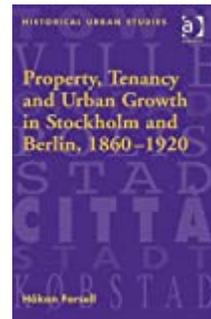




Hakan Forsell. *Property, Tenancy, and Urban Growth in Stockholm and Berlin, 1860-1920.* Burlington: Ashgate, 2006. 303 pp. \$99.95 (cloth), ISBN 978-0-7546-5507-7.



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Landlords and Urban Politics

Hakan Forsell's book admirably tries to bring together middle-class urban politics, the financing of urban development, and legal attempts to mediate urban growth. With regard to Berlin, this volume covers terrain similar to that explored in Christoph Bernhardt's *Bauplatz Gross-Berlin: Wohnungsmärkte, Terraingewerbe und Kommunalpolitik im Städtewachstum der Hochindustrialisierung (1871-1918)* (1998) and Karl Christian Fährer's *Mieter, Hausbesitzer, Staat und Wohnungsmarkt: Wohnungsmangel und Wohnungszwangswirtschaft in Deutschland 1914-1960* (1995). Forsell attempts to expand on this previous literature about Berlin housing with his use of Karl Polanyi's theory of European development and by comparing Berlin to Stockholm. The study focuses on residential real estate private property and its centrality to nineteenth-century *Bürgerlichkeit*. For Forsell, urban development in European cities can largely be attributed to "private and property investments" and he traces this development from a "decentralized and fairly unregulated process" to a process subject to significant regulation after the First World War (p. 1). Forsell's study engages the development of European towns in a "transformational period" (p. 2) dur-

ing which the rise of market capitalism exerted strong pressure for private ownership rights to become the basis of influence in society, political legitimacy, and law. Forsell places the ownership of property at the heart of liberal social and economic life, but he is interested in a particular form of it when he uses the term "property owner": that is, residential real estate private property. As he argues, the development of private property soon drew criticism as did the individualism that it implied, in favor of the health of the collective. The social conflicts that developed out of private property, he argues, led to a situation where "freedom of ownership needed to be ordered in a system of obligations to society" (p. 2) in order to keep property ownership sufficiently widespread. In light of this deduction, he traces the transformation of European towns along the axis of private ownership of residential real estate and concepts of collective well-being.

Forsell compares two distinct "towns": Berlin and Stockholm. Given their divergent proportions—in 1860, Berlin's population was five times the size of Stockholm's, and in 1920 more than ten times Stockholm's—

Forsell argues for a different basis for comparison. He argues that since both were political capitals and major industrial “towns,” they enjoyed similarly diverse industrial bases, prominent banks, and large numbers of bureaucrats, factors that made each city the focus of a national discourse on urbanity, modernity, and industrial development. Forsell bases his study on documents of the residential real estate property owners’ associations: newspapers, meeting minutes, reports, petitions, letters, and associational journals. His source base is excellent for demonstrating the self-understanding and practice of the associations from the inside, although sometimes his sympathetic reading of these materials coincides too closely with that of his subjects.

Forsell divides his study into three sections—politics, housing production, and housing regulation—each with three chapters. The first of these sections, “Property and Urban Politics,” deals with the role of residential real estate owners within city administration. Its first chapter offers a prehistory of Forsell’s research problem by examining the role of property ownership in nineteenth-century municipal reform, emphasizing the power that property owners obtained from financing the city budget. In Stockholm, greater equality in the franchise freed property owners from infrastructural concerns, while in Berlin, tax and governmental structure tied property owners to further urban development through financing of infrastructural development, which in turn continued to justify their administrative control. In the next chapter, Forsell uses the origins, motivations, and development of property owners’ associations “to determine the social position of property owners and the political and ideological positioning ... in the last three decades of the nineteenth century” (p. 47). The third chapter argues that urbanization and industrialization stretched municipal government beyond its earlier tasks of economic management. These pressures led to increased intervention into social and economic life, especially into housing questions. As calls for greater intervention on the part of the municipal administration grew, property owners adopted the ideological intransigence of those committed to traditional self-governance.

The second section, “Building and Lending,” begins with a fourth chapter on building finance in Berlin and Stockholm. Forsell takes the two 1860s-era city development plans as a starting point. The primary feature of urban development in the creation, fulfillment, and abandonment of these plans was accelerating urban growth and the emergence of a privatized city with specialized production of land into component parts—

parceling, building infrastructure, and the construction of dwellings—conducted by separate corporations at separate times. Chapter 5 pursues the finances of property owners further. Here Forsell examines the tenement as a historical development and as the focus of a broader critique of urban life. This chapter addresses attempted solutions to escalating credit difficulties, real estate property owners’ responses to state intervention in housing credit, and the effects of increasing intervention on property owners’ political influence. Forsell argues that real estate has a tendency to require significant capital investment and be subject to speculation. Because of speculation and bank financing a residential real estate property owner no longer needed to practice thrift and “save up the necessary money himself,” because, as Forsell argues, “[p]roperty had become a commodity” (p. 158). Chapter 6 also focuses on the tenement, though this time on the form of housing, the cyclical character of housing production, the relationship of production to housing shortages and rent increases, and perceptions of real estate property owners. Urban growth was recognized as potentially profitable, attracting larger companies with more capital. The nominal—often deeply indebted—property owner was subsumed into the larger economy, becoming merely “the final link” in a complex dynamic of urban growth (p. 183).

The third section, “Under One Roof,” focuses on housing regulation in later-nineteenth-century Stockholm and Berlin. In chapter 7, Forsell examines the quotidian dimension of the landlord-tenant relationship. Forsell argues that liberal law made it possible for the market to determine the price of commodities and that market-centered liberalism was a working-out of particular state imperatives. In an age when, according to Forsell, the economy came to dominate society, market-centered liberalism depended on positing an abstract and ultimately false equality between concretely different people, such as workers and capitalists. Forsell sees this liberal equality of the worker and capitalist as an illusion, although he does not make clear how this illusion is upheld. Forsell criticizes abstract contractual equality for the ways it masks concrete inequality. In both cities, within certain parameters, the landlord and tenant enjoyed “unrestricted contractual freedom” (pp. 194-95). Chapter 8 focuses on the emergence of German and Swedish legal codes that affected the “housing question.” Here, Forsell argues that *fin-de-siècle* legal reforms sought to aid the weaker party and integrate tenants into liberal society in order to stabilize it. Forsell suggests that these legal codes enforced the middle class’s responsibility to a general so-

cial good and enshrined corporatist concern for community welfare. Forsell argues that while real estate property owners believed themselves weakened by the new codes, in fact they retained their power: landlords' freedom of contract remained sacrosanct above all concrete or political concerns and landlords found ways to avoid the new regulations. In chapter 9, Forsell demonstrates the changes that the First World War brought to residential real estate property and landlord/tenant relations. The war made tenancy a central factor in state intervention in housing markets. Forsell probes the steps the state took in intervening, which institutions did the job, and the extent to which both sides of the issue were taken into account. He also seeks to understand how politicians and reformists explained the housing crisis and the general impact of this intervention on private property after the war. Generally, legislation moved from mediating between contractual partners to protecting tenants. Forsell notes that the primary concern of the legislation in both cities was speculation and indebted property owners and "not the 'firmly rooted' property owners who had used their own saved capital to acquire property" (pp. 256-257).

The final chapter summarizes the argument and attempts to grasp the similar yet not identical transformations in the practice and self-understanding of urban residential real estate property owners. In so doing, Forsell returns to some theoretical considerations from the introduction. Forsell's theoretical approach has its suggestive moments, but ultimately is fragmentary and under-theorized. Drawing his argument from Fred Block and Michael Harloe's readings of Karl Polanyi, Forsell considers economies to be always historically and culturally specific in practice. Through Polanyi, Forsell argues that the nineteenth-century liberated the economy from its subordination to social ideals with devastating consequences, but by the end of Forsell's study, society seems to reasserted control. The mechanisms by which economy could be liberated from society and then subdued by society again is never made clear. Additionally, lingering behind a number of Forsell's arguments, it seems, is Polanyi's idea that land, labor, and money are not true commodities.[1] For example, Forsell argues that speculation and bank financing transformed residential real estate property into a commodity, because owners no longer needed to be thrifty and "save up the necessary money" themselves (p. 158). The idea that an individual businessman is not selling commodities because he provided his own capital is unconvincing.

Forsell's analysis here is similar to populist critiques

of "bad" finance capitalism from the standpoint of "good" productive, self-made capitalism. Forsell echoes the approval of his sources when he writes that turn-of-the-century legislation focused on speculation and indebted property owners and "not the 'firmly rooted' property owners who had used their own saved capital to acquire property" (pp. 256-257). This conclusion seems to be a defense of "rooted" small-scale capitalists against finance capital (even if his quotation marks vaguely problematize the word "rooted"). It seems unlikely that Forsell would actually endorse this critique and its more problematic adherents. Rather, his evidence pool is one-dimensional enough that the problematic arguments his sources were making might not have become apparent and he was insufficiently critical in his reading of land reformers, critics of speculation, and landlord's associations. What Forsell seems to understand as property relations regaining their social and moral ideals, seems to be, instead, the producerist side of an ideological argument about the direction of capitalism.

Much of Forsell's discussion of commodities seems to suggest that he agrees with Polanyi that land, labor, and money are not truly commodities. The claim that land is a false or "unnatural" commodity makes difficult Forsell's attempts to grasp the ideology of the property owners because it suggests that landowners dealt in fictional commodities and were either deluded or knowingly misleading society. If this is the case, then Forsell would need to convince the reader of how this delusion came into existence or how the coordinated set of lies functioned. Forsell might respond, as he writes early in his book, that "every period in capitalist development creates a special set of social conventions for retaining growth dynamism.... The effectiveness of these social structures for growth is temporally limited. After a dramatic political and economic downturn, forces are mobilized to establish a new social growth structure" (p. 7). In other words, with each period of capitalist expansion, a fundamental change in social organization and social understandings helps to facilitate capitalist development. However, this interesting and provocative claim only raises a further series of unanswered questions about the reasons for such changes, explanations of the phases of capitalism, and the relationship of the form of the new social organization and its respective phase of capitalism.

Why does a particular regime of social organization take the form that it does? Forsell seems to suggest that the relationship between the economy and the social structure is random and determined pragmatically from the standpoint of the economy, according to what-

ever is “effective.” This randomness is evident in the description of Berlin’s development as a “heavyweight” as compared to Stockholm’s position as a “lightweight”. At least for me, Forsell’s evidence militates against the idea that the relationship is merely contingent. Forsell’s suggestion that in tenement houses one can see a complex interrelationship between commodity production, architecture, and social relations hints at a more determinate relationship between the economy and social structure (p. 161).

Ultimately, Forsell makes a familiar argument about multiple national paths toward multiple versions of modernity. Given the remarkable similarities between

Berlin and Stockholm, it would have been interesting to see how such a commonality could be explained. Furthermore, it would have been interesting to hear more about how and why these regimes of social organization became inadequate and about their relationship to the economy. Ultimately, though, Forsell has written an informative, well-researched study of urban development from the perspective of the residential real estate property owner.

Note

[1]. Fred Block and Karl Polanyi, “Karl Polanyi and the Writing of ‘The Great Transformation,’” *Theory and Society* 32 (2003): 281.

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