There Goes the Neighborhood

Swedish housing and education policy, neoliberalism and development in Malmö

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Abstract

This essay inquires into the possible relationship between market oriented reforms in Swedish housing and education policy and Malmö’s sociospatial development by posing the question has Malmö become a neoliberal city? If so, how? Asserting David Harvey and Jamie Peck’s theories, and the concepts neoliberalism, neoliberalization, and risk downloading, the text argues that the central state has, since the 1970s, gradually shifted costs and risks and surrendered steering tools to institutions at subordinate scales by means of decentralization, deregulation and commodification in a rollback/rollout dynamism.

Meanwhile, Malmö materialized as an expanding industrial city during the 1960s and early 70s. However, recurring recessions, suburbanization and immigration in the 1970s and 80s, addressed with ineffective policy measurements, amounted to an urban crises in the 1990s. This spurred a reorientation in the city’s political economy, from an industrial city to a 'knowledge city'. In this process, Malmö – rather than addressing polarization and ameliorate conditions for its current population – started catering to 'an educated other’ by engaging in public-private partnerships and boosterism.

The essay finds that oscillations in Swedish housing and education policy has indeed influenced urban development and that Malmö has, arguably, become a neoliberal city.

Keywords: Malmö, Education, Housing, Neoliberalism, Neoliberalization, The Neoliberal city, Risk downloading
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1. Introduction

1.1. The death of an ideology?

In May, the IMF published *Neoliberalism: oversold?* (Ostry et al, 2016), a report which contained substantial critique of the said doctrine, concluding that "[i]instead of delivering growth, some neoliberal policies have increased inequality, in turn jeopardizing durable expansion" (2016:38). With regard to this publication, *The Guardian* proclaimed that "[y]ou’re witnessing the death of neoliberalism – from within" (2016).

This is not the first time this ideology has been declared deceased, or at least dying. In the aftermath of the 2008 recession, Naomi Klein, speaking at the University of Chicago, said that "what we are seeing with the crash on Wall Street, I believe, should be for Friedmanism what the fall of the Berlin Wall was for authoritarian communism: an indictment of ideology" (2008). However, as documented by Jamie Peck (2012), neoliberalism’s creative destruction and fiscal vigilance rather intensified than waned in the subsequent years, through extensive and protracted austerity measurements.

It seems, to this background, that neoliberalism’s antagonists don’t have too much cause for optimism and that neoliberalism, indeed, is too deeply entrenched to sustain any critical damage from accusations of repeated (successful) failures to generate socially just long-term growth (Peck, 2014).

According to David Harvey (2005) and Peck (2010), neoliberalism’s resilience derives from it being more like a state of mind than a coherent ideology or system of governance. Formed on the "contradictory embrace of liberty and order" (2010:39), it serves as a tool for reducing complexity and provides market-oriented one-size-fits-all solutions to decision-makers at all levels of government, perhaps most notably, cities.

In one of his most cited works from 1989, Harvey, on the topic of post-modern urban development, asks "[h]ow many successful convention centres, sports stadia, disneyworlds, harbour places and spectacular shopping malls can there be?” (1989:12). Though a precise answer still eludes us, Malmö’s post-industrial renaissance produces the impression that the local state is determined to find out. Despite being declared one of the poorest cities in Sweden, with staggering unemployment and dwindling school results (Sydsvenskan, 2016a), the city repeatedly engages in high-profile extravagant construction projects which, rather than ameliorate conditions for the poor, perpetuates the polarized urban landscape (Sydsvenskan, 2016b).
1.2. Malmö: a divided city

Malmö’s development in the 20th and 21st century is a faceted topic, recorded in an extensive literature by numerous writers. To gain, or let alone produce, a comprehensive overview of earlier research within the boundaries of a bachelor’s essay is a daunting if not impossible task. The following is a brief survey of, what I believe, are works of particular interest with regards to the purpose of this essay.

A comprehensive account of Malmö’s modern development can be found in Mikael Stigendal and Peter Billing’s impressive PhD thesis from 1994, in which hegemonic social formations in Malmö during the Post-war period are scrutinized. More contemporary contributions have been provided by Dalia Mukhtar-Landgren (2005), Tove Dannestam (2009), Guy Baeten (2012) and Stigendal (2012), who’ve examined Malmö’s transformation from an industrial city – with emphasis on accessible blue collar jobs and economic convergence – to a polarized and increasingly unequal and socially unjust post-industrial ‘knowledge city’. Potential effects of this development, are recorded in Tapio Salonen’s (2012) and Roger Andersson, Åsa Bråmå and Jon Hogdal’s (2007) reports which maps increasingly apparent polarization and segregation patterns in Malmö, and outlines a distinct hierarchical order amongst the city’s neighborhoods, with Rosengård at the bottom end of the spectrum, and Västra Hamnen and Bellevue on top. On a similar note, Gunnar Blomé (2012a;b) and Per Olof Hallin, Alban Jashari, Carina Listerblom and Margareta Poopola (2010), have provided an extensive account of living conditions and conflicts in marginalized areas of Malmö.

The most recent contribution is Ståle Holgersen’s ‘compilation thesis’ from 2014. One of Holgersen’s main findings is that post-modern urban development in Malmö has taken place under a globalizing economy which is struggling with low growth rates and recurring recessions. To keep its head above water, the city has sought to attract capital and well-to-do people through vast architectural projects, austerity policies and reorientation towards unproductive labour, a form of urban economic organisation which, Holgersen notes, is “surely not becoming less prone to crises” (2014:84).

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1 For a more exhaustive exposition of earlier research on Malmö’s development, see Holgersen, 2014a: 13-15.

2 See appendix

3 Vaguely expressed, this term refers to service jobs or ventures which are not directly involved in the manufacturing of a physical product. For a more comprehensive discussion on this topic, see Holgerson, 2014:53-56

4 Holgersen’s thesis is similar both in purpose and approach to this one. I unfortunately discovered Holgersen’s work when this inquiry was already far in the making. Therefore I have not been able to situate this text in relation to his findings in a satisfactory manner. Whereas Holgersen’s work is undoubtedly greater in extent, exactitude, and insight, my comparatively modest contribution puts more emphasis on neoliberalism, national policy and education.
1.3. Neoliberalism in Sweden

Developments in Malmö have been paralleled by a wave of prevailing neoliberalism in Swedish policy and public management, at national as well as subordinate scales. Substantial reforms in central welfare services and increasing economic divergence (Blomqvist, 2004) has amounted to a reorientation of Swedish society, from a virtually entirely publicly managed system founded on redistributive socialism, to a proliferating embrace of neoliberal theory and practice, sometimes voluntarily, other times in response to coercive pressures (Harvey, 2005:112-115).

According to Sven-Eric Liedman (2011), neoliberalism has prevailed in the Swedish education system, which, in practice, has become a mechanism that sifts winners from losers in a increasingly unequal political economy. On a similar note, Liedman, Stigendal (2012), Skolverket (2009) and Bunar Nihad (2010; 2012) concludes that class and (in particular) ethnicity have become increasingly influential over pupils' prospects, as segregation and decreasing equivalence prevails.  

In terms of housing, Karin Hedin, Eric Clark, Emma Lundholm and Gunnar Malmberg (2010) has documented increasing economic polarization in Sweden since the 1990s. They argue that this development is, to great extent, directly related to policy decisions which has transformed the housing market from a cornerstone in the welfare state, to a tool for political pacification, economic divergence and accumulation thru dispossession (Harvey, 2004). This is also recognized by Ingrid Sahlin (2013) and Håkan Forsell (2013).

1.4. Purpose and research question

To this background, the immediate purpose of this essay is to investigate a possible relationship between the above mentioned developments in the Swedish housing policy, Swedish education policy and the city of Malmö. In doing so, I hope to be able to outline some important factors or mechanisms that has shaped the city and its inhabitants. To this purpose, the material will be conceptualized in terms of neoliberalism, neoliberalization, risk downloading and the neoliberal city.  

I should add, for the sake of transparency, that the use of these concepts in academics is limited chiefly to critical social theory (Peck, 2010:3). I personally adhere to this school in so far that I concur with Havery’s (2008) analysis that a right to the city ought to be a political ideal as it highlights the forces that controls the necessary relationship between urbanization and the production and realisation of surpluses, and that, accordingly, the global and local struggles for space is a form of class struggle in which

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5 Equivalence, in this context, refers to equal access to, and quality and compensatory ability of education (Skolverket, 2012:11-13).

6 These concepts are explained below.
the most marginalized groups have been dispossessed of their rights under processes of
global accumulation. Therefore, the secondary or underlying purpose of this essay is to
"chart the path from an urbanism based on exploitation to an urbanism appropriate for
human species" (Harvey, 1973: 314).

1.4.1. Why Malmö?

Post-industrial city transitions similar to that of Malmö’s have occurred across the
developed capitalist economies. However, the case of Malmö stands out on four points.
Firstly, the immense swiftness of the metamorphosis is quite unmatched (Holgersen,
2014a). Secondly, this transformation has taken place under socio-democratic rule
(Holgersen, 2014b). Thirdly, Malmö’s development has been carefully narrated as a
success-story, featuring the head of the municipality, Illmar Reepalu, as 'the strong man’
which brought the city back to life after the unmerciful recession. As argued by
Mukhtar-Landgren (2005), Dannestam (2009) and Holgersson (2014), this process has
not necessarily been in the best interest of all inhabitants, and therefore deserves some
scrutiny. Fourthly, from an urban development perspective, Malmö’s limited
geographical sprawl makes the city something of a deviant case in a Swedish context. In
Stockholm (Andersson & Magnusson Turner, 2014) and Gothenburg (Andersson et al.
2009), absolute distance is considered a driving factor in the cities’ respective
sociospatial formation. In the geographically condense Malmö, this element would
arguably not impact spatial hierarchies and economic polarization to the same extent,
which makes the city interesting for examining social relations.

1.4.2. Why housing and education policy?

Many sectors of Swedish welfare have developed on similar lines as housing and
education (Blomqvist, 2004). Though all redistributive policy fields probably influence
urban evolution, ambit forces selectivity. As housing and education, arguably, have a
more direct impact on sociospatial formations than other welfare sectors, I’ve chosen
these subdivisions for inquiry.

Where we live does not only predicate our movements, it also affects our liability to
get a job, our economic situation and the like (Andersson et al. 2007). On a more
abstract level, real-estate, or more precisely the buying and selling of land, is, according
to Lefebvre (1991), a major factor in the production of space; physical as well as
institutional and social development.7

Schools are not only vital for social integration (Bunar, 2012), they also impact
migration patterns (Andersson, 2001) and have been noted to directly influence house
prices (Sydsvenskan, 2010).

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7 For a more elaborative discussion on this topic, see Nyström, 2013; Berg et al. 2013; Forsell, 2013.
1.4.3. Research question

To this background, my research question is:

· Has Malmö become a neoliberal city? If so, how?

For clarity and structure, I also pose two sub-questions:

· Have there been tendencies of neoliberalization in the development of Swedish housing and education policy?

· Has the relationship between the Swedish central state and Malmö city displayed tendencies of risk downloading?

1.4.4. Temporal delimitation and material

An inquiry of this multi-scalar and paradigmatic nature must cover the historically specific political and sociospatial landscapes both prior to, under and after the initial ascent of neoliberal incursions, corresponding resistance and subsequent transformations (cf. Peck et al 2009:51-54). With regard to the mentioned developments in national policy and Malmö, this essay mainly concerns itself with the time-period between 1940 and 2012.

Due to the extensive scope and historical nature of the inquiry, and the rich material available on Malmö’s development, I’ve decided to rely on existing literature for empirical evidence. My chief sources are Government inquiries (SOU, Statens offentliga utredningar), reports from the national housing bureau (Boverket) and the national education bureau (Skolverket) and works from critical social scientists. Apart from those mentioned in the background, Fronesis nr. 18 (2005) and nr. 42-43 (2013) has served as a source for both information and inspiration.
2. Theory

2.1. Framing neoliberalism

Neoliberalism is first and foremost an ideology centered around an economic notion of individual liberty, responsibility and competition that draws on a conception of society as a market, and the individual as a consumer. Accordingly, the right to property and free trade are considered means to promote individual freedom and desirable societal development. Preferably, the state should be as minimalistic as possible, chiefly concerned with creating and upholding markets and facilitating trade by maintaining personal safety, guaranteeing the integrity of money and protecting property. Enforced by law and order, 'market logic' will prevail, making human endeavors subject to competition and the rule of supply and demand. Under such conditions, flows of capital will organize society rationally and spur ventures that will serve as the impetus of innovation and growth. The wealth generated becomes a rising tide that lifts all boats, by trickling down to less fortunate places and members of society (Harvey, 2005:2-3).

This doctrine emerged as a fusion between the Mont Pelirin Society and Chicago School’s free market-theorists who, during the 20th century, collaborated to develop (and implement) a new market liberal ideology, as an alternative to Keynesianism (Peck, 2010; Harvey, 2005).

However, according to Peck (2010), neoliberalism’s pristine free-market utopia, being predicated on economic theory rather than real world conditions, can never be fully realized. It exists merely in mongrelized forms, preying on preexisting political institutions and social formations for its survival, constantly mutating into new impure configurations. This dynamism favors a conception of neoliberalism as a process of neoliberalization; a ”mobilization of state power in the contradictory extension and reproduction of market(-like) rule” (Tickell & Peck, 2003: 167), rather than a concrete institutional outcome. As such, neoliberalization is – in practice – more of a proliferative strategy, ’pragmatic approach’ or state-of-mind.

2.2. Framing neoliberalization

Though neoliberalization has few common denominators, Peck argues that a preliminary distinction can be made between ”the ‘roll–back’ and ‘roll-out’ faces of neoliberalism” (2010:22). Roll-back processes are usually predominant in neoliberalization’s initial onslaught, when restructuring maneuvers typically targets
Keynesian-welfarist institutions, deregulating fields formerly under bureaucratic influence and "disciplining potentially unruly (collective) subjects" (2010:22). By means of budget cuts, organizational downsizing and privatization, public bureaucracies and planning agencies are forced to surrender steering tools and revenue streams, oftentimes in the name of decentralisation and democratization.

In place of the institutions they undermine, neoliberal projects usually relies on "spontaneously organizing social and market forces" (2010:22), a formula which, quite rapidly, tends to encounter predictable limits. Responses to these problems embeds the contextually specific reconstructive measurements within each neoliberalizing social formation which, in turn, amounts to long lasting and extensive changes across the political and organizational landscape. Therefore, each case of neoliberalization is "very much defined by the particular terrains of struggle that free-market reformers confront 'domestically'" (2010:22).

As, in due time, the negative consequences of austerity measurements, deregulatory overreach and social abandonment become pressing, the (local) state is forced to intervene, inducing a "protracted phase of roll-out neoliberalism" (2010:23). Predicated, to great extent, on the contradictions of the preceding roll-back, the roll-out movement typically involves an "explosion of 'market conforming' regulatory incursion" (2010:23) which consolidate neoliberalized modes of governance and state forms. These 'second wave' roll-out interventions are, like their preceding counterparts, proliferative and variegated. However, some recurring elements in the roll-out repertoire are public-private partnerships and selective empowerment of non governmental organizations as a flexible low-cost alternative to public service providers. Institutionally, these actions are usually entwined with devolved governance and new public management.

Together, series of neoliberal failures and succeeding neoliberal adaptions tends to foster a 'forward failing' dynamism, inducing right-leaning 'third way' politics; a combination of social interventionism and deference to financial globalization.

In essence, the fragmenting effect of proliferating neoliberalization can be understood in terms of risk downloading (Peck, 2014). This refers to a process in which public actors 'download' risks or costs to subordinate scales by means of decentralization, cutbacks in social service or deregulation. This, in a way, favors local decision-making and place-specific ventures. However, absence of a redistributive and regulating leviathan also induces cities into a state of interurban competition for international capital (cf. Harvey, 1989; Smith, 2003). Under these conditions, local institutions are in turn prone to download risk onto individual organisations and people, differently equipped to interact under conditions of prevailing market-order restructuring.

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8 These concepts are more closely defined below
2.3. Framing the neoliberal city

In accordance with neoliberalization’s downward oscillation, the neoliberal city can be perceived as a "site of serial policy failure as well as resistance to neoliberal programs for urban restructuring" (Peck et al. 2009:1), which’s development follows the pattern of partial roll-back and tendential roll-out moments.

The latter, though contextually variegated, is according to Peck (2014:1) entwined with a notion of the city as a commodity or product which must be sold and marketed. Accordingly, the urban landscape is shaped so to accommodate and appeal to global capital. In the developed economies, this typically involves strategies and land-use regimes which strives to create and communicate a good ‘business-climate’ for enterprises or entrepreneurs. However, those who do not have the means to indulge in the spoils of these industrious havens have little to gain from such developments, except for the occasional ‘ticket to the circus’ (Peck, 2005;2010: 220-225).

We will return this topic shortly. But first, there are some conceptual issues that deserves scrutiny.

2.3.1. A sociospatial approach

The notion of a ‘neoliberal city’ could imply that cities, or spaces in general, can pose as active agents. This is however not the notion I intend to convey. Rather, neoliberal urbanism should be regarded as ”a spatially grounded process in which a wide range of different actors with quite different objectives and agendas interact through a particular configuration of interlocking spatial practices” (Harvey, 1989:5).

These interlocking spatial practices produce space by continuously creating built environments and institutional arrangements which contains human life and predicates subsequent actions. Further, space is also the environment of experience out of which symbolic readings and desires emerge. As such, it influences the inhabitants’ consciousness (cf. Harvey, 1989:6).

Therefor, the ‘neoliberal city’ should arguably be understood as a produced space which imposes certain premisses on its inhabitants who, in turn, reproduces it. In relation to neoliberalization at superordinate scales, this means that the neoliberal city, or neoliberal urbanism, has a reciprocal relationship with risk downloading and interurban competition; it is shaped by these mechanisms while simultaneously reproducing an developing them and, in turn, itself. Accordingly, the neoliberal city is both process and form, structure and object, activity and thing (cf. Harvey, 1989:6).

Essentially dynamic, analyses of this phenomena should "properly focus on change – on systems and logics, dominant patterns of restructuring and so forth – rather than on binary and/or static comparisons between a past state and its erstwhile successor” (Peck & Tickell, 2003). Such an inquiry favors a conceptual apparatus that is porous and open-ended. Duly, the following outlines common denominators in neoliberal discourse and urban development.
2.3.2. Public–private partnerships

Public–private partnership is in many ways the embodiment of neoliberal urbanism. It refers to projects in which "traditional local boosterism is integrated with the use of local governmental powers to try and attract external sources of funding, new direct investments, or new employment sources" (Harvey, 1989:7). Public-private partnerships are usually speculative and oftentimes designed so that the public sector assumes the risk while the private sector reaps the benefits.

These projects tend to emphasize "the political economy of place rather than territory" (1989:7). The latter refers to investments that are designed primarily to ameliorate living or working conditions within a specific jurisdiction, whereas development of place is more similar to branding. It typically involves corporate-friendly policies or construction of entertainment and office centers, projects which are supposed to benefit image, rather than substance; "their form is such as to make all benefits indirect and potentially either wider or smaller in scope than the jurisdiction within which they lie" (1989:8).

With specific regards to the built environment, such schemes induces a neoliberalization of urban planning practices, in which coherent, long-term, end-state planning is disrupted and replaced with mid- or short-term projects. This organizational restructuring is usually precipitated by a more ambivalent or ambiguous position of planning institutions (as the distinction between private and public interests is vague in the logic of neoliberal urbanism) and an increasingly opportunity-led approach to urban planning. In practice, these elements tends to contribute to fragmented and property-led forms of urban evolution, in which planning is used as a tool to "introduce changes without formulating an overall policy to regulate new development" (Tasan-Kok, 2012:11). In this regard, neoliberal urbanism both produces and exploits sociospatial differences. As such, uneven development represents a "coevolving and codependent facet of the neoliberalization process itself" (Peck et al. 2009:53).

2.3.3. Trickle down economics

Neoliberal urbanism in general, and public private partnerships in specific, tends to rely on a notion of trickle down as a redistribution tool and source for legitimacy, basically justifying all kinds of economic growth and competition. This discourse enforces center–periphery relations, as it creates a hierarchal order between 'nourishing' and 'consuming' subjects in the economy. The elite-focused strategies for urban development, typically targeting companies, white-collar or no-collar workers and property owners, leaves the remaining many with supporting or subordinate roles in the progressing economy. They are dependent on the (tentative) benefits that come trickling down, either spontaneously or via selective welfare systems and social interventions, often conditioned in accordance with workfarist logic (Peck, 2010:220-225).
2.3.4. New public management

Institutionally, neoliberal urbanism typically coevolves with *new-public management*, as a means to reduce cost and increase efficiency of public services and administration by outsourcing property and ventures to private contractors.

Consequently, the local state surrender revenue streams and become increasingly dependent on private actors to be able to supply social services (Peck, 2012; 2014). Further, quality-assurance of outsourced services promotes ‘management by audit’ which, in nature, is quantitive and binary. Though sometimes successful, these methods have a tendency to reduce complex and faceted processes, like education, to univocal and ill-responding attributes, like competence (Liedman, 2011:60-75; Stigendal 2012:51-52)
3. Swedish education policy

During the post-war period, school policy in Sweden considered education an essential tool to promote equality and overcoming social boundaries (Wiborg, 2010:8). This notion of education originated from an idea that schools should accelerate development by providing the young with tools to build a better society; a forge for utopias (Liedman, 2011:15-16). A government inquiry, published in 1948, clearly states that the school system should have extensive democratic ambitions and strive to foster “free and independent human beings, to whom cooperation is both a requisite and pleasure [my translation]” (SOU, 1948:4). This development was to progress at equal pace across the country, with careful consideration to provide gifted students with the possibility to realize their potential without impoverishing the working class of theoretical faculty and engendering a divided society (SOU, 1948:9).

Centralization was instrumental in the realisation of these values on a national scale. Schools were managed through a nationwide curriculum and syllabus, and funds were provided by the central state (Lundahl, 2002:687-688; SOU, 1948:9). Pupils were distributed among schools via a system of attendance zones, which provided public institutions with ample opportunity to model the education system in accordance with political values (Lundahl, 2002:688-689).

3.1. 1970-90: decentralization and ’quasi-markets’

In shadow of recurring economic recessions and unemployment issues, the education system was widely perceived as too bureaucratic (SOU, 1973:52-55, 201). Accordingly, lesser measurements towards decentralisation were taken during the course of the 1970s and early 1980s (Lundahl, 2002:690).

Kjell-Ove Feldt, minister of finance 1982–1990, induced reorientation towards ’quasi markets’ in the social service sector. It was argued that, by relieving management of direct political control – reducing the role of government to that of purchasing services on behalf of the public from competing providers on contract basis – productivity in the service sector would increase (Blomqvist, 2004:145).

Accordingly, in 1988, a reform was introduced through which regulatory powers were transferred to municipalities and to the schools themselves from the central state (Wiborg, 2010:8-9). Although the schools were still to some extent financed by national

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9 Virtually every publication from the ministry of finance under Feldt’s time in office advocated ’quasi markets’ (Blomqvist, 2004).
governments, a larger part of the fiscal responsibility of education was put on municipalities in this reform (Bunar, 2010:6-7; Wiborg, 2010:8).

3.2. 1990s: the choice revolution

In 1992, under conservative rule, the ‘quasi market’ reorientation was enforced by the implementation of ‘free choice’ and a voucher system (*skolpeng*). Free choice meant that pupils and parents could choose schools according to their preferences (Lundahl, 2002:691-692). The skolpeng-grant, resembling the Danish so-called ‘taximeter’ system (Wiborg, 2010:9), corresponded to the average pupil cost in public schools (Blomqvist, 2004:147-148), and consequently established conditions under which public and free schools competed on equal terms.

These reforms brought about a favorable climate for non-public schools, which multiplied with dispatch. This group of education providers – who until 2000 were allowed to charge tuition fees and impose special rules on admissions – were, and still are, overrepresented in high-income areas of larger cities (Wiborg, 2010:9-13).

As a result of the growing number of non-public schools and ideological zeitgeist, central state’s influence over curriculum and syllabus was reduced in favor of local teachers and headmasters. Further, in accordance with the decentralisation agenda, school funds from central government were payed in lump sums to municipalities after 1993 (Wiborg, 2010:9-10). Thus, the Swedish schools system had been transformed from a public system under bureaucratic control, with limited pupil and parental options, to one of the world’s most liberal education systems (Blomqvist, 2004:148).

3.2.1. ”The right to free choice”

These reforms coevolved with a discourse which emphasized household responsibility and customer-orientation by means of competition. In the proposition which preceded the 1993 reform, Beatrice Ask, minister of education, argued that free choice and decentralization would render parents and pupils more influential over matters regarding design and organisation of schools, which, in turn, would spur cost-reducing and educational innovations (proposition, 1992/93:27). Similarly, Ask also stressed the importance of closer collaboration between schools and the local labour market, as demands for up-to-date competence increased (Regeringen, 1992/93:29-35).

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10 Between 1991 and 2010, the number of free schools in Sweden went from 70 to 709 (Wiborg, 2010:10).

11 From proposition, 1992/93:27, my translation
3.2.2. Quality assurance and criterion-referenced grades

Decentralisation was paralleled by a simultaneous development of quality assurance policies. In the 1980s, quantitative evaluation methods developed within the field of business management gradually spread to the education system. From 1997, schools were obliged to deliver written reports on educational results, which increased teachers total workload and reduced their effective time teaching (SOU, 2014:186-188). This reform has also been criticized for promoting 'obedience to the system' and 'window dressing', rather than responsible behavior from principals (SOU, 2014:322-325).

In line with the quantitative approach to education, a criterion-referenced grade system was introduced in 1998, so to motivate students and facilitate performance management (SOU, 2007:12). However, implementation of this system proved to be difficult. The learning objectives were characterized by inexactitude and equivocality, and the grading-process was arbitrary and variegated (SOU, 2007; Ekecrantz, 2007).

3.3. Cooping with competition

Sterner competition between education providers – public as well as private – spurred organizational restructuring in schools, which, across the board, became more market-oriented. To attract the increasingly volatile pupil base, teachers and headmasters became involved in market schemes and 'educational profiling'. Further, information management developed, so that schools could convey their educational 'vision' and 'mission' in a toughening market (Skolverket 2003; 2006a).

During the course of the 1990s, schools experienced social and economic polarisation which, in turn, resulted in a decreased equivalence (Skolverket, 2003). Similarly, results between school-classes, pupil groups and schools diverged (Skolverket, 2012:33-45; Malmberg, et. al. 2013). Further, so-called school level-effects became increasingly important factors in a successful schooling (Skolverket, 2009; 2012; Bunar, 2010:9-10; Gustafson, 2006:16-17). In practice, this means that the choice of school have become increasingly important for a pupil’s education, grades and social network (cf. Malmberg et. al., 2013; Bunar, 2010; Skolverket, 2003).

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12 Earlier, the grade system was relative which, in practice, meant that a student was entitled to a grade as long as she participated in the education.

13 School level effects (skolnivåeffekter) refers to the impact a school’s socio-economic composition has on pupil performances (Skolverket, 2012:71).
3.4. Analysis

Developments in Swedish education policy display a clear tendency of neoliberalization. The initial de-centralization, followed by gradual market-conforming measurements (free-choice, flat-rate system and eventually a quantified evaluation- and grading system), paralleled with an increasing reliance of competition in general, and free schools in specific, to generate cost-reducing and education-enhancing progress, is all very much in line with neoliberalism’s tentative approach to development. The discursive shift of emphasis from equality (1940s) to customer-orientation (1990s) via cost-reduction (1970s-80s) adds to the weight of evidence and, possibly, highlights neoliberalism’s ‘cutting’ progression.

Further, increasing municipal-, household- and pupil responsibility, combined with growing workloads for teachers and diverging equivalence, gives witness to neoliberalism’s contradictory and risk-shifting rationality.
4. Swedish housing policy

Similar to that of education, the 1940s saw Sweden develop and conduct an active housing policy with distinguished social ambitions. The housing market\textsuperscript{14} was considered a cornerstone in the construction of a functioning welfare state. Partly in terms of providing satisfying living conditions for a growing middle class in urban as well as rural areas, but also as a foundation for constructing a social economy (Boverket, 2007:11-12, 49-79; SOU, 1945; 1947). Substandard housing was effectively replaced new dwellings under fiscal and regulatory interference from central state. Meanwhile, substantial subsidies and grants made the new apartments affordable for less affluent households (Boverket, 2007:11; Hedin et al 2011:446). The social housing inquiry (bostadssociala utredningen) assigned in 1932, found that it was preferable to restrict speculation and involvement of private actors in state-led housing projects. This way, the housing sector would be resilient to economic crises and free to conduct a rational build-up of the housing stock without particular interests interfering. Instead of private actors, municipality owned non-profit housing companies was assigned to develop, maintain and distribute housing, financed by favorable loans and direct investments from the central state (SOU:1945:499-502,547; Proposition 1946; Boverket, 2007:11).

4.1. 1960-1980: industrialization and redistribution

The 1965 inquiry on housing construction (bostadsbyggnadsutredningen) established that the Swedish housing stock had been substantially enhanced, and that living conditions had improved severely (SOU, 1965:34-35). Now however, urbanization demanded measurements addressing cramped housing, physical deterioration and slums in cities (Boverket, 2007:55-56; SOU, 1965:514).

4.1.1 ’Miljonprogrammet’

A goal was set to produce one million homes during the course of a ten year period, with the expressed ambition to “supply the entire population with modern, spacious,
planned and appropriately equipped housing at affordable costs [my translation]” (proposition 1967, cited by boverket, 2007:56). This ambitious project was referred to as miljonprogrammet. Accordingly, the housing construction process was streamlined and industrialized through long-term government loans, increased local planning capacity and deregulation of rent control. (Boverket, 2007:56-57, 68, 73). In this decentralisation process, planers and architects became more influential in housing development projects to the detriment of transparency and democratic legitimacy (Sundström, 1994:58-60; Larsson & Jalakas, 2012:50-55)

4.1.2. Tenure neutrality

As a result of the government’s policy to keep rent-levels equal across the country and stimulate housing construction and consumption, home ownership had become a comparatively favorable tenure form (Boverket, 2007:81). To this background, the first half of the 1970s saw a shift of emphasis in Swedish housing policy from dealing with cramped housing and increasing living standards towards tenure neutrality.15

4.2. The 1980s: from housing to labour policy

During the later half of the 1970s, the political spectrum in Sweden changed considerably. Economic recession and the energy crisis caused substantial turmoil, and radicalized the parties ideological standpoints. Faced with the prospect of a negative budget scenario that stretched far into the future, advocates of austerity measurements grew in numbers and influence (Sundström, 1994:172-174).

4.2.1. The ROT-program

Under these conditions, policy makers strived to develop a sonderweg between capitalism and socialism with more emphasis on trade and industry than earlier in Swedish policy. This new direction manifested itself in the ROT-program implemented in 1983. Through extensive subsidies, property owners would be incentivized to invest in the built environment which would benefit both development and employment at the same time. (Boveket, 2007:79, 90-91; Sundström, 1994:231-233; Hedin et al. 2010:444).

15 Tenure neutrality refers to equal housing costs for similar dwellings, regardless of tenure form (SOU, 1975:50-51).
4.3.2. Decentralization

With similar motive, the plan- and building act\textsuperscript{16} was reformed, de-centralising responsibility and policy instruments for housing construction and planning (BoU, 1986/87:16). In practice, the changes meant that the parties directly involved in a planning- or renewal project (i.e. the municipality, consumers and constructors) were given almost unscrutinized control over the planning process (Boverket, 85-87; Nyström, 2013:189:190). This created conditions under which the building sector thrived and could expand rapidly, both in terms of turnover and influence\textsuperscript{17} (Sundström, 1994:231).

4.3. 1990-2010: Housing – a commodity among others

Financial hardships and staggering inflation in the late 1980s set the stage for a new direction in Swedish housing policy during the 1990s. Regulations was perceived as the impetus of increasing housing costs and reduced construction output, and the state’s rising expenses on account of the active housing policy was deemed untenable in the inflation-economy of the time (Boverket, 2007:99-100).

Under Carl Bildt’s conservative government, the housing sector became subject to general economic policy, rather than protected from it as it had been before. It was argued that

\begin{center}
\begin{quote}
a prerequisite for universal access to suitable accommodation at a reasonable price, is that the general economic policy is successful. It is of particular importance that inflation is countermanded and that state expenses are decreased, promoting conditions for lower rent, tax-cuts and economic growth [my translation](SOU, 1992:47:9).
\end{quote}
\end{center}

4.3.1. Closing the housing department

In 1991, the housing department was closed after substantial critique from the conservative government and the building sector.

The housing department’s officials wanted to develop their ventures in direction towards social problems in the built environment, whereas the protagonists advocated a research agenda which would more directly result in lower building costs and increase the building sectors international competitiveness (Sundström, 1994:182-185, 201-203, 233-237).

\textsuperscript{16}The plan- and building act (plan- och bygglagen) regulates and enforces society’s interests in the built environment.

\textsuperscript{17}In 1988, the construction industry occupied 300 000 workers, equivalent to 15 percent of the total national employment (Sundström, 1994:231).
4.3.2 Social Housing

The same year, changes were once again made to the plan- and building act which diminished centralized influence over municipalities. Regulation enforcing housing provision and assignment were abolished. So was the land criterion (markvillkoret), which had strengthened municipalities to control construction companies. These policy instruments were regarded as unnecessary interferences, both in the municipal autonomy and the free market order (SOU, 1999:148; Boverket, 2007:28).

Also in line with the commodification agenda, housing benefits based on income and family size – directed at the most marginalized households – were severely reduced (Clark, 2013:155). However, the home mortgage interest deduction remained. Further, the tenancy act (hyresrättslagen) was reformed in favor of the landlords, only a marginally reformed use-value system (bruksvärdesystemet) which controlled rent-levels remained (Sahlin, 2013:56).

4.3.3. 'Danell-systemet’

In 1993, the so-called 'Danell-system’ was introduced. The housing-loan system was changed to a credit guarantee system which was abolished a year later. Further, subsidies to housing construction were severely reduced or discontinued. In practice, the state abandoned its fiscal responsibility, making the housing sector subject to interest rates and investor’s demands on return. Consequently, fiscal aspects of the housing sector became more difficult to control politically. In effect, risk was shifted from the state onto other stakeholders (Boverket, 2007:29; SOU, 2000:127-128; 1999:29-31, 37-39).

4.3.4. ”Many goals, few means”  

The market-liberal reorientation continued practically unopposed during the later half of the 1990s, and was entrenched under social democratic rule from 1994 (Sahlin: 2013:56). Some housing and construction subsidies were reintroduced, but these were selective in character, rather than general as they had been before (Boverket, 2007:28-29). Further, in 1997, Göran Person’s government drastically reduced housing benefits (Sahlin, 2013:56). Overall, this period was characterized by increasing awareness of the limits of market-rationalization pared with poor readiness and lacking means (Boverket, 2007:28). Rather than housing policy, the political discourse at the

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18 The housing provision- and housing assignment act (bostadsförsörjningslagen and bostadsformedlingslagen) supported inhabitants right to sound living environments and obliged municipalities to plan according to the the housing needs of its population (SOU, 1999:148).

19 The title of Boverkets inquiry on public support to housing construction 1993-2004 (2005), my translation
time mostly concerned the EU entrance in 1995, and how to adapt to the supranational order (Hedin et al., 2010:445).

4.3.5. Commodification continued

In 2006, the conservative party (campaigning as 'the new labour party') under leadership of Fredrik Reinfeldt, came into power. Two years later, the objective of Swedish housing policy was changed, explicitly enforcing market-relations.

The goal for housing is long-term well-functioning housing markets where consumer demand meets a supply of housing which corresponds to their needs (proposition, 2007/08:1:15 cited in Hedin et al. 2010:458).

The same year also saw changes in property taxation which was transformed from being a progressive national tax to a regressive municipal tax. This development benefited property owners, especially those with extravagant homes. With similar effect, a subsidy for purchasing household services (RUT-avdraget) was implemented in 2007. The following year, the ROT-program was enforced and a credit guarantee for first-time buyers who otherwise would not have been able to purchase dwellings was introduced (Finansdepartementet, 2007; Hedin et al., 2010:458).

4.4. Conditions of residential capitalism

The political economy established in the 1990s entailed substantial motives to buy and invest in real-estate. As social protection devolved, taxation decreased and subsidies towards property-ownership and renovation projects were introduced, the notion of 'home' became central in a societal development which, compared to the 1960s and earlier, was more centered around protection, security and safeguarding of social privileges (Forsell, 2013:206).

4.4.1. Discontinued tenure neutrality

Between 1986 and 2005 rents increased by 122 percent, whereas living costs in owner occupancy increased only by 41 percent, and the general inflation by 49 percent. The rapid increase of rents were closely related to policy; chiefly reduced subsidies and increased taxation on rental accommodation. Consequently, between 1986 and 2003, low-income earners and households dwelling in rental housing spent increased shares of their disposable income on housing than those living in other tenure forms. (Hedin et al., 2010:445-446; Sahlin, 2013:56).
4.4.2. “Three housing markets in regional turbulence” 20

De-regulation had left municipalities with a very limited range of effective political steering tools to regulate land prices, which gradually came under market control. This allowed vast sums of capital to accumulated in expensive neighborhoods, as costly plots incentivized housing companies to develop extravagant dwellings which would yield lofty revenues. Apart from contributing to towering land prices and building costs, this development contributed to segmentation21 as rental apartments were precluded in expensive areas on basis of return on investment (SOU, 2000:127). Meanwhile, areas with a less well-to-do population were struggling with vacancies, fiscal austerity, and a tapering rate of construction and renewal projects (Boverket, 2007:113-115; SOU, 2000:127-128; 1999:35-39).

4.4.3. Privatization of public housing

Discontinued subsidies and rising prices resulted in a lowered effective demand. In combination with the de-regulated credit market and introduction of a flat rate-system, this caused severe problems for public housing companies22 which after 1993, competed on equal terms with private actors (Andersson et al., 2010:247; SOU, 1999:29-31, 37-39; Enström Öst, 2013). The situation contributed to a widespread privatization of public housing companies and -dwellings, as municipalities – largely abandoned by central state23 – were left to prioritize between housing provision and other services (SOU, 1992:17-19).

4.4.4. Economic polarization and poor living conditions

Reduced subsidies and privatization of public housing has, although varying in form, increased polarisation of social groups (Enström & Öst, 2013). Private landlords have been noted to systematically put higher demands on tenant’s social status and economy – a tendency which seems to have spread to public actors as well (Sahlin, 2008; Blomé, 2012a:102) – leaving a substantial group of marginalized people who does not have priority to public housing via the municipalities social service, nor have the economic ability to buy housing or take loans. This is reflected in the increasing occurrence of

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21 Segmentation refers to spatial separation of tenure forms. i.e. when rental dwellings are clustered, hindering social mixing.

22 Public housing companies (allmännyttan) grants housing for all social classes. The group consists of local 'business limited liability companies' and some foundations.

23 Regulation on privatization was implemented in 1999, enforced in 2002 but abolished in 2007 (Blome, 2012:96)
homelessness and cramped housing, which has spiralled since the 1990s (Hedin et al., 2010:459).

Overall, reforms in the 1990s and 2000s amounted to a commodified housing market which went from being a state expense of 30 billion in 1990, to a net income of 31 billion Swedish crowns per year in 1999 (SOU, 1999:148:33-34). Parallelled with taxation reforms, economic restructuring policy and rising unemployment, the restructured housing sector contributed to rapidly increasing economic divergence and polarisation across the country.24

4.5 Analysis

Developments in Swedish housing policy suggests a clear process of neoliberalization. The discursive shift from explicit emphasis on solidarity and affordable housing to complete commodification and consumer-orientation, is perhaps the most conspicuous transformation. But it’s stiff competition.

The termination of the housing department, discontinuation of subsidies, loans, credit guarantee, and grants, and the deregulation of housing provision displays substantial devaluation of ’soft’ values and an almost blind faith to market rationality. Further – with regard to the subsequent polarization, reduced effective demand and construction, and uneven development, followed by direct support to home-owners and the construction industry (in terms of grants and deregulation) – this also highlights the contradictory relationship between neoliberal theory and practice, as well as the roll-back/roll-out dynamism of neoliberalization.

Lastly, similar to reforms in education policy, the mentioned reforms contributes to a systematic process of risk downloading. Free credit, devolved governance, and discontinued subsidies amounts to an increasingly insecure housing market, making coherent, long-term planning difficult. Further, deregulation – especially of social elements in the housing sector – makes it both politically and economically difficult for municipalities to conduct an active housing policy. As such, it fosters interurban competition that, in essence, incentives private as well as public actors to ’spoil’ the affluent and ’spurn’ the rest.25

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24 From 1991 to 2000, Sweden’s gini-coefficient went from 0.226 to 0.294 (SCB, 2016). Meanwhile, the richest ten percent of the population enjoyed a real income increase of 47% (66% for the richest 5%) whereas median real income increased only by 5% and the poorest 5% saw their income drop by five percent (Hedin et al., 2010:446; Clark:156-157).

25 For an elaborated discussion on this topic, see Lind et al. 2016:129-132)
5. Malmö – three stages of development

5.1. The rise of industrial Malmö

Post-war Malmö was a rapidly growing city, both in terms of population and economy. An extensive manufacturing industry occupied a majority of the cities work force through blue-collar jobs in the manifold factories, concentrated in the western part of the city (Dannestam, 2010:113-114; Mukthar-Landgren, 2005:120-125).

5.1.1. Modernism and motorism

During the 1960s and 1970s, Malmö’s material conformation was subject to a regime of industrialists, local public representatives and financial institutes, personified by a small group of very influential men (as it where). This collaboration between executive-, political- and financial powers amounted to an effective construction machine which spread its urban fabric of standardized buildings and hefty traffic solutions, across the west and southwest parts of Malmö (Billing & Stigendal, 1994:292-293).

In this way, the automobile was built into the physical environment through a grid of wide streets which covered large parts of the city, especially the new built areas. Further, motorism manifested itself in the construction of shopping centres in central Malmö. In 1967, an initiative to sanitize the Caroli quarters was initiated. Previous settlements were bulldozed in favor of Caroli City: a warehouse with an adjacent parking garage. The areas Lugnet, Öster, and Möllevången underwent similar changes as 6000 apartments were demolished to make room for roads and new buildings in the 1960s and 1970s (Billing & Stigendal, 1994:290, 294-295).

5.1.2. The new districts

Under this paradigm, the newer parts of Rosengård were constructed (Hallin et al, 2010:28). The building process was swift and industrial, and the dwellings were modern, spacious and – according to many tenants – unnecessarily extravagant (Billing & Stigendal, 1994:294). The residential quarters contained no working places, and rather than ground floor shops and -boutiques, all local service was gathered in the

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26 In 1963, Malmö, out of all major cities in Sweden, had the highest amount of road surface per inhabitant. Meanwhile, the number of car owners increased rapidly. By 1975, half of Malmö’s inhabitants owned a car (Billing & Stigendal, 294).
district centre, situated on top of a intersecting causeway far away from the residential areas. (Hallin et al., 2010:29). Fosie and Hyllie was built under similar premises and principles, and display analogous material features (Billing & Stigendal, 1994; Hallin et al, 2010:27-29)

5.1.3. Standards and segregation

The above mentioned development- and redevelopment projects drastically increased material housing conditions for a vast quantity of Malmö’s population. However, the spatial sprawl which standardization and industrialization of construction and planning made possible, amounted to a new urban landscape. A particular feature of which was distinct geographical separation of dwelling types, both in terms of size, tenure form, local environment and, consequently, life-styles (cf. Molina, 2001:64:69).

5.2. Suburbanization

Restructuring carried with it social problems and benefit-dependency which spread in the new built neighborhoods, partly because many experienced difficulties in trying to adapt to their new, costlier, living environment. Discontent with the situation manifested itself in vandalism, petty crime and formation of youth gangs which became perceived as a feature of the high-rise areas in particular (Billing & Stigendal, 1994:323).

Developments contributed to suburbanization during the course of the 1970s. The vacancies left by the urban out-migrants were filled by immigrants and refugees who came to Malmö at increasing pace from the 1970s and onwards (Hallin et al, 2010:30-31; Dannestam, 2010:114; Billing, 2000:13-17).

5.3. ”Something of an economic meltdown” 28

During the 1970s and 1980s, Malmö’s stampeding economy waned as the local industries suffered economic hardships due to the global restructuring of production. Most notably, Kockum’s shipyard29 – the crown jewel of industrial Malmö – for

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27 During the 1970s, Malmö lost 30 000 inhabitants to surrounding municipalities (Dannestam, 2010:114)

28 Malmö’s fiscal situation, as described by the municipality’s president and vice president Illmar Reepalu and Percy Liedholm in a letter to the government in 1995, demanding fiscal support (Billing, 2000:21).

29 Kockum is a ship-building company originating from Malmö. During the Post-war-period, the shipyard in Malmö became the greatest in the world. (Billing & Stigendal, 1994:93-94).
example, was economically restrained and forced to successively phase out operations during the 1980s (Billing & Stigendal, 1994).

5.3.1. Failed interventions

To hinder surging unemployment numbers, the municipality expanded the public sector during 1970s (Billing & Stigendal, 1994:371). Simultaneously, and to the same purpose, the municipality actively supported enterprises who were threatened by closure by purchasing factory plots. This was the first of a series of public-private partnerships in which Malmö used public funds to support private companies. Similar ventures was *Fosie industry village* (Billing & Stigendal, 1994:321-322) and, most notably, the subsidized construction of a SAAB factory in 1989\(^{30}\), which was closed two years later, as the company decided to allocate operations to Trollhättan (Dannestam, 2009:117). The same year, *Fazer*, *Malmö Strumpfabrik*, *Pripps* and *NK* – all major employers – decided to close down operations in Malmö. The subsequent unemployment hit the blue collar workers living in the city’s harder than the more affluent suburbs who strengthened their relative position in Malmö’s labour market\(^{31}\) (Billing, 2000:13).

5.3.2. Austerity measurements

The entrepreneurial investments, recession and unemployment strained Malmö’s economy which was already burdened by the vast public sector (Billing, 2000; Dannestam, 2009:127-128). To remedy the city’s deficit, the municipality initiated an extensive roll-back and privatization program. The cutbacks had considerable impact on social service, especially schools and healthcare.\(^{32}\) Nevertheless, fiscal vigilance, in combination with project-based grants from central state and the EU\(^{33}\) as well as favorable changes in the municipal redistribution tax, allowed Malmö to make investments during the later half of the 1990s which would spur the city’s transformation (Mukthar-Landgren:2005:121).

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\(^{30}\) This project was a joint venture between central state, the municipality and SAAB (Dannestam, 2009:117).

\(^{31}\) Of the 27 000 jobs that were lost, 86 percent were held by those living in the city (Billing, 2000:13).

\(^{32}\) During a three year period, the public sector’s personnel decreased by 6000. In 1994, schools budget per pupil was 14% lower compared to the rest of Sweden. And in 1996, 18 percent of publicly financed ventures were under private regime in Malmö. (Billing, 2000:27-28)

\(^{33}\) Under the supranational cooperation, Sweden became part the European cohesion policy. This was a massive redistributive program. However, it was only concerned with divergence between regions, not between people within regions (Stigendal, 2007:45-46).
5.4. The rise of post-industrial Malmö

In 1995, an extensive program for future development, vision 2000, was initiated. The explicit goal was to make Malmö an attractive city for visitors and companies, especially in progressing sectors such as IT and telecommunication. This was to be done by transforming Malmö from an industrial city to a knowledge city (Dannerstam, 2009:127; Mukthar-Landgren, 2005:121).

The work of vision amounted to a Comprehensive Plan (översiktsplan) (Malmö, 2001:1-4, 18-20), which concluded that conditions of globalization demanded that Malmö strengthened its economic base, that growth should be concentrated to the private sector and that this would require a rapid increase in educational levels as well as high-skilled immigration.

5.4.1. A knowledge economy in the ‘Öresund region’

Öresundsbron, constructed in 1995, allowed foreign companies, mostly Danish, to establish themselves in Malmö. To enforce this effect, a public business office was established in 1998 which was given the task to foster a good business climate in Malmö. This scheme proved successful, as business establishments and population continuously increased in number throughout the late 1990s (Stigendal, 2012:40-41).

In 1997, Malmö Högskola was established. During the course of the 20th century, higher education had been foreign to Malmö’s population which was distinctly blue-collar in its social character. Now however, a rising number of students and the presence of the university campus, situated in the western part of Malmö, constitutes a materialistic reminder and symbol of the city’s metamorphosis (Billing, 2000:38-39; Stigendal, 2012:32, cf. Dannestam, 2009).

5.4.2. Urban renewal

A renewal project was initiated in Västra hamnområdet, as part of the European housing expo in 2001. The former industrial harbour was turned into a luxurious seaside residential area and business centre, which’s most notable component is the skyscraper Turning Torso (Holgeresen, 2014a:32-35;2014b).

Another elite-focused project was the construction of Hyllie, initiated in 2007. The extensive urban development program consists of a shopping center (one of the biggest in Scandinavia), an events-hall, a 400 room-hotel, two towers and 7500 dwellings (Baeten, 2012).
Both Hyllie and Västra hamnen was built on land that used to belong to Malmö (bought in the 1960s and 1980s) but was sold to private developers. The construction process was technocratic in nature and popular influence was limited.\footnote{Complaints were voiced in the local press, more so about Västra hamnen than Hyllie. However, this had little impact on the execution of the projects (Holgersen, 2014a:33-34; Baeten, 2012).}

Further, the city center was revitalized through renovation projects in 

5.5. ”It’s a thin line between heaven and here” \footnote{Quotation from the character ‘Bubbles’ in tv-series *The Wire* (season 1, episode 4)}

Despite Malmö’s thriving surface appearance, the city’s economic prosperity has not been a rising tide that lifts all boats. On the contrary, as shown by Taipo Salonen (2012), Malmö’s success story is paralleled by a tale of restructuring and exclusion, manifested in the city’s economic disparities which increased by 57 percent during the period between 1990 and 2008 (compared to 43 percent on a national level). This divergence is highly polarized as the richest tenth of the city’s population has seen their incomes increase by 56 percent, whereas the poorest tenth (not including the 6.9 percent of the adult population in Malmö who does not have a known income) have experienced a decrease of approximately 30 percent. Meanwhile, “ordinary households”\footnote{Filtering refers to a process in which the comparatively affluent systematically leave and are replaced by poorer in-migrants. Gentrification is basically the opposite (Hedin et al. 2010:451-453,458)} have seen their incomes increase by 20-30 percent.

In sociospatial terms, Malmö’s uneven development has materialized in the increasing gap between the western and eastern districts. While the former has been subject to gentrification and consequently accumulated vast flows of capital through investments in the built environment, the latter has struggled with socio-economic filtering and poor social conditions.\footnote{Salonens terminology (2012:38), my translation.} In consequence, easter Malmö offers a comparatively limited range of services. Traders are deterred by the poor local consumer substrate, high rates of criminality (Polisen, 2014:14-16) and the competition from western Malmö’s prosperous ’experience economy’, which attracts customers from the entire city and surrounding municipalities (Boverket:2013:6:19-22; Billing, 2000:52-60).
5.5.1. An exclusive labour market

When technological and financial institutes came to town, demands on the labour market changed as more and more jobs required higher education, and put emphasis on technical and 'social competence' (SOU, 1996:233). Employment opportunities were plenty, but the available workforce did not meet the requirements as only a small minority of the unemployed in Malmö had gone through higher education (Billing, 2000:50-55). Many inhabitants also struggled with adapting to the new life-style and increased living costs of post-industrial Malmö.\(^{38}\)

5.5.2. Neglected maintenance and slum formation

In the late 1980s and especially 1990s, several established housing companies – impacted by discontinued state support and deregulation – were forced to sell property in the marginalized neighborhoods, where operations were no longer profitable (SOU, 2008:76-77; Blomé, 2012a:96, 98-99). Low prices made way for speculative investments, as venture capitalists (out of which many were foreign) acquired a large part of the housing stock, especially in Rosengård and Seved (Blomé, 2012a:98-99; 2012b:198; Hallin et al, 2010).

Afterwards, maintenance was systematically neglected and mismanaged by investors who displayed a limited social commitment, and the capricious nature of the investments contributed to frequently reoccurring ownership transfers which has caused a great deal of inconvenience for tenants (Blomé 2012b:198-200). Further, lacking attendance from landlords has made some buildings a shelter for criminal activity and, in turn, vandalism (Edling, 2015:47-49; Rikskriminalpolisen, 2014; Puhakka, 2005) and overcrowding (Poopola, 1999; Malmö stad:2012:47, 59).

To improve conditions, publicly managed MKB bought some of the degraded properties in 2006 at great expense for the tax-payers (Blomé, 2012b:198-200).

5.5.3. Interventions

With regard to polarization and social programs in the marginalized areas, a series of social initiatives were introduced during the 1990s and 2000s (Andersson, et al, 2007; Holgersen, 2014b:15-16). The first major intervention was Blommansatsningen, which chiefly targeted unemployment among immigrants (Integrationsverket, 2010). In 2004, Välfärd för alla followed. This was ”a double commitment“ to ensure that all inhabitants had access to good living conditions and, at the same time, enforce Malmös economy. These goals were, it was argued, entwined because ”with a frail economy Malmö cannot provide sufficient welfare for the city’s inhabitants [my

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\(^{38}\) Other than expenses related to consumption, housing prices and rent levels in Malmö has increased steadily during the course of the 1990s and the 21st century (Billing, 2000:60; Svensk mäklarstatistik, 2016)
translation)” (Malmö, 2004:2). In 2012, Områdesprogrammen was initiated. These had similar objectives as Välstånd för alla (Holgersen, 2014b:15-16).

Evaluations establishes that these ventures have been ill-implemented and that they have not effectively addressed the structural dynamic of socio-spatial polarization, but rather embedded it (Andersson et al. 2007:10; Intergrationsverket, 2000; Skolverket, 2006b:26-29; Mukthar-Landgren, 2005; Holgersen 2014b17:)

5.6. The knowledge city?

Today, one fourth of Malmö’s ninth-graders are not eligible to proceed in the education system, a striking statistic which gives the epithet knowledge city a bitter aftertaste. This group of children are almost exclusively residing in one of the marginalized areas discussed in this essay (Stigendal, 2012:216). Considering the increasingly excluding labour market, poor grades points in direction towards a life spent on the side-track of western Malmö’s towering development, to which education and private economy are keys to participation.

5.6.1. The educational market

School segregation has been a feature of education in Malmö since the 1970s. However, as a result of increasing immigration, socioeconomic polarisation and cutbacks during the 1990s, the situation became more acute as schools in the marginalized areas started displaying rapidly dwindling results (SOU, 1996:234; Billing, 2000:28). Meanwhile, education providers in Malmö became subject to increasing competition, spurred by the free choice reform. Contributing to this development was the rapid growth of free schools. These factors hampered unattractive schools, especially public ones, as the pupil substrate became difficult to predict. Further, competitive terms between education providers has created a situation in which schools are less inclined towards inter-school cooperation (Skolverket, 2012:33-45; Malmberg, et. al. 2013; Bunar, 2012:35-36).

5.6.2. ’Cream skimming’

Schools in marginalized areas experience both economic and education-related difficulties as distinguished pupils, often with advantageous background, show a

39 In 2012, 15 % of all elementary school pupils attended a free school. Almost all of these schools are located in affluent areas western Malmö (Stigendal, 2012).

40 Public schools are responsible to provide education to every child in the assigned attendance zone. Thus, they are comparatively sensitive to a volatile substrate (Wiborg, 2010:15, 17)
tendency of switching to schools in well-to-do areas, a phenomenon referred to as 'cream skimming' (Bunar, 2012: 36; 2001: 8; Malmberg et. al. 2013; Skolverket, 2006a: 4-8). Deprived of high-performing students, disfavored schools are presented with a socioeconomically weaker, and ethnically more diverse, pupil-base which, to a higher extent, demands special teachers and other particular efforts, straining the schools’ budgets and lowering results (Bunar, 2010: 9-10). Schools in well-to-do neighborhoods – private schools in specific – on the other hand, produce high grades despite lower ratio of staff per pupil, bigger classes and lower management costs. Where it occurs, cream skimming is rarely associated with concrete educational aspects in a specific school. More often, these processes occur when a school is perceived as an ‘immigrant school’, which implies alternative social networks, lacking discipline and, overall, poor prospects. Such perceptions are often spread through rumors and consequently difficult for schools to control (Bunar, 2012: 36, 37).

5.6.3. The agony of choice

Active school-choice is mostly exercised by the white middle class (Skolverket, 2003). Apart from logistic and economical factors, case studies suggests that stigmatization and social networks contributes to the underrepresentation of socio-economically weaker households and ethnic minorities in ‘elite schools’. The prospect of possible bullying and unfair treatment from personnel and peers in a new school, deters children in marginalized areas from taking advantage of free choice. Further, children are often unwilling to move away from their friends and, what they consider a safe and recognizable environment (Bunar, 2012: 35; Liedman, 2011: 16-18).

5.7. Analysis

So, firstly, we are faced with the question: has Malmö become a neoliberal city?

The narrative above contains elements which suggests an entrepreneurial mindset in city governance. Direct support to the local industries and reoccurring public–private partnerships supports this claim. So does the explicit reorientation from a blue-collar labour market to a knowledge city and experience economy (with little regard of the populations disposition), which materialized in the construction of Öresundsbron, Malmö Högskola and the subsequent urban development programs.

The latter – to a background of worsening conditions in the eastern parts of Malmö – displays tendencies of neoliberal planning.41 Seemingly opportunity-led (at least in the

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41 On a side-note, the post-modern urban development programs, in spirit, shows some likeness to the preceding housing projects in so far as they are aimed at ‘building away’ social problems by large scale development programs with a noticeable element of corporativism and limited regard to popular influence. This arguably outlines a contextually specific Swedish neoliberalism with traces of social-democratic managerialism (cf. Baeten, 2010).
case of Västra hamnen), with a distinct overtone of post-modernism, consumerism and sensationalism, these (partly publicly financed) projects produce an impression that the local government was actively building a divided city.\footnote{See Holgersen, 2014b:10-17 for more elaborate discussion on this topic.} Whether or not this is true, Malmö’s rhetoric and economic reorientation, the area-based selective interventions (especially Välfärd för alla) and these urban development programs, suggests prevail of trickle down-economics and social interventionism as the dominant approach to urban development. The sociospatial polarisation, and corresponding processes of gentrification and filtering adds to the weight of evidence.

Moving on, Malmö’s educational sector leaves much to be desired in terms of integrating children into society. So to the extent, that it can be perceived as a mechanism of exclusion. The substantial group of failed students (in which ethnic minorities living in the marginalized areas are overrepresented) combined with an increasingly sophisticated domestic labour market, privatization and decreased education spending in the 1990s and either inadequate, ineffective or lacking measurements to adress school segregation, suggests a selective notion of education, more similar to competence, in contrast to the post-war ideal. With this in mind, the geographically delimited locality of – and socioeconomic heterogeneity in – the (top) free-schools, also testifies to neoliberalism’s elite-enforcing mechanisms.

As for How? Oscillations in Swedish education and housing policy has arguably been reflected in the development of Malmö’s political economy and sociospatial transformation.

The massive investments, subsidies and lubricating reforms to construction in the 1960s and early 70s helped materialize industrial Malmö as a city centered around mass-production and collective standardized consumption; a site for *fordist-keynsian accumulation* (Harvey, 1990:125-140). In the 1970s and 80s, devolved responsibilities and costs, in combination with economic hardships, induced cutbacks, privatization and, in turn, suburbanization. This can be conceived as a roll-back moment, which’s corresponding roll-out took place in a de-regulated political landscape that allowed Malmö to undergo a metamorphosis and start catering to the ’educated other’ instead of its blue collar population. Accordingly, the domestic economy was reoriented from manufacturing towards the flourishing sectors of technology and finance. Restructuring in combination with the free choice reform and the grading system enforced polarization. Meanwhile, as the central stated downloaded social responsibility and abolished regulations, investments in the poorest areas collapsed, and the (increasingly private) capital was redirected to the upper class districts by means of gentrification and post-industrial urban development programs. This resulted in social grievances which, in turn, was adressed by unsuccessful interventions that, in words and deeds, reproduced the hierarchal order in the domestic economy.

Instead of being deterred by the failures of ’place politics’, the construction of Hyllie suggests that the city has rather raised its stakes in the (interurban) race to the bottom.
6. Conclusion

In this essay, I’ve argued that Swedish education and housing policy has changed from coherent social projects to an increasingly contradictory, short-term process of neoliberalization with considerable elements of risk downloading. And, that this development has coevolved with public private partnerships, neoliberal planning and a selective notion of education in Malmö which has underpinned center–periphery relations and sociospatial polarization, making Malmö, in essence, a neoliberal city.

These findings are much in line with earlier research, particularly Holgersen’s (2014a) conclusions.

Personally, I believe that this emphasizes the need to develop a more comprehensive and humanizing urbanism; that the best way to address coercive competition, alienation and poor social conditions, is to somehow democratize the production and development of cities (cf. Harvey, 2008). Though this is a daunting task, alternatives to exploitative urbanism do – to some extent – exist (see Balfelt, 2016 and Lieberg et al. 2012). As such, it seems imperative for critical theory and practice to support and materialize these ideas, to challenge neoliberalism’s apparent ecological hegemony and, from its contradictions, chart the way to a more inclusive and sustainable development.
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8. Appendix

8.1. Map of Malmö

Source: Google maps, accessed: [2016-08-15]