perceive the concept of market price in several ways. This perception and its operationalisation, in turn, shape the varied municipal land pricing strategies. Through the interviews, it becomes clear that one dimension of defining market price is concerned with defining ‘the market’ itself, while the other instead puts emphasis on the question of ‘price’ and what would count as the ‘right price’ for land to be market priced. The underlying landownership rationale of each municipality contributes to how both ‘market’ and ‘price’ are interpreted (see figure 6).
When it comes to defining the market, there are two main issues. One is the thresholds and difficulties for new actors to enter the Swedish land and development market, and the second is the long and complex processes surrounding land allocations and transfers. These two issues make it difficult to create the market conditions that are usually connected to the idea of free market forces.

The municipal way of addressing the issues of strategic land pricing comes on a scale, with bidding strategies to have the market actors decide on the value on the one end, and with municipalities deciding the price tag through expert evaluations that estimate market price on the other end (figure 6). Often, municipal strategies lie somewhere in between these two poles, with bidding municipalities keeping a lowest acceptable price bar, or municipal expert valuation price tags that the municipality can adjust in the later phases of an allocation process.

Bidding strategies only work in cases where several actors are interested in the same plot (which is not always possible). Moreover, it only works together with the tender allocation approach, and the most used allocation type among Swedish municipalities is direct allocation. Instead, a great majority, 215 out of 290 municipalities, use expert evaluators to price their land (Boverket, 2020). Expert evaluators are supposed to evaluate the price of land on market-oriented terms [marknadsmässiga villkor] (SKR, 2021), a criterion that is also quite vague. The basis of the expert valuations is local price [ortspris]177 and

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177 Meaning the comparison with similar parcels of land in the geographical surroundings.
project calculations \[projektkalkyl],\(^{178}\) together with a price estimation of known factors for LVI until the day of the transfer (Donner, 2018; SKR, 2021).

Since the concept of what counts as ‘the market’ is somewhat vague, this, in turn, affects the definition of what counts as a price set by the market.\(^{179}\) The European Group of Valuers Association argue that a market price is when it leads to the ‘highest and best use’ of the property after sale, meaning the highest value offered for a property at the time of the transfer, given the use that is permitted (TEGOVA, 2016). For the municipalities in the study, however, what counts as a fair estimation of market price instead moves on a scale with price maximisation on the one end, and pricing in relation to other municipal responsibilities on the other.

Many municipalities have taken ‘market price’ to mean a maximisation on their rate of return, either by selling the land to the highest bidder, or by having experts estimate the maximum possible price given a certain land use. However, there are municipalities that are closer to the other end of the spectrum arguing that municipalities should not act as profit maximising actors on the land market. They can either be working with fixed price tags on land together with an active control of their land market to ensure price stability, or through bidding strategies that focus on having the actors compete on other criteria than price. These municipalities often focus on the part of the municipal law about good economic husbandry, arguing that if the municipalities cover their overall costs of preparing the land for development while treating all developers alike, they are not transgressing the law in any way (figure 6).

The upcoming municipal examples thus demonstrates that while some municipalities interpret the stipulated use of market price as a sign that the market can handle the question of land and housing better than the politicians, others work actively to sharpen their land pricing instruments to regulate the market to fit their needs instead.

5.3.1  Uppsala: strategic market price appreciation

Even though Uppsala municipality has been successful in making the most out of their relatively smaller land bank, the municipality has, lately, begun to purchase land for future development in peripheral areas. ‘We need to buy land, and to buy it continuously, but that is because we need cheap land in 20-30 years, and to have that we need to buy it today’ (Political representative for

\(^{178}\) Referring to the calculated costs for the intended project, including the criteria and demands set by the municipality.

\(^{179}\) The overall vagueness of the pricing process is often critiqued since it reduces transparency and market accessibility (Donner, 2018).
The lack of a historical land bank has meant that the municipality has not been able to take advantage of historical LVI to profit from land investments, and even if the municipality now is investing in land for future purposes, it does not improve the immediate situation.

At the time of the interviews, Uppsala municipality commonly sold land at 7,000 SEK/GTA, which can be compared to the Swedish average of 2,500 SEK/GTA (SKR, 2019). However, these prices were continuously increasing, with the area of Rosendal reaching 11,500 SEK/GTA, according to one respondent. The LVI has caused problems for the municipality’s access to cheap land for future development as the land prices of private land increase parallel to the public land values. However, land prices in urban areas are not as correlated to location or demand as much as they are to building rights and permits, which are controlled by the municipality themselves.

This means that a municipality can buy unplanned land, go through the planning process (which the municipal planning department oversees), and then sell the land that now has a building permit at a neat profit to a developer. By having control over both the planning process and the land, a municipality gets an advantage to the private sector, due to inside knowledge of plans and projects as well as future legislative changes. Van Dijk and van der Vlist have written about this dual role from the Dutch perspective arguing that: ‘Governments who actively enter the local land market have dual interest. They play both a role in passive regulatory control through public planning (being the ‘referee’), and in active control through public ownership (being the ‘player’)’ (2015, p. 1900).

Uppsala has used this to their advantage on several occasions to make sure that their land strategy does not weigh too heavily on the municipal budget. One of the respondents from Uppsala commented on this double nature of the municipal role.

One could assume that it would be reasonable that the municipality doesn’t trick individual landowners. Because as soon as the municipality buys the land it becomes exploitable. You can buy raw land in small amounts and then suddenly, the land is worth much more because the municipality decided to do something with it. There, we [the party] sometimes think that the municipality has been too clever with this practice (Political representative for the Centre Party, Uppsala).

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180 In many ways, the economic headache following the acquisition of Ulleråker is a perfect example of how purchasing land too close to its development phase can be an expensive lesson to learn.

181 GTA, Gross-total-area \([Bruttonationalarea]\). The unit of measurement used for volume and area of housing construction according to Swedish standards. It is the aggregated area of all the levels in a building, and used in project valuations, planning regulations and custom rates.

182 Olsson has, from a nuanced perspective, problematised the double nature of municipal landownership and planning in the Swedish municipality of Helsingborg (2018).
From the respondent’s perspective, the municipality’s power to adjust the pricing becomes unfair, and risks damaging the municipality’s reputation among private actors and landowners. However, the other respondents from Uppsala point out that the municipal three-step model, competing on price, quality, and final price adjustments, puts the responsibility of land prices on the market forces and the competing actors. By doing so, they wash the responsibility off their hands, arguing that the only reason for a municipality to buy land is to plan it. The presumed LVI that comes from doing so is not the municipality’s main objective, but rather a valuable side effect.

Uppsala has through the years worked with various types of pricing mechanisms for the allocation of public land. Their main reason for doing so has been to attract more developers to the municipality.

The first land allocation that we did, we had a fixed land price. It was at a time when no one wanted to buy land in Uppsala, and the competition was low. Therefore, we put a fixed price on the land and had the developers compete on quality instead. Over time, the price has become more important, but the quality is still the critical factor in deciding who gets the allocation [...] The land is the property of the taxpayers. We shouldn’t, at least I believe that we shouldn’t consciously try to boost the market prices, but we also shouldn’t take less than what the land is worth. We are not allowed to do so, even though I know that some municipalities do it to some degree. The money we get from land goes to finance important things; it covers investments in day-care, education, and all the physical infrastructure as well (Political representative for the Social Democrats, Uppsala).

When few developers compete, the municipality must rely on expert evaluations to price the land, something that did not provide the best results in the past, according to the respondents. This also fits into the municipality’s development strategy of allocating smaller parcels one at a time, attracting as many competitors as possible to each new development project. Moreover, Uppsala’s strategy to allocate smaller land parcels has enabled the municipality to better estimate the competitive market price, as more transactions mean more data points for reference.

In one interview, the respondent from Uppsala brought up an incident from the beginning of their new active approach to land. The price set by the municipality’s experts had unintentionally been lower than the actual market price. Consequently, it succeeded in attracting many developers to Uppsala, which was positive, but the municipality lost potential profit on the project, which was unfortunate. To avoid similar situations in the future, the municipality had to become more price oriented in their approach, and has not looked back since.

In the first instance of Uppsala’s land allocation process, municipal expert evaluators estimate the land value. To attract a wide range of actors, the price
tag is not set to maximise revenue as much as it is a starting price to relate the project to, based on the costs of preparing the land for development, the DP, and the overall land value of the area. However, once the developers show interest in an allocation and have gone through the quality competition, the municipality always allocates the project to the highest bidder among the last-ing competitors in the final round.

This way, the municipality tries to access the best of both worlds: a first round of fixed price to encourage developers to improve their quality, and a final bidding to make sure that the municipality is recompensed profitably. Looking back at figure 6, Uppsala thus places itself in the upper part of category C for the first instance, by having its price valuation done by experts who include architectural qualities and other values in their estimation. However, in the second phase of the allocation, the strategy moves towards B, with its focus on the highest bidder. Because of the structure of the process, over all Uppsala’s interpretation of market price fits in somewhere between A and B, towards the lower end of both fields (see figure 7).

![Figure 7. Uppsala municipality's interpretation of market price](image)

5.3.2 Örebro: market price under municipal control

Örebro, as described in the previous section, is the municipality with the most explicit landowner identity, and the municipality where the respondents more often put land prices as secondary in planning projects. As one respondent puts it: ‘The Örebro model, it’s a pretty controversial method, but I think it works well to avoid speculation on land. There’s so much more that is important than getting as much money as possible’ (Land department executive, Örebro).

The municipality works actively with their version of fixed prices on land, which are set by municipal expert evaluators. Örebro strictly avoids bidding between developers, and their prices are firmly fixed, in the sense that two developers interested in the same plot cannot win the allocation by increasing their monetary offer. The municipal land prices are updated according to the
yearly factor price index \([\text{faktorprisindex}]\) (Örebro Kommun, 2014),\(^{183}\) which varies between the central and peripheral zones of the municipality.

Many of the respondents in Örebro draw attention to the fact that their choice of having fixed prices on land is something that works to the municipal land market’s advantage, which, in turn, contributes to a functioning housing market.

We have low prices on land and strong competition, and almost everyone who wants to build in Örebro can do so. That means that the market has been a bit tough, a functioning market with good competition. Our approach has led to less increase in land prices than in other municipalities with the same, you know, [population increase] and that makes Örebro a pretty cheap municipality to live in. We haven’t had the same increase since the financial crisis as in other places, and hopefully that means that we won’t fall as low either now that the market is less stable (Department of development executive, Örebro).

Örebro has turned the question of market price around by choosing a different perspective, not focused on maximisation of price or architectural control, to one of market quality and price stability. The interviewed local politicians express their views of the municipality as being more than another profit-seeking actor on the land market, returning to the municipality’s function as the enabler of a vibrant and functioning market through its pricing strategy.

That the focus is on creating a functioning land market might explain the strong support of the model among the liberal and conservative parties, who in the other cases show much more constraint regarding municipal market interventions. As described by one of the liberal-conservative representatives:

I’ve always belonged to the conservative branch within our liberal-conservative party. […] I’ve the same view as they had at the beginning of the 20th century. Because it’s [public land is] both a good asset for the municipality and it provides more possibilities to control who gets to develop it [the land] later. Not at least when it comes to new areas of single-family housing (Political representative for the Moderate Party, Örebro).

Or as expressed by the representative for the liberal Centre Party:

I must say that I’ve been thinking quite a lot about this myself. Because, ideologically, it isn’t really the type of politics that we would pursue as a party. Actually, I was warned about it when I got the post, that this type of question would… well, you get it. But I must say that our success is that we have a saturated market […] That we own the land and can decide how and by whom it should be developed, that we can use our land politics in this, that’s crucial for how we build in the municipality. So, I must say that I do think it’s good,

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\(^{183}\) The factor price index is a yearly measurement of the shifting production costs in the housing sector such as materials, transports, etc. (SCB, 2022).
and I don’t really know anyone among my party colleagues in the municipality that would argue otherwise (Political representative for the Centre Party, Örebro).

The Örebro model requires an agile municipal organisation that can steer the land market in the desired direction, so that the fixed price of public land remains approximately equal to the prevailing (and variable) market-based price of private land until the next value adjustment. Furthermore, this strategy demands that the municipality perpetually reinforce the land bank with new land to continue market domination, something that is not as easily done today as it was during the previous era characterised by a state rationale for productive landownership. As chapter 4 described, many of the previous municipal land instruments to control land pricing and valuation disappeared under the investment rationale due to the state’s retraction. For Örebro, who are decisive to remain active landowners and market intervenors, this affects their ability to do so.

What I miss is the pre-emptive right we had before as a municipality, to buy land bigger than 3,000 square metres. They changed that in 2009. I used to think that [the pre-emptive right] was super annoying when I worked in the private sector, but now I really see the value of it (Land department executive, Örebro).

Through their use of land, Örebro has succeeded in becoming the normative price setter of the municipality. The municipality constantly releases a steady flow of sufficient land into the market. By doing so, while keeping their own public land prices low, the municipality holds the private land prices in place by extension. ‘Because who wants to buy expensive private land, when they can buy it cheaper from us?’ (Department of development executive, Örebro).

The municipality sells their land at 2,532 SEK/GTA\(^{184}\) according to the 2022 price index for land in proximity to its city centre (Örebro kommun, 2021). This is on par with the Swedish national average price for public land, and Örebro has maintained that level while keeping up production with the population increase (something that generally increases land values).

The municipality uses the land bank actively to control market price. If they notice a tendency for the set price on land to be at an imbalance with the overall market, the municipality simply sells more land in strategic areas to satisfy the market rather than adapt the price. This is possible due to the close collaboration between public officials and local politicians, but most importantly,

\(^{184}\) The municipality has divided their land into 4 value zones. The sum mentioned is from zone 2, which encompasses much of the proximity to the city centre (in the city centre, zone 1, there is almost no undeveloped land belonging to the municipality and therefore has no value index). Zone 3 is currently sold at the price of 1,776 SEK/GTA and zone 4 at 1,151 SEK/GTA (Örebro kommun, 2021).
because of the long-term perspective on public land and the municipality’s responsibility.

Figure 8. Örebro municipality’s interpretation of market price

The municipality of Örebro have, thus, chosen an interpretation of market price which falls into category C (see figure 8). They are firm in both the use of expert valuation and in their strategy not to maximise the price, but rather keeping the LVI stable.

Just because you have a big land bank, it doesn’t mean that there will come good things out of it. It depends on who governs it. It’s important that you don’t just sell the land, but also buy more to maintain the land bank. Then, we [the political parties] can have different views on how to use this land bank (Political representative for the Green Party, Örebro).

The fixed prices on land and the normalising effect they have on all land within the municipality have come in handy for Örebro as they look for new areas to purchase. This means that the price of raw land in the municipality has remained relatively low, even with the increased development. By keeping their ‘sacred cow’ to mitigate land speculation, the municipality in effect ensures that they can continuously increase the land bank, and thus continue their strategy of fixed prices on municipal land while still making ends meet.

It is clear that we have sold plenty of land, so even if the land prices are low, it provides a very high net income for the municipality. […] But we cannot count on selling land like we have done these past few years in the future. Of course, when we plan the land, it increases in value, so it is cheaper to buy [raw land] than the land we have refined. […] We have a huge need to continue to buy land. Right now, we are buying up land all the way to the airport (Political representative for the Social Democrats, Örebro).

Notwithstanding their success, the respondents of Örebro understand that the heated market and building boom that have characterised many urban areas in the last decade cannot continue forever. Furthermore, the fixed prices on land have not solved the problems of affordable housing, even if the municipality does have lower housing costs on new production compared to other municipalities (according to several of the respondents). Because even though their
newly built housing has comparable lower costs, they are still too expensive for a large part of the buyers and tenants to be able to afford them.

5.3.3 Stockholm: Market price and the return on capital investment

In Stockholm, the price of municipal land is dependent on the fact that local politicians in the municipality seem to regard the land as an asset to draw from to cover other areas in need of capital. As the former director of developments in Stockholm described: ‘To put it this way: The city’s wealth is divided, one half is stored in the municipal real estate firms, and the other half is invested in municipal land’ (Former director of development, Stockholm). The other interviews in Stockholm confirm the image that while public land is still regarded as an instrument of control, its value, as an asset to draw from, steadily increases.

The Social Democrats on the board, they mostly just see the revenues. Not that they’re like the Centre Party and just want to sell everything and build more and higher. However, they want the project to earn the money. I understand that because money is needed. Twelve billion will be spent just on Slussen (Political representative for the Green Party, Stockholm).

Year after year, the political rulers of Stockholm are accused of taking advantage of the land prices and actively playing a part and contributing to the increased costs of housing that the municipality suffers from.185 The answer from the respondents is that the municipality is unable to do much as the law requires them to sell land at market price, and that they simply are complying with the expert valuations.

That’s completely wrong, because it’s not us who push the prices; it’s the housing buyers, of course. I would say, look at JM.186 It’s not as if they would say: “Let’s sell this building cheaper, because we got the land at a lower price.” On the contrary, they have the position that they have today because they had the chance to buy land cheaply and sell it at a high profit a decade ago. The value assessment of land today is built on the knowledge of how much the market is willing to pay, and the building costs (Former director of development, Stockholm).

186 JM is one of the four largest private housing developers in Sweden.
Many of the respondents do not even see this as a political issue in the first place, thus failing to understand the critics. ‘We base this [the price] on expert valuations. It’s not political at all. It’s all market price.’ (Political representative for the Liberals, Stockholm).

Only two representatives among the respondents from Stockholm challenge the image of market prices as ‘unpolitical’ or ‘neutral’. The representative from the Left Party, and one of the representatives from the Green Party. Even the city’s tomträtt rent is slowly being adapted to the increased land values, although it remains a form of land subsidy to enable rental construction.

The municipal borders around Stockholm, and the fact that the municipality no longer seeks to buy land to motivate development or keep the land they still own in neighbouring municipalities, sets a limit to how much the municipality can do to stimulate the land market and thus influence the price of land in a similar manner to Örebro. Thus, the lack of potential to expand the municipal land bank, together with a firm belief in the neutrality of land pricing, have led to the notion that there are not many alternatives for Stockholm.

The mere value of the land itself in Stockholm puts limits on alternative strategies. At the time of the interviews, the housing market was still a bit shaky from a slight downturn, but the land sold by Stockholm municipality ranged from 10,000–40,000 SEK/GTA with a record of 45,000 SEK/GTA in the inner city (SvD, 2017). Stockholm, as many municipalities in Sweden, is dependent on its credit scores to maintain access to funds and keep the interests low on their increasing debt. The rating institute Standard & Poor’s, has several times warned the municipality about the need to realise some of the assets if the municipality want to keep their AAA rating. According to a report from the Swedish Union of Tenants in 2020, the ruling majority of Stockholm uses these credit ratings to legitimise much of the financial decisions of the municipality, out of fear of losing their triple A score (Synnelius, 2020).187

Therefore, even when political majorities in Stockholm seek to address the challenges of housing shortage, increased costs of living or segregation, they seldom use the land assets of Stockholm to achieve those goals. To some extent, I would argue that one of the reasons for this come from a feeling of political powerlessness, connected to the idea of the ‘apolitical neutrality’ of market price. As such, not many question the status quo, believing that they are already doing everything possible within the legal constraints to address the housing crisis as they see it. Even the most critical among the respondents, the representative from the Left Party, only voiced a resigned critique:

Hanna: Would you want the legislation to give the municipality more freedom when it comes to pricing land?

187 The same report mentioned that Uppsala and Örebro also regarded their credit scores as important (they were both scoring AA+), but not to the same extent as Stockholm. Örebro even stated that they do not consider their debt as a burden.
R: Had you asked me years ago, I would’ve said yes without a doubt. But I’m no longer certain that would be enough of an instrument to achieve the goals we think are important in our politics. I think there’s a need for a holistic transformation of the planning process, on both the municipal and national level. Because what we have now is a broken system. […] You try to practise some sort of progressive politics of housing – and city development in the ruins of a system. Where parts have been taken away, reshaped, so that there’s no wholeness anymore. Once upon a time, this system was formed with an idea about how its parts would come together. On the one hand, it has been pulled apart, and on the other, it remains. It’s some kind of zombie system. (Political representative for the Left Party, Stockholm)

Because most politicians in Stockholm do not see themselves as directly responsible for the land pricing, they continuously argue that the highest price – even if some feel it regrettably, is the best price. Several respondents highlight that their responsibility towards the citizens of Stockholm is to maximise revenues from land sales, especially since developers would just pocket the difference otherwise.

Because of the attractiveness the capital has on developers and Stockholm’s interest in maximising revenues, the municipality could work with tender allocation and bidding strategies to push prices even more. However, that would be difficult to combine with the Stockholm model for planning and land allocation, as the city uses direct allocation and closely collaborates with the developer from start to finish to maintain control. Instead, when a developer expresses interest in a plot that they would like to develop, the municipality uses expert evaluators to price the land based on past transaction, known market price and negotiations with the developer. If several developers are interested in the same plot, the municipal administration at the Department of Development chooses who will get the allocation in a process that developers have often critiqued for being non-transparent and opaque.

By using expert valuations to calculate the maximal price that the market would pay, Stockholm wants to ensure that the taxpayers get their pennies worth from selling off the public assets. ‘It would have been so much easier if we had owned the whole chain of production. However, we are actors on a commercial market. It’s a difficult equation’ (Political representative for the Social Democrats, Stockholm).

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188 Other studies on Stockholm have identified this approach to land valuation, such as Zakhour and Metzger (2018) and Zetterlund (2016).

189 See the reports of Zetterlund (2016) and Metzger et. al (2021), or the discussions in DN (2018) and Fastighetstidningen (2017). Stockholm municipality has used tender allocations in some cases where they allocate land, such as in Norra Djurgårdstaden, but most land allocations are still done directly.
In the meantime, the consequence of this practice is that the city is gradually losing its power – as much of it stems from them being the largest landowner. Many of the respondents from Stockholm are painfully aware of this; they just do not seem to see any other way forward, than to continue down the same path.

Stockholm’s use of expert valuation in combination with their belief that the municipality has a responsibility to maximise the rate of return positions their interpretation of market price into section D (see figure 9). It is interesting that although the respondents have a strong preference for municipally appointed expert valuations, they do not consider themselves responsible for the pricing of their land.

![Figure 9 Stockholm municipality's interpretation of market price](image)

5.3.4 Summarising three perspectives: Local land and pricing mechanisms

The land banks of municipalities are huge wealth storages, and their management thus affect not only housing production but the municipal finances as well. As the legislation dictates that public land must be sold at market price, the different interpretations between municipalities on how to go about it, creates a lens through which to study the constraints and possibilities that each landownership rationale has the potential to unlock. The municipalities’ respective view on the role of public land, their role as a municipality, and their understanding and interpretation of market price, affects the effort they make to influence the land market.

Uppsala has learned from their previous mistakes, and therefore puts great emphasis into ‘reading’ and analysing the market so that the municipality can sell and purchase land at the right price, meaning the highest price a developer is willing to bid in competition given that their project delivers a certain standard of quality. As predominantly driven by the productive rationale, Uppsala is willing to shift and change their land approaches to see that the municipal goals are met. This means that the municipality is less concerned with getting the highest possible price for the land, or how that land is priced, as long as the production goals are met. With that said, the municipality still seeks to get
financial compensation, according to the market actors’ definition of price when their goals are taken care of. By working actively in this way, the municipality has been able to compensate for some of the economic problems created by their lack of a larger land bank.

The moral landowner Örebro, while working actively to analyse the market as well, instead primarily seeks to control the land market all together, within the legislative boundaries. They keep a critical perspective on the market as the ‘truth’-teller of the right price, and instead regard the market as a place of transaction, meaning that the price is ‘right’ when buyers and sellers can meet. In many ways, the way that Örebro strives to keep the LVI stable, and the municipal work with fixed land prices, is reminiscent of the approaches taken during the historical era of productive landownership. While this is true, the underlying ideas about land and the role of the public landowner relates more to the characteristics of moral landownership, as Örebro’s main reason to counter land speculation and bidding is to maintain their role as a responsible landowner with long-term goals.

Stockholm, on the other hand, seems to work less actively with the price than the other two. The municipality depends on expert evaluations for its pricing strategy, to uphold the responsibility of ensuring citizens a good rate of return on their public assets. It is this interpretation of the municipal responsibility, together with their belief of the market as the neutral ‘price setter’ that result in Stockholm’s rather resigned approach towards an active politics of land related to its pricing. This mirrors the investment rationale, which focuses heavily on the rate of return on the land investment.

The different approaches that the municipalities in the study take towards the concept of market pricing demonstrate how interpretations of the role of land, understood through the landownership rationales, can influence the politically constructed local land market. This begs the question: Do these different interpretations create sufficient space within the national legislation to lead to different outcomes as well?

5.4 Using public land to address future challenges: Outcomes and goals

What kind of housing situation do the different types of landownership rationale encourage? That is a question that cannot easily be answered deductively. This is because it takes years to go through a building process, and because during that time, certain changes will have been made to the land allocation approach that complicates the evaluation process.

The issue is complicated further by the fact that although Swedish municipalities must present data on housing construction numbers yearly, it is difficult to compare the numbers due to the variety in municipal demographics,
economic attractiveness, political climate, etc. That is why simply comparing crude numbers will often say less about if a land approach is successful or not. The same goes for comparing the municipal construction goals, as they present them quite differently.

Stockholm’s construction goals are a prime example of this issue. The municipality has stated that they are planning to build 140,000 new housing units until 2030, but does not elaborate on size, tenure type, pricing or any additional information regarding what this means, more than presenting the number of units. Uppsala is a bit more specific, as they have a yearly goal of constructing 2,000–3,000 housing units, but as with Stockholm, it is difficult to draw anything else from those numbers. Örebro does even less, as the municipality does not present any goals for construction. Instead, they claim that their goal is to increase construction in pace with their population growth (Synnelius, 2020).

Because of the difficulty in comparing the outcomes this way, the study has taken another approach to the question. This section presents an analysis of outcomes in each municipal public land approach, based on what the respondents identify as the most urgent and important challenge in their respective municipality, and how they each chose to address it. By doing so, it opens a discussion on how a landownership rationale enables different solutions or approaches (or not) to future issues. The interpretation of ‘outcome’ thus becomes the possible path for municipal action that certain landownership rationale might create.

The section builds on the answers provided by the respondents when asked to identify the most important challenges they saw in their respective municipalities. Even if there was some variety regarding the answers, the most common challenge identified in all three case study areas was the challenge of ‘affordable housing’.

The term refers to a program, regulation, or law that requires or provides incentives to private developers to incorporate affordable or social housing as a part of market-driven developments, either by incorporating the affordable housing into the same development, building it elsewhere, or contributing money or land for the production of social or affordable housing in lieu of construction (Calavita & Mallach, 2010, p. 2).

Affordable housing is a term to define housing priced so that those who find the normal market inaccessible can afford the monthly costs. Worthington has defined it as housing at an acceptable relation between income and housing costs (2012), while Thaden and Wang, who prefer the term ‘inclusionary

190 The variety would span from the representatives from the Green Party, always bringing up climate change as a big challenge, or representatives from the Moderate Party constantly returning the importance of “positive gentrification” and tenant-mobility.
housing’, have defined it as housing production with special demands or incentives to lower the rents in new construction (2017).

In Sweden, it has long been the responsibility of the public housing companies to address the issues of housing affordability. That means that the municipalities are not only responsible for housing affordability through their approaches to public land, but equally responsible as developers of such housing. The changes discussed in chapter 4 on the period of investment landownership has made it impossible for the municipalities to treat their own housing companies differently than their private counterparts in their public land strategies. Additionally, the changes made to the public housing companies in 2010 require them to act on market-based principles (Salonen, 2015). That means that the development of affordable housing today in Sweden is market-driven, just as the land for its development must be allocated and priced based on market principles.

5.4.1 Örebro: Exploring tomträtt as an affordable option

The approach of Örebro has enabled the municipality to build at the speed of the population increase, with the outcome that they do not have a housing deficit like most Swedish municipalities.191 As a result, the municipality argues that they now have the possibility to reach beyond mainly ensuring a sufficient supply, and aim towards the next goal, which is to build affordable housing. Örebro has not had the same steep increase in housing costs as Uppsala or Stockholm, but even without skyrocketing housing prices, Örebro still struggles with increased costs of living.

That’s the big problem, right? Yes, we’re constructing a lot of buildings. But who can afford to live in them? […] We’re trying to find out how to build with reasonable monthly costs for the tenants. We will try out this new model now, and then see how it goes. It’s a key issue. How do we actually build affordable housing while maintaining a high standard? In addition, this thing with the galloping construction prices, we see that everywhere. They’ve increased enormously. That’s what makes these [affordable housing] projects crash. It costs too much. When will it stop? When will it be enough? How will that affect our jobs? (Head of the land department, Örebro).

The model the respondent is referring to, is called the Örebro model 2.0, and it aims to build apartments with reduced monthly rents by using their public land strategically. In the model, the developer gets an allocation at an attractive spot if they agree to build with lower monthly costs for the tenants at

191 Specifically, 207 out of 290 municipalities suffers from a housing deficit according to the 2021 housing market census by the Swedish National Board of Housing, Building and Planning (Boverket, 2021).
another plot. This land-based initiative was made possible by the national sub-
sidies for rental projects that were implemented by the Red-Green government
in 2015 (SFS, 2016:881).192

We [the party] might not have been that positive on the national level to this
investment subsidy that Sossarna193 decided on, and the Green Party. But if we
see how it looks in Örebro, it has come to great use, and several actors have
built with the help of the investment subsidy. I feel, well, I can’t say whether I
think it’s good or not, but I can say that I would like to see a development of it
(Political representative for the Centre Party, Örebro).

The first try-outs of the Örebro model 2.0 led to a re-evaluation of the mu-
nicipal model of selling land for all types of tenures. The rental dwellings had
a price reduction to be competitive, but that was all. However, by selling the
land, there was no insurance that the built rental dwelling would continue as a
form of affordable housing after the first decade.194 Therefore, Örebro decided
to expand their use of the tomträtt instrument, to ensure long-term control over
the costs of housing while still providing the land at a reasonable cost for the
intended project (Granath Hansson, 2021).195

They [the developers] get a bigger building permit than they would otherwise
have gotten but must use a share of their profit to invest in another rental pro-
ject, on land with tomträtt. Because then, since we’ll continue to own the land,
we can make demands on how they work with these rentals (Political respond-
ent for the Social Democrats, Örebro).

It seems that it has been a positive experience working with the Örebro
model 2.0 for the municipality, because several respondents talk about the po-
tential for an expansion of the model. Örebro’s landownership has granted the

192 The subsidies were provided for rental projects at lower rent-levels in growth regions. The
subsidies range between 4,800–7,100 SEK/sqm living area [Boarea], depending on the project
being in one of the major city regions or not, and on the condition that the final rent is kept
under 1,350–1,550 SEK/sqm living area (Boverket, 2020). Since its introduction, it has con-
tributed with 13 billion SEK to rental constructions. However, in 2021, the parliament passed
a new budget, putting an end to the subsidies (Svd.se, 2021).
193 Slang for the Social Democrats.
194 If the municipality sells land for rental development, they can insert a clause that requires
the landlord to pay a penalty, should the dwellings be converted into tenant owned during the
first 10–15 years. However, this clause is only valid if the company that signed the agreement
remains the owner. If the company sells its property, the next owner is not bound by the agree-
ment. Most developers active in a region do seek good relations with municipalities and there-
fore do not exploit this possibility, as it would affect their reputation. Nonetheless, the only way
of judicially securing rent levels is through a tomträtt agreement (SOU, 2015:105), and even
with tomträtt, there are difficulties in controlling rent levels past the first leasing period due to
the Swedish system of negotiated rents.
195 In the first try-out, the rent levels are decided on a 15-year basis. After the period has ended,
the municipality will re-evaluate the project, and the developer will have the possibility to re-
deed the land (Political representative for the Social Democrats, Örebro).
municipality a certain confidence that shines through during the interviews. As stated at the end of an interview on the point of the national housing shortage and the present power of the municipalities. ‘I would like to counter those who always complain about the legislation all the time. This has nothing to do with it [the legislation]. It is about what you do with the instruments that you have’ (Political representative for the Social Democrats, Örebro). The respondents of Örebro see the challenges that the municipality faces, and take them seriously, but what also becomes clear through the interviews is a general feeling among the respondents that it is possible, with the municipal tools of today, to solve these issues in the future.

5.4.2 Stockholm: The future of the unaffordable city

The most prominent problem for all three municipalities is the cost of newly built housing. Even Stockholm, with its housing shortage, now face the problem that new housing by itself is not enough to house the population if no one can afford what is being built. The land allocation approach of the Stockholm model promotes a housing production regime sensitive to economic fluctuations, as the depending factor on whether constructions will take place is the developers’ risk calculations. With developers often expecting profit rates at up to 20% for projects in the capital (according to a political representative from the Green Party), the incentive to invest in less profitable projects decreases.

Stockholm has famously seen large parts of their public rental stock get privatised over the years. Insightfully captured by Löfgren (2021), this shift contributed to most of the municipality’s present problems with segregation and lack of access to housing, problems that the privatisations were supposed to address according to their advocates at the time.

Nevertheless, in Stockholm, many of the political representatives seem to believe that their land approach instead has made it possible to battle the challenge of segregation within the municipal borders. Due to gentrification, another class of tenants than before now inhabit the centrally located rental dwellings, and as land prices increase, so does the municipal profit from selling public assets. Profits that the respondents argue go to addressing problems that the municipality is facing.

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196 Between 1990–2016, Stockholm privatised 42% of their public housing stock (Löfgren, 2021). When the interviews in Stockholm were conducted, the Red-Green-Pink coalition had decided to end the privatisations of public housing in Stockholm. After the majority shift in the election of 2018, however, the now governing centre-right alliance has opened for more privatisations, and a lower percentage of rental projects are being allocated to the public housing companies.
Now, the housing shortage has made Bagis and Hökarängen,\(^\text{197}\) in just a couple of years, transform from being a bit sketchy to high status. It’s a paradox, but the housing shortage is actually enabling us to heal this city. Especially when looking to the south side, this gives us great opportunities. I think that it’s important to take the value creating development seriously (Political representative for the Social Democrats, Stockholm).

Understanding the different definitions of segregation is the key that puts this quote in perspective. Yes, the overall increase in land value is changing demographics and thus statistically increasing the wealth of poorer neighbourhoods in Stockholm.\(^\text{198}\) However, this is not ‘healing’ the municipality’s problems with segregation as much as it pushes poorer tenants out from the municipality because of increased costs of living.

The terms ‘heal’, or ‘mend’ [läka ihop] continuously show up during the interviews with representatives from Stockholm, especially in relation to the question of segregation. The words seem to derive from the notion that the segregation of Stockholm stems from the geographical segregation of modernist suburbs, not from the socio-economic stratification of its citizens. Based on this understanding of the issue, the solution for the municipality is to build connected and diverse (architecturally diverse) neighbourhoods, and as a natural effect, the socio-economic segregation would decrease.

Since most of the political representatives regard the land pricing system as neutral rather than political, Stockholm looks to other instruments than the land bank when it comes to addressing the challenges of housing shortage and segregation.\(^\text{199}\) At the time of the interviews, the only land-based approach to affordable housing that the municipality applied was the use of tomträtt for the construction of rentals. The tomträtt system does make rentals more competitive as a tenure type; however, the cost of newly built rentals is still so high that most of the citizens that depend on the rental market for housing, cannot afford them.\(^\text{200}\) Additionally, many private rental property owners have income requirement levels that are difficult to fulfil, which further increases the exclusion and leads to overcrowding.

\(^{197}\) ‘Bagis’ is short for Bagarmossen, which together with Hökarängen are two suburbs located south of central Stockholm along the subway line. They have both gone through a rapid process of gentrification during the last decade.

\(^{198}\) The housing prices of the suburbs Spånga-Kista and Brännkyrka-Skärholmen have increased with over 100% in the last 10 years, while the more affluent inner city has seen the significant but less extreme value increase of 70% during the same time (StockholmDirekt.se, 2019).

\(^{199}\) Such as the rental project Stockholm houses [Stockholmshus], with easy to assemble building prototypes to decrease production costs for the municipal housing companies and thus results in lower rents.

\(^{200}\) Less than half of the inhabitants of Stockholm County (46 %), can afford a newly built rental apartment with a single bedroom and kitchen (Dn.se, 2018).
The municipality recently decided to increase the rent of their *tomträtt* leases to capture the increased land values of the city. By increasing the revenues for the municipality, the city continues making good use of its land bank from the perspective of investment, but less so from the perspective of what is being built and for whom. The municipality avoids the use of the national investment subsidies for affordable housing with the argument that the high land prices of Stockholm make them impossible to work with.201

What we need are subsidies for consumption instead of production. Housing benefits instead of state subsidies. Subsidies will only end up in the developers’ pockets. People will complain, saying that there will be lock-in effects, but I think that the other system [the system of subsidies for production] is worse. Of course, that doesn’t mean that we shouldn’t work to lower production costs, […] but we need to find a system that is not social housing, and an improved system of benefits (City director, representing the Social Democrats, Stockholm).

As in the statement above, an overwhelming majority of the respondents wish for the state to intervene in a different format. From a municipal perspective, it would come as a relief to have the state increase the housing benefits, as it puts less pressure on the municipal budget. However, as pointed out by the two respondents in the study who were not municipal actors, an increase in state issued housing subsidies would also mean less incentive for municipalities to pressure developers and property owners to keep the price increases in check (Former advisor to the housing minister & the former advisor to the department of housing development). It would not solve the problem as much as it would shuffle around the costs, from the municipal budget to the state, mostly benefitting property owners who could continue and improve their capture of LVI.

5.4.3 Uppsala: The Keynesian municipality

For Uppsala, the municipality is trying out different land allocation methods to ensure that rental developers use the national subsidies to build affordable housing. Since the state only provides the subsidy if rents are kept at a certain level, it would help Uppsala to lower the municipality’s overall rental costs. At the same time, in the area of *Ulleråker* – which holds the focus of the municipality, the municipality needs to increase the rate of return so that Uppsala can repay the loan that they took to purchase and develop the land. This creates a clear conflict of interest.

201 Since the government raised the rent limit required for the subsidies, Stockholm has begun to use it for its public housing companies in some areas. However, the national parliament has as of the budget decision of 2022, decided to phase out the subsidy completely (The Civil Committee, 2021/22).
The economic situation of Uppsala makes it more attractive for the municipality to sell the land to the highest bidder on the market, since the municipality rests in assurance that competition effectively creates the best result. However, as the private landowner’s calculations often result in tenant-owned construction being more profitable, it becomes difficult to construct rentals in Uppsala, unless on public land.202

Several respondents in Uppsala bring up the problem of the municipality lacking affordable housing, both from the perspective of those seeking a new home, and from companies looking to attract new employees to the municipality. However, while many bring this up as a serious issue, they do not necessarily see it as a problem of affordability; rather, they see it as an issue of housing shortage in effective supply, that creates the increased prices.

Some respondents from Uppsala argue that they must focus on tenant-owned construction for now, but that the municipality will increase rental construction and the usage of the municipal housing company when the economic conjuncture begins to decline. They argue that this is part of a municipal ‘Keynesian contra cycle’ – approach to housing development, as well as a strategy to take advantage over the presumed lower construction prices on a less heated market.

Our plan is that the public housing company should act a little bit as a regulator of the conjuncture. Right now, we have other actors in the municipality who build rentals, but if the market worsens, then they usually, well, there is a risk that they’ll disappear, or that they take a break. But that is when the public housing companies can enter [the market] again, and also take advantage of the then lower construction prices while interacting. We must remember that it is the municipal citizens who we pawn when the public housing companies are building, so we can’t just build as much as possible; instead, we want private capital to invest and do that [build] (Political representative for the Social Democrats, Uppsala).

In the meantime, most respondents from Uppsala refer to their second-hand market for those seeking rental housing in the municipality. However, to live as a lodger or rent second hand can be expensive, and as a tenant under those conditions, there is often little security if a conflict occurs with the property owner.

For many years, the increase in housing production has been the number one focal point for Uppsala. The Social Democratic leadership during the electoral period of the interview, even had the goal of tripling the production numbers as a political promise during their election campaign. The housing shortage made many traditional advocates of privatisations question the municipal-
ity’s previous passive land management and the consequences it had for Uppsala’s ability to address its public responsibilities, since it left the municipality lacking land. However, as Uppsala has explored new ways to use their land bank to increase housing output, other problems have surfaced that the housing deficit previously overshadowed.

The only thing you hear is that ‘we will build 3,000 apartments per year’, that’s the goal. We could build 4,000, or 1,000, but get better effects. Take Gottsunda\textsuperscript{203} as an example. We sold it once, the street Barnsängsvägen […] we earned money. The company that bought it, they neglected it, didn’t make any improvements or investments, and it degraded. To me, it’s clear that the money we earned by selling it, we’ve repaid ten times over or more in social interventions, and we’ll continue to pay, several times over again. We need to have this economic sustainability circle in our calculations when allocating and selling land. What will be the costs if the developer is unreliable? (Political representative for the Liberals, Uppsala).

This has issued a discussion among representatives in Uppsala on the nature of market price and how it is measured, with some calling for a municipal redefinition of market price, which is less concerned about the developer’s risk analysis and more about the long-term responsibility of the municipality.

5.4.4 Summarising three perspectives: Affordable housing and municipal agency

All three municipalities share a common challenge, which is the problem with affordable housing, and the problem with affordable housing in Sweden, as put into words by one of the respondents, is that: ‘Low-cost housing, well, it’s a Catch 22, because all of them disappeared with the privatisations. You can’t buy them back’ (Political representative for the Liberals, Stockholm).

Even Örebro, which has not privatised the public housing stock to the same extent as Stockholm and Uppsala, considers affordable housing to be a key challenge for the municipality. Unfortunately, none of the municipalities seems to be closer to solving the issue at hand, even if Örebro is working more actively on the matter, with the update of the municipality’s current land allocation model. Time will tell if Örebro succeeds.

Meanwhile, many respondents argue for an increase in the state issued housing benefits, to make housing affordable by subsidising demand instead

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\textsuperscript{203} A million programme neighbourhood suburb located south of central Uppsala, often labelled as a vulnerable and under-privileged area.
of supply. This would absolve the municipalities from some of their responsibilities in procuring the prerequisites for all their citizens to live in sound housing, but it would not solve the underlying problems of the housing market.

The housing shortage and the late building boom has increased the costs for material, labour and land, especially in the urban growth regions. Even if land prices are an important part of the construction costs, the Swedish Association of Local Authorities and Regions has drawn the conclusion that the media discussion has heavily over-emphasised the management of public land as a cause for the housing shortage (Micko, 2018). Instead, many of the difficulties with constructing affordable housing are simply outside the municipal reach.

With that said, the respondents in the study still underscore the importance of public landownership. Without public land, a municipality always runs the risk of having its decisions made for them by other, more powerful actors. Before beginning to work actively with land, Uppsala suffered from this problem. Now, with Uppsala’s more active approach to land, the municipality has begun to hold the initiative. However, as seen from both Stockholm and Örebro, a public land bank by itself will not guarantee a successful solution to address the housing challenges, and tellingly, Uppsala does not yet have a fully composed plan to do so. Instead, the municipality continue to increase housing output, addressing supply, and awaiting the economic downturn to address the issue of affordability specifically.

Örebro has less acute problems of housing shortage in comparison with the other two municipalities, which have given the municipality space to go about the issue of affordability. The result of this work (which still needs future evaluation), and that the municipality is actively addressing the question and seem confident in being successful, probably means that Örebro will continue to develop the model and adapt it to future problems they run into. The use of tomträtt shows how the municipality is prepared to try out new approaches to reach their goals.

In Stockholm, the city budget is in dire need of continuous asset realisation, and therefore the struggle for affordable housing is continuously weighed against other, more profitable investments. Even among those who want to expand the tomträtt instrument for the development of affordable rentals, they often do not know how it would come about, which is why so many respondents from Stockholm return to the question of state issued housing benefits as a possible solution.

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204 The law on municipal housing sustentation dictates that a municipality needs to create the necessary prerequisites for all its citizens to live in sound housing (SFS, 2000:1383). This is different from and should not be confused with a ‘housing guarantee’.

205 Even though about a third of the total price increase of housing in Sweden can be traced back to land (Bergman & Nyberg, 2021).
In conclusion, it is difficult to state that a certain rationale effectively leads to a specific outcome, such as sufficient production of affordable housing. Probably, it would be more accurate to say that a certain rationale will influence the chosen strategy within the structural conditions put in place on the national scale. Moreover, that strategy can have ripple effects, and to judge from the three cases in the study, Örebro, leaning towards its more moral rationale, has come the furthest in addressing the issue at hand.

5.5 The rationales for Swedish municipal landownership

Does local public landownership really matter in present Sweden, when the national land policy is characterised by a rationale for investment landownership, and if yes, in what sense does it do so? The high recognition among the respondents of the importance of public land to control the built environment indicate that it does indeed matter. So, in what sense does it matter?

Doreen Massey was clear on the point that the purpose for owning land plays an essential part for its treatment, and the three municipalities in the study do seem to have both different ways of treating land as well as varied underlying assumptions for how they perceive the role of public land in municipal management.

The chapter categorised the three municipalities into the types of rationales developed in chapter 2. With Örebro as guided by the moral rationale, Uppsala by the productive, and Stockholm by investment landownership.

Through the interviews, the respondents from Örebro have continuously referred to their landownership role as being at the core of the municipality’s responsibility. As moral landowners, they have pointed to their long-term engagement and their ambition to use their land to construct a more ideal land market, something that they believe is not possible without the municipality’s involvement.

The respondents from Uppsala, on the other hand, always return to their need to increase housing production. The recent expansion of their land bank closely connects to the goals of housing output, guided by the realisation that public land is required to see it done. In many ways, their use of public land is grounded in necessity, as for all productive landowners, and it is not their preferred instrument, which is one of the reasons for why the municipality previously had little to no engagement with public land.

Stockholm comes closest to the investment rationale. The municipality has great land reserves due to a century long engagement with land. Nevertheless, since the 1990s, the municipality has privatised these land assets little by little to improve the municipal finances, and as of late the credit score of the municipality is dependent on the continuous realisation of the public land bank.
The municipality has preferred the realisation of land instead of considering an increase in municipal taxation to improve their finances in a different manner, leaving future generations with a smaller inheritance.

In this above short summary of the three municipal cases, the connection to their respective landownership rationale seems relatively straightforward and clear. However, the real-life practices of daily municipal management never fit perfectly into generalised theoretical frames. As an example, none of the municipalities in the study treated their land in a purely profit maximising manner, even though Stockholm came closest to the investment rationale.

Massey and Catalano discussed in their research how similar actions across the spectrum of landownership types could still produce different structures and outcomes.

It should be pointed out, however, that the distinction is made at a very general level. There are certainly individual cases where the functions performed [...] in a descriptive sense overlap. Such overlap, however, only reinforces the validity of the main criterion used to distinguish the three groups. For even where the groups appear to be involved in exactly the same activities, the structure in which they occur is different, and this produced clear effects on the real nature of the activity and on its relation to, and the contradictions it produced, within the overall economy (Massey & Catalano, 1978, pp. 63-64).

This is illustrated by the difficulty in categorising Stockholm, due to the municipality’s dedicated use of the tomträtt instrument. As an instrument developed during the influence of moral landownership, the use of it to enable rental construction at first glance gives the municipal land practice a flair of a moral rationale. Nevertheless, their treatment of land in general suggests otherwise, and even their tomträtt land is recently being adapted to capture the LVI of the city more efficiently. Stockholm has valid reasons for using their land in this manner. As brought up by many of the respondents: why should they not capitalise on the increased land values as responsible managers of their citizen’s assets? However, the legitimisation of their strategy only emphasises why this chapter labels Stockholm as acting within an investment rationale, instead of the moral one. Because whether they practise the tomträtt instrument or not, the structure in which the tool is used is a structure in which the land is valued as an asset.

The use of tomträtt in Örebro is another way to exemplify this difference between the municipalities. Örebro has had the practice of selling their land at a lower price, just like Uppsala, for the construction of rentals. However, the municipality has lately taken up the tomträtt instrument to control the rent levels in the new construction of affordable housing. Örebro does this in cooperation with a private developer, not limiting themselves to the public housing companies when it comes to addressing the issue of affordability.

As in the overlap spotted by Massey and Catalano, the tomträtt system practiced in Stockholm today, does not necessarily mean that the municipality
uses it in a similar manner to Örebro. Evidently, Stockholm’s present use of tomträtt is to enable the production of rentals in an area where they would not be feasible without municipal help. As the city allocates tomträtt land regardless of whether the developer produce affordable housing or not, the production of rentals does not necessarily equal an increased affordability. Örebro, on the other hand, has redirected its use of tomträtt to address housing affordability specifically, and as such uses the instrument with a different end goal in mind.

Another example is the municipal practice that all cases have in common, which is selling public land for development. All three cases commonly use the privatisation of public land, but the manner in which it is done is what gives the strategies their distinct characteristics. One clear distinction is that Örebro and Uppsala continuously work to increase their land bank. They do this to ensure that the municipality maintains its land market influence, even as they continuously sell off land. Stockholm, on the other hand, is slowly carving away their role as a public landowner to uphold other interests. Moreover, as Stockholm already owns most of the land within the municipal borders; the geographical and fiscal boundaries obstruct them from purchasing more land.

One issue of great importance that the chapter has not yet discussed explicitly, is the land values themselves as a factor that influences the municipal land management. The land values in the three cases vary greatly, and as is commonly said: Money talks. Therefore, one thing to take into consideration reading the chapter is the effect that increasing land values can have on a municipality’s ability to uphold a rationale not encouraged by the national and legislative scale. With land values increasing, it becomes difficult not to capitalise on them to improve municipal finances. This means that high land values can by themselves be an incentive to adopt an investment landownership rationale.

The approach of Örebro to avoid such land value increase can therefore be considered a strategy to enable the continuation of the municipality’s particular form of land management. Uppsala’s lack of land makes it difficult for the municipality to have the same normative effect on the land market as Örebro, even if it wanted to. In effect, the municipality must follow the pace of the private land market and adapt its strategy to the general LVI. Still, the ongoing land purchases might create an opening towards a different approach in the future, if they choose to. The fiscal boundaries of Stockholm, on the other hand, make it impossible for the municipality to increase the land bank unless they decide to renew the strategy from before the 1990s of acquiring land in neighbouring municipalities. As this seems highly unlikely, the municipality is left, at least as they see it, to capitalise as much as possible on the LVI.

This analysis would suggest that a landownership rationale is not chosen, intentionally or unintentionally, as much as it is shaped by factors outside of municipal control. However, in contrast to this, stands the fact that a) Örebro is clearly actively choosing its land approach, and b) Uppsala could in the
future be able to make a conscious choice if it continues to improve their land bank. This is further strengthened as c) Stockholm used to have a completely different approach to its land bank, with the explicit policy of never selling land but leasing it all.

This means that even if the national rationale and the economic condition of the global market create a framework that encourages a certain type of public landownership rationale, a conscious municipality can work within these constraints to counter it, at least to some extent. This is not to say that to do so would be easy, mainly because of the path dependency created by historic decisions and the reality of short-sighted local politics. Nevertheless, difficult and complex does not mean impossible.

The municipalities in the study are but three out of 290 Swedish municipalities, of which a great majority owns land for housing purposes. Nevertheless, looking at these three cases as examples of municipal approaches to public land shows how the framework of landownership rationales is useful to comprehend the complex reality of local public land management.

5.6 Conclusion

The purpose of chapter 5 was trifold: it aimed to address the role of public landownership from the local perspective as well as understanding the underlying reasons for why municipalities manage their land asset the way they do. The third and overarching purpose, however, was to demonstrate that regardless of the dominating rationale on the national level, the local landownership rationale can, to some extent, shape a municipal approach to land in accordance with their own landownership rationale. The national rationale creates possibilities and constraints on how the local rationale can be enacted, but as the differences between the three cases show, within those constraints, the rationales can create different strategies and outcomes.

Without the framework of landownership rationales and understanding the assumptions that guide municipal decision-makers, the conclusions drawn from studying the cases are but snapshots of the situation for public land in the municipality. It would be a description of how much is being built, how the land is managed, and how much are they selling it at. However, by using the concepts of public landownership rationales, the study reaches a deeper understanding of why the municipalities act so differently to one another. Facing similar challenges, why these municipalities decide to take separate ways and to implement the municipal instruments that are still available within the legal boundaries of Swedish land and housing politics.
6 Synthesis: The landed municipality

The premise of this study is that an important part of housing provision in Sweden is tied to the understanding and use of public land. As such, the thesis has explored public land management and how rationales for public landownership influence urban development. One thing that consistently resurfaces throughout the chapters is how land value increases of urban areas continuously conduce dilemmas for Swedish landowning authorities.

One of the examples brought up in the thesis’ introduction described how tenant-owned associations living on municipal land in Sweden’s largest cities were dreading increased land rents. In response to this, Stockholm recently decided that they were open to selling off their *tomträtt* land at 85% of the market price to the affected tenant-owned associations (Dn.se, 2022).206 The financial city commissioner of Stockholm (representing the Moderate Party) stated that this reduction in price was still in line with state aid rules and municipal law (König Jerlmyr, 2021), even though it would effectively be a direct subsidy to the tenant-owned associations.

Some actors, in response to this decision, argued that Stockholm should auction off the land to the highest bidder if the municipality does not plan to keep it, instead of subsidising a group of homeowners that would pocket the difference themselves later anyway when selling at market price (Kopsch & Warnquist, 2021). Others, such as the Left Party, have argued that the land should not be sold at all, and that people who bought their dwellings on *tomträtt* land should have read the fine print instead of trying to capitalise on public assets (Dn.se, 2022).

It is too early to tell what this could lead to, but what it shows is that the increased land values in urban areas put public land at the forefront of land related conflicts. These conflicts reflect the, often, blurred definitions of what public land is and who it is for. The study has tried to pin down some of those definitions by showing that public land can hold different meanings, depending on the owner’s interpretation of said ownership and its role.

206 Single-family houses could already buy out the land that their buildings stood on at 50% of the market price as sales to private individuals are exempted from the requirement to sell municipal assets at market price. Therefore, the Homeowners Association [*Fastighetsägarna*] has argued that multifamily dwellings should have similar subsidies, instead of having to pay full market price.
The thesis began with a discussion on the inherent features of land and what that entails when land is owned publicly (chapter 1). I demonstrated how these inherent features of land effectively makes landownership an efficient tool to both control the built environment and the value increase of development. By having the land owned by public entities, the control and value increase can accrue to the general public. The thesis thus set out to understand the rationale behind public actors owning land in the first place, with the argument that previous research on Swedish public land had not been able to answer that question completely. Two research questions guided the study:

- How do public actors, on both national and municipal level, define and rationalise local public landownership and the role it plays in urban development?
- How do rationales for public landownership mediate the challenges of housing provision and affordability in Swedish urban planning through the management of publicly owned land?

Together, the research questions enabled the study to explore what public land could mean for a landowning authority, and how it has shaped Swedish urban development in different ways.

The premise of the study emanated from the work of Massey and Catalano, namely that landowner’s relation to the land they own influences their treatment of land (chapter 2). This would be no different if the landowner was a public entity. In the thesis, I have argued that there is much insight to be gained from disaggregating the public landowner category, to reach a more nuanced depiction of the role of land under capitalism. This is because not all land is put to its ‘highest and best use’ as capitalism strives for,207 and the use of landownership rationales captures how both national and local approaches to public land and housing, with their significant characteristics, can work within the limits of the economic system to either challenge or assist capitals attempt to transform land in its image.

Public land has long been an intricate part of the Swedish housing system, and as such, it has come to shape Swedish urban development. In chapter 4, I explored how the role and purpose of Swedish public land has evolved since the beginning of the 1900s. Based on the findings in the material, I argued that legislative changes and political decisions during different periods of Swedish housing politics have been guided by the domination of certain landownership rationales. When a rationale no longer can deliver on its professed promise, a window opens towards a hegemonic shift, and in the chapter, I have demonstrated how this happened at various stages in Sweden’s history. First, as a reaction to the inhumane living conditions and societal polarisation, leading

207 According to Harvey (2018 [1982]).
to the domination of moral landownership in the first half of the century. Second, as a response to a post-war demand for new and better housing, shifting the purpose of public land towards the rationale for productive landownership deriving from an expectation on the state’s involvement to solve the issues. Thirdly, as a counter movement against an all-encompassing system, which gradually lost its marginal utility with each new implementation, transforming the rationale for landownership into one of market-oriented, investment characteristics.

While a rationale that dominates on state level strives to control local public land management, I demonstrated in chapter 5 how the local public land rationales of Swedish municipalities could challenge a dominant rationale on the national level. The chapter followed the municipalities of Uppsala, Örebro and Stockholm, and their respective development and approach to their land banks. The experience from the three cases showed the extent to which a local public land rationale could unlock space for a municipality to create its own approach to housing provision on public land within the legislative boundaries. The chapter explored the three cases’ municipal land development, land-pricing strategies, and perceived ability to meet future challenges. Moreover, I discussed how a municipal landownership rationale could prevail due to broad political support, ensuring its survival through electoral political shifts of power. In the chapter, the municipalities were categorised with Örebro as being guided by the moral rationale, Uppsala by productive landownership and Stockholm coming closest to treating land as a financial asset with its investment approach. I argued that by using the rationales to interpret the municipal land approaches, it becomes easier to identify, not only what is happening with municipal land management, but also why municipalities act as they do when it comes to their land assets, by explicitly untangling the underlying assumptions that shape each land approach.

In this concluding discussion, I take the insights gained from the previous chapters and expand on the value of using the concepts of landownership rationale for understanding the role of public land, and what the future of public land might look like.

6.1 The rationales for public landownership

The study focused on the rationales for public landownership, with their theoretical development explored in chapter 2, and their practical implications accounted for in chapters 4 and 5. The forms of public landownership build on the work by Massey and Catalano to understand the role of the landowner, and the underlying assumptions that influence the treatment of land. There are good reasons to think more generally about these concepts, and the study has done so by exploring the rationales for moral, productive, and investment
landownership and how each of them legitimises their own approach to public land in Sweden.

In these times of financialization and asset-based growth, the importance of landownership goes beyond the distributional aspects between private and public ownership, as the treatment of land under both types of ownership is multifaceted. Notwithstanding the shortcomings, using the public landownership rationales contributes to a novel perspective on historical and contemporary urban development than would otherwise have been possible through lenses such as class, urbanisation or economic development. This approach instead emphasises public land and its ownership as a direct social relation, demonstrating how changes to that relation can either enhance or limit capital accumulation through different forms of legitimisation. With the development of these rationales, the study makes three main contributions to the wider conversation on land, public landownership and urban development.

The housing shortage present in urban areas globally, and the bewilderment among public authorities in addressing the issue, have escalated since the economic crisis of 2008. As housing prices continue to rise, this has increased societal polarisation and triggered a myriad of critique towards the present system. Many researchers have since emphasised the importance of understanding the role of land and landownership in political economy to come to grip with this development.

The first contribution of the study then, is a shift in how landownership is usually discussed and perceived. By looking at housing development on public land through the perspective of landownership rationales, we gain a more nuanced comprehension of both local and national housing politics. This way of understanding public landownership provides insight into how matters of law, political ideology, history and economy, are tied together in the decisions that effectively shape urban development. The value of adopting a heterogeneous perspective on the landowner is that it explains the process of legitimisation behind decisions made, by demonstrating from which standpoint the different rationales weigh alternatives against one another. It contributes to a more nuanced understanding of the landowner that has been missing from much research on land, especially within the field of political economy where rent-theory has often been used as too broad of a brush. Without denying the importance of rent-theory and its impact on the decisions of landowners, the landownership rationales offer a complementary instrument that can explain the actions of landowners that go against conventional logics of financial accounting.

Secondly, the study has explored how landownership rationales influence both central and local government, demonstrating how the relation affects the dominating rationales in each direction by shifting the perspective of what is at stake. As such, on the national scale, in chapter 4, the study observed how central government continuously made attempts to shape local land management in accordance with their dominating rationale, while having municipal
authorities respond in unexpected ways to legislative change. In chapter 5, however, the local scale demonstrated a municipal frustration as they sought to work according to their local landownership rationale while being financially and operationally constrained by a central government that today evinces a rationale for investment. To see this multi-layered and dialectic relation between these two levels of government through the lens of public landownership rationale opens a path towards a more holistic understanding of clashing interests of scale within planning and development.

In the work of Massey and Catalano, the authors go beyond using their landownership forms as descriptive labels for ideal types of land management and outcomes. Instead, they use them to describe the core of an owner’s relation to land. Given that every ownership relation is constrained by situated material conditions, the different groups of landowners will, according to Massey and Catalano, still act in a certain manner because of the nature of that relation.

Throughout the thesis’ chapters, I have argued that the rationales for public landownership have similar implications for how authorities respond to changes in economy, demographics or politics. Moreover, the thesis has shown that these rationales can shift, and will do so, if put under enough political pressure. The rationales are not fixed but rather viscous in their form. In extension, this means that the contribution of the study exceeds the insight that rationales are different from one another and thus contribute to different decisions and outcomes, as the rationales can change. From the findings in both chapters 4 and 5, it becomes clear that even though material conditions shape the incentives to adopt a specific rationale, public actors do have a choice in the matter, and the result of that choice, unconscious or not, will influence their actions and use of land.

The realisation of this possible choice among public authorities and decision-makers and the value that comes from making this process transparent thus makes up the study’s third contribution. By acknowledging the influence that a certain rationale can have on land management, an opportunity emerges for a broader discussion of the potentials and drawbacks of each rationale in urban development. Furthermore, this contribution could greatly influence the discourse of urban land development, if the adoption of a rationale became a conscious process for local authorities in the future.

Had a rework of the study been possible, I would have dedicated time to present my findings to the municipalities in the cases early on, to see how and if they themselves recognised their respectively labelled landownership rationales and how they responded to it. This would be a potential way to evaluate a possible fourth contribution of the study: How the concepts of public landownership rationale could serve in future decision-making. By helping municipalities identify the tacit rationales that underlie their own approach to public land, it would increase transparency as well as enable them to better appreciate both the possibilities and challenges that come with each approach.
Finally, the question of what an ownership means to the owner is important to acknowledge in more aspects of society. As such, there are several implications stemming from the study for future research on public ownership where the framework of analysis might extend to fields other than housing. This would be especially valuable for cases where public actors own natural resources, such as land for mines or forestry. It would be particularly interesting to see if the framework of landownership rationales could highlight new aspects of these questions, in particular regarding environmental questions and the role of the state as a public protector of economic, environmental and social interests.

The rationales, as constructed in the thesis, have their limits, and even though they have aimed to encompass the more generalised characteristics of public landownership, they are undoubtedly influenced by the local, and urban, Swedish context in which they were developed. Nevertheless, I believe that the landownership rationales offer a valuable framework to understand both historic and ongoing transformations of public land and housing. A critical insight then is what that framework might reveal about possible future paths for public land and public landowning authorities.

6.2 The future role of public landownership in Sweden

According to the Swedish National Board of Housing, Building and Planning the housing construction during the last 15 years has been characterised by a deficit in relation to the overall population increase, even though the construction numbers have steadily improved since 2014. To come to terms with that deficit, Sweden needs to add approximately 60,000 new dwellings a year to the housing stock until the year 2030, primarily in the larger urban regions (Boverket, 2021:31). As 280 out of 290 municipalities in Sweden own land for future housing purposes, and a great majority of them were contemplating increasing their land banks in the future (SOU, 2020:75), it is not far-fetched to say that a great many of those new dwellings will be built on public land.

Public land, thus, continues to play an important part in Swedish housing politics, and because of this, it is essential to understand more precisely how that land will be used and why. To increase the transparency around public land management would improve citizens’ awareness on the matter, and rightfully so – the land is after all, a public asset.

208 Unfortunately, the Covid-19 pandemic and the ongoing invasion of Ukraine make it harder to assess the future regarding the rate of construction. Both because the steady increase of new construction came to an abrupt halt at the beginning of 2020, and because of the risk of increased inflation and interest rates in the wake of global economic uncertainty.
Throughout chapters 4 and 5, the dominating landownership rationales were evaluated in relation to legislative changes and approaches to land management. The chapters (including chapter 2) identified strengths and weaknesses in all three types of public landownership rationales. Their potential depends on what the landowner counts as a successful outcome, and both time and place affect that assessment.

In other words, from the perspective of the municipal actor, all three types of rationale can be beneficial for a municipality. However, the shift towards investment rationale on the national scale makes it difficult for local actors who would like to adhere to a different rationale. Legislations such as the EU state aid rules, and the dismantled toolbox of the post-war productive hegemony, tacitly encourage the municipalities to work within the investment rationale. Moreover, from a municipal budgetary aspect, the investment rationale can be perceived as the most reasonable approach to public land, given increased expenditures and lack of public or political acceptance for more municipal taxation. This became apparent in the interviews with politicians from Stockholm, as most of the respondents had difficulty expressing any benefits of shifting their approach, including those who were critical of the municipality’s present land management.

At the same time, things are rarely one-dimensional, and even though each rationale comes with pros and cons, it is not to say that they all come with the same potential to fulfill municipal responsibilities in the 21st century. In Massey’s account on public landowners (1980), she issued a warning to public actors who would go on to use their land assets in a manner no different from how their private counterparts would. Because without public actors treating their land differently than private actors, what would be the justification for publicly owning land in the first place?

The ultimate irony of course was that planners were then criticized for not being as good at the job as property companies were. The point is that they should not have been attempting to do the same job in the first place (Massey, 1980, p. 270).

If the investment rationale continues to dominate at the national level, more municipalities will be encouraged to follow the routes of Stockholm. By doing so, they will effectively undermine the legitimacy of the existence of public land. The former director of development of Stockholm even argued in his interview that the political aspect of public land management was unnecessary, since the market set the terms anyway.

This is not to argue that one rationale is inherently better than the others, but to contribute to a more dynamic discussion of how to use our public resources and why. A core part of that discussion is to highlight the challenges that stem from the presently dominating investment approach to land. One
such challenge is the short-sighted timeframe of this rationale. Today, the investment rationale might deliver enough results to seem appropriate, as the amount of public land in Sweden is still sufficient to play an important part in municipal planning. Nevertheless, the continuous encouragement from the national level to decrease municipal landownership, and the amount of municipalities using their land as collateral for credit, will eventually decrease this influence. When the day comes that most land assets are sold off, either due to received good offers or on demand from credit institutes, public values will be lost, in all aspects of the word. As the experience from Uppsala municipality shows, a smaller public land bank will delimitate public actors in their attempts to fulfil their main objectives, which includes functions and responsibilities that private actors do not need to address. This is exactly what Massey’s warning heeded to, more than 40 years ago.

As the thesis has argued, public ownership of land is one of the most efficient ownership types for public actors attempting to mitigate the negative aspects of capitalist social polarisation, control urban development and encourage a more equal society. Additionally, Sweden’s future need for new housing, especially its need for affordable housing, ensures the importance of having land at least partially being owned by public entities to achieve this. However, as long as the central government is promoting the investment rationale, it will be up to the individual municipalities to carve out the approach they want to take towards their landownership.

To counter the national demands, by identifying the legislative wiggle room that municipalities do have, ensures that municipalities become aware that they have a choice in the matter. Doing so using the concepts of landownership rationale would also make it more apparent to the voters that this question is larger than belonging to the political divide of left and right. Landownership, like healthcare and education, is something that affects all our lives. Nevertheless, when it comes to the Swedish housing question, although often discussed and debated, the awareness of the purpose of public land is lacking.209

By using the concepts of landownership rationale, I hope that the awareness of what public landownership means can spread to broader segments of the population than just researchers and practitioners. The intuitive understanding of issues regarding public ownership gained from the concept of landownership rationales would make it easier for citizens to engage with the question and comprehend what is at stake. Public lands are public assets, and even if

209 As exemplified by the tenant-owned association which refused to accept that the municipality could increase the rent on the tomträtt land they leased, claiming that they did not understand the reason behind the increase. This has resulted in the issue now being handled in court (Dn.se, 2022).
the public is not directly engaged in its day-to-day management, they should have a say in how that management will affect their surroundings long-term.

6.3 The fruits of public land

There are two types of people in the world. Those who think land is important and those who have yet to learn that it is. If not before, you now belong to the first group. This is important, because the way in which we regard and value land and the purpose for why it is owned will affect how it is treated; and how the land is managed and treated will affect who can benefit from it; and who benefits from the fruits of land defines the type of society we build.

Because of this, land, patterns of ownership and landownership rationales are important foundations that shape societies. In the words of Andro Linklater: ‘Any realistic scenario for 2050 has to consider how the earth will be owned’ (2013, p. 4). In a context where public actors own large parcels, this means that public land is equally important to research if we want to grasp the complexity behind societal development and the production of our urban futures. As this study has shown, one key issue, is to first understand the rationale behind that land being under public ownership in the first place at all.
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Nils Hasselquist, (SOU, 1928:5, p. 490)
“Markens fördelning och dess rättsförhållanden äro i alla länder avgörande för befolkningens existensvillkor, ty därpå bero levnadssätt, seder, kultur och politik, olika befolkningsgruppers intressen, inflytande och makt. Framför allt är stadsbyggandet bundet vid markfrågan.”

Erik Palmstierna, (Riksdagens Protokoll, 1909 II:19 §4)
”Då bor detta nya skattesystem införas, så att man väl skiljer på allt, som hänför sig till det produktiva arbetet, nämligen husen i städerna, och det, som är det verkliga jordvärdet. Rent ekonomiskt sedd äro dessa två saker fullständigt skilda objekt. Medan husens värde med åren blir allt mindre och mindre och slutligen aldeles försvinner, så stiger däremot, om man räknar med större perioder, jordvärdet oafbrutet. Följaktligen kommer en beskattning å jorden och en beskattning å husen få helt olika ve rkan. En beskattning å husen fördyrar för dessa, hvilket innebär en fara för bostadsfrågans lösning, en när det drager med sig högre hyror; en beskattning å jorden däremot ingår i själva priset å marken.”

Motions I: 156 and II: 229 from 1939, in SOU, 1942:39, p. 67
“Det måste ur skilda synpunkter inviga starka betänkligheter att så många år gått till ända utan att denna viktiga samhällsfråga blivit löst på ett ur det allmännas synpunkt tillfredställande sätt. Under tiden efter 1920 ha både staten och kommunerna i en utsträckning, som saknar motstyrke under någon föregående tidsperiod, vidtagit långtgående åtgärder för städernas och samhälle- nas sanering och rationella planerande, för kommunikationernas utbyggnande och samfärdsledernas förbättrande samt för allmänhetens trevnad och bekvämlighet i många andra avseenden. Alla dess åtgärder ha bidragit till den högst avsevärdare stegring av jordvärdena, som ägt rum i de tättbebyggda samhällena runt om i vårt land men framför allt i de större städerna. Att denna värdestegring till mycket stor del måste karakteriseras såsom oförtjänt i så måtto att den huvudsakligen härflyter ur samhälleliga åtgärder, bekostade genom skattemedel från de skattedragade medborgarna och icke ur enskilda sakägares strävanden, torde icke ens förnekas av dessa sistnämnda själva.”
SOU 1957:42, p. 525
"Med det anförda har vi försökt klargöra, att det inte är logiskt bärande och inte ur rättsliga synpunkter befogat att allmänt påstå att värdestegring på fast egendom, i den mån det icke uppkommit genom insats av kapital eller arbete från ägarens sida, skulle vara oförtjänt, att det allmänna skulle äga företrädesrätt till den och att den skulle vara indragsgill."

SOU 1938:10, p. 694

Axel Hägerström, 1939, in Sigurdson, 2000, p. 54
"Moralfilosofin såsom vetenskap är endast och allenast en vetenskap om de faktiska moraliska värderingarna i deras historiska växt, stödd på en psykologisk analys och ledd av kritiskt filosofiskt inträngande i hår verksamma idéer."

SOU 1948:4, p. 33–34
"Det torde utan vidare stå klart, att för en planeringsverksamhet [...] kräves en ledande och dirigérande verksamhet från det allmänna sida, som går långt utöver vad man vid utformningen av den tidigare gällande stadsplanlagstiftningen tänkt sig. Samhället måste tillförsäkra sig en långtgående kontrol ej endast över själva bebyggelsen utan också över markanvändningen. Om den obebyggda marken kring städer och tätorter överföres i samhällets [...] ägo, kunna dessa på ett helt annat sätt än eljest leda bebyggelsen i banor [...], vilka uppdragas för samhällets utveckling i stort och icke minste med de allmänna bostadspolitiska programlinjerna. Att i detta hänseende framgent liksom hit-tills lita på möjligheterna av frivilliga överlåtelse från markägarnas sida, skulle, såsom erfarenheten visat, komma att stå kommunerna så dyrt, att deras innehav av mark finge av rent ekonomiska skäl i hög grad begränsas och därmed äventyra genomförandet av det bostadspolitiska programmet."

Socialdemokraterna & LO, 1946, p. 8
"För att jordvärdestegringen i städerna skall komma det allmänna till godo och ännu mer för att framtida saneringsarbeten icke skall försvåras på grund av bostadsbeständets splittring på flera ägare, bör tomtmarken kommunaliseras och beståndet av hyreshus gradvis överföras i kommunal ägo."

SOU 1966:12, p. 12
"Huvudsyftet bör, […] inte längre vara att försöka dra in oförtjänt markvärdestegring till det allmänna. Istället får man inrika sig på att gå till roten med det onda och försöka hejda eller åtminstone dämpa markprisstegringen."

SOU 1972:40, p. 32
"I vissa kommuner är byggintressenters markinnehav så omfattande att de kan sägas ha ett lokalt markmonopol."

SOU 2015:58, p. 190
"Kommunerna är enligt kommunallagen skyldiga att ta marknadsmässigt betalt för försäljningen av kommunens mark. Även om en svensk kommuns markförsäljningar bara kan användas av de som köper mark i kommunen så påverkar det direkt investeringsbeslut i olika fastigheter utan någon koppling till några kostnader som kräver finansiering via kommunala avgifter. […] Tribunals ovan nämnda avgörande skapar alltså inte någon utvidgad möjlighet för kommuner att bestämma egna lokala normer för prissättning av fastigheter."

"Tomträttens popularitet har minskat under senare år. Delvis kan det ligga ideologiska skäl bakom. Tomträtt är onekligen en form av socialiserad mark. […] Till följd av detta har frikop skett av tomträtt ganska stor utsträckning. Det kan också inskjutas att genom den privatisering och bolagisering som skett av statens och kommunernas mark i Sverige, en upplåtelse av tomträtt ter sig som något opraktisk med nuvarande regler."

SOU 2002:44, p. 2

The Civil Committee, CU 2013/14:31 in SOU 2015:60, p. 141
"Idag saknas reglering av förfarandet kring och innehållet i exploateringsavtal och markanvisningar. Detta medför ofta tidsödande förhandlingar om olika finansieringsfrågor i plan-och byggprocessen samtidigt som exploatören har svårt att förutse sina kostnader."
SOU 2008:99, p. 249
"Avvägningen för och emot presumtionsregeln kan således i dessa fall sägas vara mer av ideologisk natur, dvs. i vad mån fastighetsägarna ska anses vara förtjänta av en markvärdestegring som de i endast mindre grad själva har bidragit till att skapa. Med hänsyn till de riktmärken som anges i våra direktiv och eftersom presumtionsregeln torde ha så pass liten ekonomisk betydelse för olika förvärvare och för samhällsekonomin, är det vår bedömning att presumtionsregeln inte heller i dessa fall kan anses försvarbar idag."

SOU 2015:48, p. 92
"Man kan också uttrycka det på följande sätt. Om det stora problemet i storstadsregionerna är utbudet av mark och detta utbud i praktiken är givet, så kommer lägre byggkostnader företrädesvist leda till högre tompriser. Vid ett givet totalt utbud av nya bostäder är också slutpriset givet, och då kommer lägre byggkostnader göra att företagen kan betala mer för marken och att tomtpriserna stiger."

SFS 2014:899 Lag om riktlinjer för kommunala markanvisningar
"1§ […] Med markanvisning avses i denna lag en överenskommelse mellan en kommun och en byggherre som ger byggherren ensamrätt att under en begränsad tid och under givna villkor förhandla med kommunen om överlåtelse eller upplåtelse av ett visst av kommunen ägt markområde för bebyggande.

2 § En kommun ska anta riktlinjer för markanvisningar. Riktlinjerna ska innehålla kommunens utgångspunkter och mål för överlåtelser eller upplåtelser av markområden för bebyggande, handläggningsrutiner och grundläggande villkor för markanvisningar samt principer för markprissättning."
List of respondents and their corresponding roles

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<td>Former director of development [Exploateringsdirektör]</td>
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<td>Land department executive [Enhetschef markenheten]</td>
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<tr>
<td>Department of development executive [Enhetschef exploateringsenheten]</td>
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**Other respondents**

| Former advisor to the Swedish housing minister         | -                |
| Former advisor to the Swedish department of housing development | -                |
Figure 10. Map of Stockholm municipality showing public land assets in red (Source: Stockholm municipality, 2022)
Figure 11. Map of Örebro city, with municipal land assets in yellow (Source: Örebro municipality, 2022).
Figure 12. Map of Uppsala municipality, with public land assets shown in orange (Source: Uppsala municipality, 2022; © Lantmäteriet).
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