Towns go public. Urban services and the broadening of urban communities in Scandinavia 1850–1920

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Abstract

From the mid-nineteenth century and onwards, debates on urban public services became an integral part of municipal politics in Nordic towns. The industrial revolution came late in Nordic countries and the problem of how to integrate immigrants and factory workers into existing networks became paramount at the end of the century. This paper will discuss how municipal bodies tackled the problem of making the city accessible to new groups in the urban landscape.

New forms of infrastructure had been introduced by private initiative: water, gas, electricity, tramways etc. In city councils and popular press, proponents of equal access argued that such services should be controlled and provided by municipal bodies. Their adversaries claimed that business operations were better run by private companies, and that municipal takeovers would only mean a larger burden for the tax-payers. The debates on how to improve and extend the reach of public services articulated new notions of community. The daily lives of women, children and the urban poor became a contested issue, and a new field for political solutions. Eventually, a future-oriented discourse became dominant where the solutions for today were expected to solve the problems of tomorrow as well.

Private gain versus the common good – debating public services in Sweden

The results we want to discuss in this paper come from our joint research project studying political conflicts on the organisation of public services from a long-time perspective, c. 1600–2000. Here we have analysed debates on the national level –in the Swedish diet – as well as on the local scene (i.e. the municipal bodies of Stockholm). Our main purpose has been 1) to identify the arguments used to advocate organisational changes, from private to public operators and vice versa, and 2) how such discussions have come to articulate new notions of publicness and how to promote the common good of the whole community. Our results demonstrate a clear trajectory: In the early modern period the organisation of public services was the prerogative of the elites. From the mid-eighteenth century this privilege was successively challenged by new groups who demanded a say on how important services should be performed. By 1900 a new notion of publicness had emerged, which associated equal access and communal interest with public management of urban services.¹

The aim of this paper is to demonstrate the discursive shifts that occurred in the 19th century, when the problem of how to organise urban public services became a political issue engaging a broader scope of the urban community. The industrial revolution provided opportunities for new forms of infrastructure: water, gas, electricity, transport and tele-communication. We argue that the political debates on the nature and scope of public service played a pivotal role in changing the perception of the urban community as such: from a restricted entity governed by small elite groups, into a growing community of equals including men, women and children from all social strata of the urban population.

Previous research: the decisive shift in administration of urban services

There is a clear trajectory in the history of urban services: in the course the 19th century new forms of infrastructure were developed mainly by private entrepreneurs – gas, electricity, telephones, transport. During the second half of the century many of these enterprises became increasingly regulated and later taken over by public authorities. In the 20th century they were normally owned and operated by public management. This in turn changed from the 1980s and onwards, when demands for cutting public expenses incited a new wave of privatisation.

In the 19th century, private investments in urban and national infrastructure were often directly supported by public authorities to promote economic growth. After the turn of the century, the state began to take on a more active role, regulating and eventually taking over services from private entrepreneurs. This development started earlier at the municipal level, when the conservative elites began to recognise the social cost of urbanisation. Local politicians wanted to shelter their citizens from over-exploitation by private companies, and therefore engaged in regulating prizes on commodities such as coal, gas and electricity. By 1900 this ambition had initiated a wave of ’municipal socialism’, as a number of important services were taken over and run by public authorities.

Our main interest is not economic development but to explain the political shift from private to public management of important services. There are of course a number of scholars who have addressed the problem of how and why this shift did occur. Albert O. Hirschman had focused on the motives of the individual consumer, arguing that disappointment over diminishing returns from private consumption may cause individuals to engage in political matters. This may in turn create a stronger voice for investment in public services benefiting the larger community. Conversely, disappointment over the lack of result from political action may lead individuals to engage more in private consumption, dismissing public investments in favour of low taxes.

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Avner Offer has favoured a similar explanation, but puts greater emphasis on economic factors. Politicians of the late 19th century had to face the social effects of mass industrialisation and urbanisation, which demanded mass investment in what he labels ‘prudential consumption’ – collective goods such as social insurance, sanitary organisation and public transport. In the late 20th century there was a gradual shift towards individual consumption and less investment in prudential goods. According to Offer, a major share of the voters was becoming aware that they were not only consumers of collective goods but also financing them through their tax bills. This shift also had an ideological dimension, as it was actively promoted by neo-liberal claims for cutting costs by privatising public services.\(^5\)

We want to stress the ideological dimension by focusing on political debates over private/public operation of urban services. We are inspired by British political scientists Janet Newman and John Clarke, who have analysed how such conflicts serve to articulate a new sense of publicness; that is the awareness of what ideas, people and practices should be regarded as public. Newman and Clarke have singled out three discursive chains that each of them constitutes important parts of the construction of publicness. The first of these chains defines the idea of the political community. The second constructs the public, based on the organisation responsible for the public service. The third discursive chain links a consciousness of the public to values of political rights and freedom. Taken together, these discursive chains help us understand and explain what defines and constitutes publicness, why some services were regarded as vital to the public and who had a say in discussions concerning their organisation.\(^6\)

City administration in Stockholm: from corporate to public

Stockholm was the capital of Sweden and right up to the 20th century administrative power was divided between the burghers and the over-governor, the latter representing the king or the central government. In the early modern period the major political institution was the city council (the magistrate). The magistrate was dominated by a mayor appointed by the king, but there were other political institutions that could wield considerable influence. The 48 elders of the burghers represented the burghers towards the magistrate and were granted the privilege of assessing and collecting taxes. After 1813 a special finance committee was created to decide on administrative and economic matters, a joint venture for the magistrate and the elders. There were also parish councils to whom important administrative functions were delegated.

The municipal reform of 1862 put an end the old institutions of the burghers and replaced them with a city council of elected amateur politicians. However, voting rights was restricted according to property and income, and the city council came to represent a ruling elite of wealthy burghers. According to Swedish law, the municipality was identified as a private (sw: enskild) institution – separated from public/state administration. The designated role of the city council was to handle economic matters in the most effective way, promoting the interest of the tax-paying burghers. But the council also represented the larger urban commune and in the course of the 19th century gradually came to invest more means in promoting modern services for the general urban population. We argue that the introduction of new urban services was crucial for transforming municipal politics from an elite concern into a public matter.


The impact of public services: Before modernity

The urban services studied in the project – street lighting, sanitation and cleaning, public transport and telephone systems – were often introduced by government or private initiative, and later taken over by the municipality or the state. Public street lighting in Stockholm was introduced by government order in 1749 as a means to achieve better security as well as promoting the pride and glory of the royal capital. Government representatives argued that the city lights must be administrated by a communal organisation, controlled by the city council. Royal office-holders denounced the practice of leasing out the management of public street lights to private entrepreneurs. Carl Knutberg, commissioned by the government to inquire on the organisation of street lighting in other European cities, bluntly stated:

> While such contracts only serve to promote the private gain, the result in many places has been widespread corruption and disorder.\(^7\)

According to Knutberg a public organisation was superior to private or citizen operators. But this view was successfully challenged by the burghers of Stockholm, who claimed that such an order would be too expensive for the taxpayers. The burghers stated that since street lighting was a public concern, everybody in the city must be allowed contribute. They also voiced their concern for the less wealthy house-owners, who could not afford financing such an extravagant scheme. Instead, the burghers demanded the privilege to organise the maintenance of the lights themselves – either by commissioning their own servants or by contracting entrepreneurs to do the job. This citizen alternative eventually prevailed: from the mid-18th century and onwards public street lighting was organised by the Stockholm burghers as a communal responsibility. This was the order of the day until the introduction of gas services a hundred years later.

The discussions on public street lightning may be described as a clash between two patriarchal discourses: the government claiming the right to define public interest and to organise matters accordingly; the wealthy burghers defending their position as major householders capable of contributing to the common good. The result was a victory for the burghers and served to strengthen traditional ideals of civic pride and bourgeois self-government. From an international perspective this was all the more remarkable, as the ruling monarchs of Europe in most cases succeeded in implementing street lightning as a public organisation and making their subjects pay for it.\(^8\)

The impact of public services: Around 1850

By the mid-19th century Stockholm was just in the beginning of industrial development. Population had been increasing since the turn of the century and about 90 000 inhabitants lived within the city. The economic boom of the 1850s triggered a massive growth that continued in the latter half of the century, when the Swedish capital tripled its population to an estimated 300 000.

While Stockholm slowly transformed into a centre for industrial enterprise and financial capital, political rule remained firmly in the hands of a small bourgeois elite. For this group of men

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\(^7\) Carl Knutberg, "Kort berättelse angående gatulanternors inrättning" (A short relation on the institution of street lights), Politi- och brandskyddskommissionens arkiv, vol. F4:3, p.12, (our pag.), Stockholm City Archives.

control over public spending was imperative, keeping taxes down to a minimum. However, the rapid growth in population brought along increasing problems with health and sanitation problems. All around Europe, city fathers were discussing the need of organising better water supply and sewage, as well as effective systems for disposal of garbage. The Stockholm politicians followed accordingly, addressing the matter of how to make the city healthier and cleaner. Public sewage was an important component in this, as was disposal of human latrine.

Up until the mid-century, disposal of latrine waste had usually been delegated to private entrepreneurs, employed either by the city council or by the burghers themselves. The entrepreneurs in turn hired ex-convicts and destitute individuals from the urban poor to do the dirty work. The negative effects of this system became obvious, as latrine waste were stored along the quays or dumped right into the water. Citizens, newspapers and city officials complained about the stench and demanded politicians to take immediate action.

In 1849 the finance committee succumbed to the pressure and carried out an investigation on how to solve the problem of latrine disposal for the future. In their report, the committee clearly stated that latrine disposal was a public concern and therefore must not be subject to the negligence of private individuals. The Stockholm politicians wanted to put an end to the age-long tradition that the individual burgher should be responsible for disposing his own waste:

Sanitation must be provided by the city’s public authorities, for it would not be possible to fulfil the task to full satisfaction and with respect for public security, if delegated to personal care and activity.9

The committee urged the city council to assume full control of the organisation of latrine disposal in the Swedish capital. However, the recommended procedure was to carry out a public auction and then contract the business of latrine disposal to the entrepreneur who offered to solve the problem for the lowest price. According to the committee, a public organisation run by the commune would be too expensive and therefore cause wide-spread discontent among the tax-payers. Contracting was deemed a superior alternative:

This task is most suitable for contracting, while the local police will supervise the whole operation, and the administrative body may concentrate on issuing rules and regulations.10

The city fathers followed the recommendation and duly signed a contract with two local businessmen for the disposal of all latrine soil from the city during a ten-year period. Unfortunately, the entrepreneurs could not fulfil their obligations, and in 1857 a new investigation was conducted by committee member to solve the problem. This time the members advocated public organisation, and in 1859 The Stockholm sanitation board (sw: *Stockholms renhållningsverk*) was formed to handle all forms of latrine disposal in the city. The committee members argued that regulation had not been effective, and that the politicians should shoulder their responsibility:

The city council must engage in reforming the system of latrine disposal altogether, so that the residents of the city have will have no more trouble with that sort of business.11

The solution was to form a new administrative body, controlled by the city council while management was delegated to a trusted public servant. The reform was costly as the entrepreneurs

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9 Report from the sanitary committee, Drätselkommissionens protokoll (DKP), 10.5 1849, pp. 285ff, appendix F, Stockholm City Archives.
10 DKP 10.5 1849, bilaga F, Stockholm City Archives.
11 Report from Johan Fredrik Eklund and Frans Schartau, DKP 17.12 1856, appendix, Stockholm City Archives.
had to be compensated for the breach of contract, and a new more reliable work-force had to be hired for a decent wager. Stockholm politicians had shifted position and now deemed public organisation not only desirable but necessary. Civic pride and citizen duty no longer sufficed to solve the problems of the growing city, nor did contracting out sanitation services. What was of public concern must be controlled directly by municipal bodies. The traditional values of the bourgeois community were giving way to pressing economic and sanitary concerns. This however, also entailed extending the patriarchal concern for the urban poor, who had not yet formed political voice of their own.

While the Stockholm politicians were debating how to establish a better sanitary regime, the national diet was discussing the establishment of a national railway network. At the national level there was sharp conflict between those who argued that private enterprise was the most effective way to manage railway transport, and those who maintained that the transport system must be operated by the state. The nobleman and enterpriser Eugene von Rosen insisted that the extension of trunk railway lines should be conducted by private entrepreneurs:

I cannot think otherwise, then it is natural for any property managed by its owners, with few exceptions, to be better managed than if it was under government administration.\(^\text{12}\)

The cabinet minister Johan August Gripenstedt retorted that the railway system was of crucial importance to Swedish society, and therefore must be conducted by public operators:

Obviously there are some services in society that are so important that they cannot be separated from public government. Who would suggest that tax collection or military defence should be handed over to private associations?\(^\text{13}\)

In the debate on railway trunk-lines, private operation was presented as a viable alternative, and indeed more effective than public administration. The proponents of private enterprise maintained that this was the best way to conduct public services. The discussion on sanitation in Stockholm was less clear-cut; there were few voices raised in favour of the private contractors who had been responsible for the disposal of latrine waste. The entrepreneurs themselves asserted that they had no economic motifs whatsoever; they only wished to serve the greater good of the city.\(^\text{14}\) But unlike the railway prospectors, the entrepreneurs handling the human night soil were petty businessmen with limited resources. The conflict between industrial capital and public government had yet to permeate the discourse of urban politics in Stockholm.

The impact of public services: The watershed of 1900

The arrival of electric power opened new possibilities for improving public transport in the growing city of Stockholm. Tramways had been introduced in 1876 by private initiative, and still operated mainly by horse-power. The system was run by two rival companies which made travelling between different parts of the city a complicated venture. In 1902 the city council debated the electrification of the northern part of the tramway system, operated by The Stockholm New Tramway Company (sw: Stockholms Nya Spårvägsaktiebolag) by a municipal concession until the end of 1916. During the discussions, several councillors argued that the city must take full control over the tramway session.

\(^\text{13}\) Adelsståndets protokoll (Minutes of the noble estate), 21/12 1853, 1853/54, vol. 12, p. 387.
\(^\text{14}\) Report from H. P. Sellholm and A. Hjelm, DKP 17.12 1856, appendix, Stockholm City Archives.
Gustav Harald Lundbergh, a factory owner and insurance specialist, set the tone for the discussion by raising two important topics. The council must have full control over the planning and construction of new lines so that the city would be able to prosper and grow in the future. The council members must also see the concern of the working population, to ensure that public transport was available for everyone. Lundbergh was sceptical of the private company’s motifs, and advocated a municipal take-over as soon as possible.15

Lundbergh’s claim was supported by Emil Hammarlund, a school teacher with liberal sympathies, who stated that public opinion was all in favour of a municipal tramway system:

And this is no wonder, for the tramways are made for the greater public, and the greater public knows where the rub is.16

Hammarlund wanted the private company to surrender all their claims and immediately assign the tramway system with all equipment to the municipal bodies.

The council members of Stockholm were predominately conservative businessmen or office-holders. In spite of this, many of them wanted to address the social question and make themselves spokesmen of the working poor. However, there were other members of the council who fiercely resisted any kind of a municipal intervention. Knut A. Wallenberg, director of the city’s most important investment bank, declared that he did not consider the city competent at handling industrial enterprise. He also rallied against the wave of ‘municipalisation’, which threatened to chase private industrialists away. Wallenberg advocated a prolongation of the company’s concession up to 1926, which he claimed would guarantee all citizens the benefit of modern transport without any further delay.17 Johan Östberg, a legal expert later to become a conservative party-man, fully agreed with Wallenberg:

If the municipality would allow the company to run this operation [the tramways], private enterprise would lead to better economy than what would be the case when the city engages in business activity.18

The Stockholm city council was thus deeply divided on the issue. Many members regarded municipalisation of the tramway system as a necessary means to make public transport accessible to the larger urban community of factory workers, women and children. The wanted the city to fully engage in what Offer has labelled prudential consumption, supplying collective goods of high quality to all citizens. But their adversaries adhered to a more traditional ideal of austerity, favouring private enterprise in order to minimise public spending and avoid excessive taxation. The conflict resulted in a compromise: The private tramway company was commissioned to carry out the switch to electric power, and then allowed to continue operations until 1916. Municipalisation was effectively postponed for another thirteen years.

The Stockholm tramway was a matter of public concern and therefore engaged a larger part of the community. This was less the case in the contemporary discussions on the telephone system in the Swedish diet. Local telephone networks had been introduced by private companies during the latter part of the 19th century, while the state retained a monopoly on the telegraph lines. From the 1890s the Swedish government, through the Telegraph Agency, started to purchase private telephone companies all over the country. In 1902 only one large company remained –

16 Emil Hammarlund’s statement 26/11, SSF minutes 1902, p. Y480.
17 Knut A. Wallenberg’s statement 26/11, SSF minutes 1902, p. Y483.
the Stockholm General Telephone Company (sw: Stockholms allmänna telefonaktiebolag). The acquisition of the Stockholm company then became a political issue, since the affair could not be realized without funding from the Swedish diet.

The government minister Edvard Krusenstjerna stated that it was in the public interest that the state took over the private telephone company, in order to create a national telephone system for the future:

For it must surely be that the public should become cheaper and better served under a unified telephone system, a one that when it belongs to the state, do not like the private companies, have to take into account to increase economic profit.\(^\text{19}\)

However, there were some parliamentarians who did not believe that a state monopoly would ensure better service for the telephone subscribers. Their arguments focused on the distrust of state bureaucracy, and the fear that the proposed purchase would be a bad deal for the state. They also argued that competition between different operators would guarantee lower prizes for the individual consumer.\(^\text{20}\) In the end the government supporters stood alone and the competitive situation on the Stockholm telephone market continued. The take-over by the state would not be realized until 1918.

In the case of the telephone network, as well as tramway system, the public take-over turned out to be a lengthy process. Eventually, the proponents of public organisation won out and the private companies were replaced by state/municipal operations. In the debate on the tramway system, the social question was quite conspicuous; council members addressed the situation of the working poor and the need for urban services with equal access. Many advocated an extended political rule that would secure rational planning for the future. But this discourse of prudential investment clashed with the traditional politics of austerity. The city council was divided and plans for municipalisation were not readily accepted by the elite group. The debate on public services played a part in making the struggle for recognition visible, but political representation had to be extended before any decisive change could be realised.

Towns and publicness

The debate on the tramway system 1902–1903 demonstrates how arguments for a more effective operation of public services, a fair distribution of common goods, and concern for the urban poor were tied together into a strong voice for municipal operation of the tramway system. The discursive chains, thus, firmly linked organisation by public management and a political community of male citizens, to ideals of equality, modernity and progress. The general idea of publicness was one of promoting public organisation against private business entrepreneurs. Nonetheless, there were defenders of private enterprise who argued that the present arrangement was more cost-effective. This line of reasoning was clearly on the defensive, as several council members recognised that a municipal takeover was inevitable. In spite of this discursive movement, these reforms took decades to complete.

The discussions in the Stockholm city council demonstrated strong confidence that municipal reform and public control was only a matter of time. However, in the telephone debate nationalisation was described as a threat, because free competition was considered an asset, promoting

\(^{19}\) Edvard Krusenstjerna’s statement, Minutes second chamber (AK) 3 May 1902, Riksdagens protokoll med bihang, IV:41, p. 44.

\(^{20}\) Magnus Linnarsson, Problemet med vinster, pp. 149–153.
lower prices and better service for the customers. This contraposition in arguments can be explained by reference to the discursive chains. In the case of the telephones, the political community was conceptualised as being less extensive, compared to the tramways. The latter were crucial to a larger public, meaning that the politicians had to recognise responsibility for a larger group of consumers.

When it came to the telephones, the service was less obviously a matter for the whole society but more restricted to a smaller segment of the urban population; therefore, free market competition was seen as the best solution.

Regarding the values of political rights and freedom, the analysed debates show both similarities and divergences. Equal access, as well as notions of modernity carried great weight in both debates. The telephones, however, did not spark clear-cut political slogans, as did the tramways; in the telephone debate the emphasis was on lower cost for the consumers collectively and better services for the individual consumer. The debate circled on the well-being of the subscribers in the telephone network, whereas the tramway debate focused on a larger segment of the urban population, namely the working class.

Stockholm and Sweden are examples of a more general development in Europe. Most of the Nordic countries witnessed the same shift towards public organisation at the turn of the century 1900. Municipalisation of tramways is a good example of this. In the Nordic capitals, Copenhagen, Oslo, Helsinki and Stockholm, the community took over the operation of the tramway systems in the first decades of the 1900s. However, the case of the Swedish telephone network stands out as an exception. Whereas private telephone companies continued to manage the network in Denmark and Finland the Swedish telephone network was (de facto) nationalised in 1918. In this respect, the link between publicness and public organisation was stronger in Sweden than in their neighbouring countries.

Conclusions

Our study of Stockholm indicates that public services matter: the introduction of new forms of industrial operations did promote notions of a more inclusive urban community, addressing the rights of the working poor as well as those of women and children from all social strata. This discursive shift in favour of public management of urban services started well before democratisation. Patriarchal care for the less fortunate, and a growing confidence in urban planning, gradually developed into an articulated vision of an extended urban community. Eventually, universal suffrage and a more partisan city council played a decisive part in completing the shift towards public organisation.

Political disappointment, in Albert Hirschman’s sense of the word, does not seem to have played a major part in the political shift towards political control of urban services. Rather, the successive drift towards prudential investments was dictated first by the patriarchal concerns of

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the elite and then by economic reasoning. This corresponds with Avner Offers analysis on how economic conditions came to influence politics.

Our results may also inspire analysis of what’s happening today. The debate on public services still has a predominant role in contemporary political discourse. The privatisation of public services all around the world has helped to boost alternative notions of the political community: a fellowship of empowered individuals exercising their freedom of choice. In consequence, publicness is becoming more exclusive, as politicians and urban planners demonstrate diminishing ambitions to address the situation of the less fortunate members of the community.