

## **Mechanisms of solidarity in collaborative housing – the case of co-operative housing in Denmark 1980-2017**

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### **Abstract**

In this article, we discuss the role of solidarity in collaborative housing in relation to the trajectory and discourse of the Danish idea of co-operative housing (*andelstanken*). Our analytical perspective draws on the concept of social mechanisms and a framework suggested by the social scientist Steinar Stjernø. We argue that collaborative housing based on individual (home) ownership of shares and user-rights to apartments are susceptible to the mechanism of “conflicting interests between different categories on the housing market”. Moreover, we suggest that this mechanism has a tendency to further the economic interests of residents, at the expense of the external solidarity with groups looking to access affordable housing. Our argument is supported by theoretical reflection, the historical trajectory of co-operative housing in Scandinavia and empirical analysis of the Danish case.

**Keywords:** collaborative housing; co-operative housing; Denmark; social mechanisms; solidarity

### **Introduction**

Internal and external solidarity transcending the interests of individual residents characterize many collaborative housing communities. Acts of sharing and mutual aid are expressions of *internal* solidarity amongst residents. *External* solidarity is present when housing associations champion social housing provision to the benefit of others or political goals related to ecology, feminism or other causes in the public sphere (Sørvoll and Bengtsson 2016b). In this article, we explore the concept of solidarity in collaborative housing, and discuss the social mechanisms behind such solidarity, as well as one mechanism that may lead to its erosion. Our empirical point of departure is the case of Danish co-operative housing, a form of collaborative housing associated with a political discourse that may be analysed using the terms internal and external solidarity.

The article combines within-case historical analysis with the use of concepts borrowed from the social sciences, such as solidarity and social mechanisms, and comparative outlooks. In short, we regard the article as a theory-informed historical narrative aiming at enhanced understanding of a single case as well as generalization across cases (cf. Bengtsson and Ruonavaara 2017). Our contribution to the scholarly literature on collaborative housing (cf. Czischke 2017) is therefore both a rich historical description of the Danish case, and a discussion of mechanisms relevant to other forms of housing.

We start by outlining our analytical framework, and discuss how the concepts of solidarity, social mechanism, and political discourse may be applied to collaborative housing. We then present the article's empirical backbone, outlining the historical development of Danish co-operative housing since the 1980s and the discourse connected to this tenure. We argue that friendly politicians and ABF (*Andelsboligforeningernes Fællesrepræsentation*) – the national organization of co-operative housing associations – portrayed co-operative housing as a virtuous tenure characterized by participatory democracy, togetherness and limited profit. Moreover, co-operative housing was founded both on internal solidarity amongst residents, and external solidarity, e.g. between residents and groups wishing to enter the co-operative sector. Thus, the *Danish idea of co-operative housing* (“andelstanken”) included affordable price regulated apartments to ensure access to outsiders.

In the historical outline, we claim that the idea of co-operative housing was challenged *from above* (political liberalization), *the inside* (the economic self-interest of residents), and *the outside* (business interests). Together these challenges put strong pressure on the ideal of internal and, even more so, external solidarity. Most importantly, residents arguably revolted against the principle of external solidarity with outsiders by hunting for capital gains in the housing market.

In the third and final part of the article, we argue that the case of Danish co-operative housing suggests some general social mechanisms, some supporting and other threatening internal and external solidarity among members, and between members and other parts of society. Most notably, the mechanism of *conflicting interests between different categories in the housing market* is arguably a threat to the idea of solidarity keeping co-operative housing communities together. At the end of the paper, we ponder our study's relevance for the study of other forms of collaborative housing. We argue that the Janus face of some collaborative housing communities –

one side solidarity and fellowship, the other side home-owning individualism – make them vulnerable to the erosion of solidarity.

### **Social solidarity, social mechanisms and political discourse in collaborative housing**

We see *collaborative housing* as an umbrella term encompassing various types of co-housing, co-operative and self-organized housing (cf. Lang and Stoeger 2017). We do not suggest a comprehensive or detailed definition here, but only note that collaboration among residents is one necessary ingredient. Such collaboration may in itself imply some form of internal solidarity (or other drivers of collaboration) between members, but not necessarily any commitment outside the group of residents; collaborative housing communities may well function as self-sufficient enclaves in relation to the wider society. In contrast, *civil society housing* (Read 2008; Sørvoll and Bengtsson 2016a) includes some form of commitment in relation to the surrounding society as part of the definition. Thus, whereas all forms of collaborative housing are not civil society housing, all forms of civil society housing are collaborative housing, almost by definition.

#### *Social solidarity*

*Social solidarity* is a key concept in modern society and contemporary sociology. Drawing on Stjernø (2004), Oosterlynck et al. (2016, 765) suggest the following definition of solidarity in classic 19<sup>th</sup> century sociology: "the willingness to share and redistribute material and immaterial resources drawing on feelings of shared fate and group loyalty". However, the exact content of solidarity varies across time and space. Stjernø provides an enlightening typology that may be used to characterize and compare different understandings of solidarity (Stjernø 2004; 2011, 157). Stjernø's typology distinguishes between the boundaries, foundations, goals and degrees of solidarity. The *boundary* of solidarity may be drawn to include a limited group of people, or alternatively to encompass a vast number of people, such as all workers of the world or the entire humankind. The *foundations* of solidarity within a group may for example be self-interest, empathy, altruism or a combination of all three. The *goals* of solidarity may be to preserve harmony, promote specific causes in the public sphere or emancipate a group of people. Finally, *degree* of solidarity means the extent to which collective interests are prioritized over individual concerns (Stjernø 2011).

In this paper, we highlight what Stjernø defines as the *foundations* of *solidarity*, and see e.g. self-interest and altruism as *social mechanisms* that help to build up and uphold solidarity among members of a community. Of course, solidarity based on different such mechanisms may differ also in terms of boundaries, goals and degree, and these aspects may sometimes be seen as dependent or independent variables in relation to the foundational mechanisms. Still, from an analytical perspective the social mechanisms, or "foundations", are fundamental, and they constitute our primary research interest here. Like Stjernø, Oosterlynck et al. (2016, 766) discuss mechanisms of solidarity, but they do so in terms of *sources* of solidarity and suggest "interdependence" ("collective benefits of specialization and social differentiation"), "norms and values", "struggle" (against common enemies) and "encounter" (informal social interaction) as potential sources of solidarity. At the end of the paper, we will discuss the findings from the Danish case in relation to these different mechanisms of solidarity.

### *Solidarity in collaborative housing*

Solidarity is central to the ideals and practices of collaborative housing. A certain level of *internal solidarity* amongst residents is often necessary for collaborative housing associations to function well over time. Residents commonly take part in common work, maintenance of buildings and outdoor areas, and participate in the housing association's democratic decision-making. The norms of sharing, reciprocity and mutual aid of internal solidarity underpin these collaborative activities (Sørvoll and Bengtsson 2016b). However, to use Stjernø's terms, the boundaries, goals and degrees of solidarity differ across collaborative housing models.

In many cases, the boundary of solidarity is narrowly defined; it may only apply to the current members of a housing association or a limited share of them. In some co-operative- and co-housing associations, however, internal solidarity is strong, and sometimes solidarity also includes other groups in society. Environmentalism, community engagement and social activism are features of some co-housing communities (cf. Chiodelli and Baglione 2014; Bresson and Denéfle 2015). The emphasis on goals transcending the immediate concerns of the local community implies at least a modicum of *external solidarity* with outsiders.

### *Social mechanisms*

In this paper, we try to understand the development of solidarity in collaborative housing by studying the social mechanisms that potentially lead to the build-up or decay of solidarity. "Mechanism" is defined in a vast number of ways in the social sciences (cf. Mahoney 2001). Here by "social mechanisms", we mean causally productive and frequently recurring patterns triggered in certain contexts that help explain social phenomena. This definition is close to Elster's (1989) and Bengtsson and Hertting's (2014) conception. Crucial to our understanding is the non-deterministic nature and generalizing ambition inherent in the concept of social mechanism. The term does not imply deterministic causality; actors or structures may prevent or soften effects of mechanisms. Moreover, mechanisms not only help explain single events, but are at least potentially portable to a range of cases (Bengtsson and Hertting 2014).

In consequence, studying the mechanisms of collaborative housing makes it possible to say something general about e.g. internal and external solidarity across types and forms of housing organizations. Collaborative housing (and civil society housing) comes in many forms, from small grass root initiatives to large institutionalized organizations (Sørvoll and Bengtsson 2016b). This would most likely mean that some types of mechanisms are more important, or more visible, in certain forms of collaborative housing than others. Still, the logic of mechanism portability makes it worthwhile to consider whether mechanisms and patterns observed in one form of collaborative housing is also of potential relevance in other forms. Furthermore, over time one form of housing may develop traits of others, e.g. by institutional change or by market growth. This underscores the value of comparing different cases in terms of social mechanisms, making it possible for one form to learn from the successes and failures of other forms of collaborative housing.

In this paper, we reflect on the mechanisms of co-operative housing based on our study of the Danish co-operative housing sector. We argue that solidarity in this form of collaborative housing has been a victim of the mechanism of "conflicting interests between different categories in the housing market". As we return to below, this mechanism may well be portable to other forms of collaborative housing and represent a potential threat to solidarity there as well.

The Danish housing regime is a particularly interesting context for studying mechanisms of solidarity in collaborative housing. The unique Danish social housing sector is based on independent and collectively owned housing associations, with a strong tradition of tenant democracy, cost-based rent levels and government subsidies (Jensen 2013a). Furthermore,

Denmark is often seen as a pioneer in co-housing, and a relative success story in terms of the number of co-housing communities (Larsen 2016). In light of the strong presence of notions of democracy, collaboration and fellowship, Denmark may even be a "most likely case" for identifying and analyzing such mechanisms.

### *Political discourse and empirical material*

Conceptions of solidarity in co-operative housing may be fruitfully analysed as discourses. By "discourse" we mean simply "ways of thinking and speaking/writing about some specific field or part of reality" (Ruonavaara 1996, 90). Moreover, we are inspired by Isabela and Norman Faircloughs' deliberative political discourse analysis. They argue that political discourse is "primarily a form of argumentation [...] involving more specifically *practical* argumentation, argumentation for or against particular ways of acting, argumentation that can ground decision" (Fairclough and Fairclough 2012, 1; see also Kettunen and Ruonavaara 2015). One of the virtues of the Faircloughs' approach is that discourses not only reflect societal or linguistic structures, but also allow some room for actors to promote change and adapt to new circumstances (cf. Phillips and Jørgensen 2002, 17). This approach to discourse analysis is a theoretical lens that helps us reconstruct key actors' responses to challenges to solidarity in the Danish co-operative sector. The Faircloughs' actor-sensitive approach also makes it possible to combine a discourse perspective with the analysis of social mechanisms, which is what we attempt to do in the following analysis.

The article's analysis of the Danish case draws on a comprehensive collection of printed sources, including parliamentary acts and debates of note on co-operative housing between 1980 and 2017. Moreover, we draw on other relevant sources, including government reports, the journal of ABF, the national organization of co-operative housing associations, as well as articles from leading Danish newspapers. These sources were all deemed "fit for public consumption" (Tosh 2010, 98), meaning that they convey information and arguments actors intended to disclose to the world. We do not draw on confidential sources from the archives expressing arguments hidden from the public. This would be a shortcoming if our intention were to uncover the deepest motives of individual action (ibid., 98-99). However, the goal is not to reveal private thoughts or true reasons, it is rather to map key historical changes and explore how actors expressed the

discursive boundaries of solidarity in the public realm in response to the post-millennium challenges.

In general, the article's empirical basis enables us to trace the historical trajectory of co-operative housing, map discursive reactions to key developments, and suggest a social mechanism at work in the Danish case that is potentially portable to the wider field of collaborative housing. Editorials in ABF's journal are the main texts examined in the discourse analysis. We have given priority to these texts since they directly respond to the challenges to solidarity through practical reasoning justifying political attitudes. This means the ABF-editorials are one of the best sources to the discourse of co-operative housing's supporters in Danish society.

A more comprehensive future study could examine how the objects of discourse, such as residents and outsiders wishing to acquire a co-operative home, act and express themselves concerning abstract conceptions of solidarity and tangible conflicts of interest. A study of micro-level interaction and language use could be a useful addition to our theoretical reflections and empirical focus on the discourse of ABF leaders, and the macro-level challenges to external solidarity from residents, politicians and business interests. Micro-level studies could not least say more about the different aspects of solidarity identified by Stjernø (2004), including the foundations, goals, boundaries and degrees of solidarity in large or small co-operative associations (See Bruun 2012, for micro-level anthropological case studies of the life and reflections of residents in Danish co-operative associations).

### **"The idea of co-operative housing" 1980-2000**

In Denmark, co-operative housing is generally considered distinct from owner-occupation and is sometimes referred to as the tenure between homeownership and rental housing (cf. Larsen and Hansen 2015). The tenure is open to all sections of society, and members in co-operative associations on average earn more than tenants and less than homeowners (Erhvervs- og Byggestyrelsen 2006). Moreover, Swedish, Danish and Norwegian co-operative housing share similar legal structures. Residents are not individual freeholders, but own shares and exclusive user-rights to apartments in democratically governed housing associations (Sørvoll 2014). Co-operative housing (*private andelsboliger*) currently accounts for almost eight per cent of the Danish housing stock and around a third of all housing in Copenhagen (Larsen and Hansen

2015). Approximately 4900 co-operative housing associations are currently members of the umbrella organization ABF. This means that residents in around 50 per cent of the co-operative housing stock are connected to the interest group organization (ABF 2017a).

The expansion of the co-operative tenure in Denmark is a relatively new phenomenon. Unlike their counterparts in Sweden and Norway, the Danish Social Democrats did not favour co-operative housing in the first decades after the Second World War. Instead, the Social Democrats and the political majority in Denmark gave priority to self-governed, non-profit companies providing rented housing (cf. Jensen 2013a). From the mid-1970s, however, Danish co-operative housing grew on the back of the twin drivers of political patronage and market-based appeal. A similar process of co-operative expansion based on both consumer popularity and welfare state backing occurred in neighbouring Sweden (Bengtsson 1992).

The political discourse of Danish co-operative housing developed over time in response to specific circumstances and challenges to solidarity. According to Larsen and Hansen, the tenure has “been linked to an underlying if vaguely articulated ‘cooperative ideology’ (*andelstanken*)” (2015, 267). We agree that the Danish discourse associated with co-operative housing is vague, in the sense that it is difficult to find expressions of one coherent co-operative housing ideology. Nevertheless, it is possible to distinguish some general features of the co-operative housing discourse since 1980. According to the leaders of ABF, co-operative housing was autonomous from the state, governed through the democratic participation of members, and characterized by a spirit of community (*fællesskab*) transcending the economic interests of individual members. The emphasis on community reflects that ABF’s discourse promoted both internal and external solidarity, within relatively wide boundaries. ABF leaders’ discourse highlighted that co-operative housing should be an alternative for everyone, not just high-income groups (ABF 1985; 1987; 1995; 2005a; 2017b).

Other actors in Danish society echoed ABF’s discourse. In common parlance, the idea of co-operative housing (*andelstanken*) often means “cooperation, mutuality, sharing and solidarity in a broader sense”, according to Bruun (2012, 7). In the political debate, it has been common to claim that all economic strata should have access to an affordable co-operative home (DP. 2001; 2014-2015). In line with this, the price regulation on co-operative shares was made stricter in the early 1980s (Sørvoll 2014). This legislation legally binds sellers of co-operative shares to act in



accordance with the ideal of external solidarity, sacrificing personal economic gains to ensure cheaper access to co-operative housing for outsiders.

### **Challenges to solidarity**

After the millennium, the external solidarity characterizing Danish co-operative housing was challenged from *above*, the *inside* and the *outside*. In the years of housing boom, the economic interests of current residents were furthered at the expense of outsiders looking to acquire a co-operative home. First, residents who sought to increase the retail value of their shares challenged solidarity from the inside. Second, business interests presented a challenge from the outside for a co-operative sector previously dominated by non-commercial actors, as property investors sometimes aided residents in circumventing the government stipulated price regulation. Third, legislation introduced by the liberal-conservative government of Anders Fogh Rasmussen (2001-2009), as well as subsequent legislative initiatives, challenged solidarity from above.

#### *The challenge from the inside and the outside*

Between 2000 and 2005, some residents collectively sold the property belonging to their co-operative associations. Often investors acted as middlemen and resold the property to a new co-operative association consisting of the same residents. Unlike the sale of individual shares, the collectively owned property of associations was exempt from price regulation. Moreover, residents that established new co-operative associations with the aid of intermediaries could legally demand a higher price for their shares than older associations. This followed from the fact that the law of co-operative housing permitted that the original price of a property could serve as the point of departure for the calculation of maximum rates (BOU 2006; Bunnager 2008).

As we return to below, ABF and the political mainstream viewed both sales of associations and conversions to owner-occupied flats unfavourably. The circumvention of price controls was widely believed to be at odds with the idea of co-operative housing, including the notion of solidarity with people seeking access to the housing market. Thus, the legal loophole, allowing cooperative associations to execute so-called speculative sales, was closed by parliament in June 2005. However, politicians tacitly accepted the predominant way residents revolted against price controls: between the mid-1990s and 2005, the majority of members in many associations voted to increase maximum prices by switching to the method of price

regulation that was usually most beneficial to the sellers of shares (Erhvervs- og Byggestyrelsen 2006). Largely as the result of democratic decisions inside the co-operative associations, the prices of second-hand shares increased by 110 per cent between 2000 and 2005 (Mortensen and Seabrooke 2008). Price increases continued unabated in the two years that followed; by 2007, the government maximum rate was so high that it often exceeded what was possible to obtain in the market (*Jyllands-Posten* 2007).

The actions of residents – the failed and successful attempts to circumvent price regulation and the support for increasing the maximum rates of second-hand shares – must be understood in light of the great housing boom that ended in 2007. In short, their actions were in part an attempt to keep up with the price increases in the owner-occupied sector. Between 1995 and 2007, the price index for freehold flats and single-family housing increased by over two thirds (Statistics Denmark 2017). For members of co-operative associations the gap between market prices and government rates was a problem, particularly for those considering home ownership a realistic option. In fact, many residents regarded their co-operative flat as a stepping-stone to home ownership, and therefore had every economic incentive to vote with their purse (*Politiken* 2007a). A survey of housing preferences in Denmark from 2008 shows that 32 per cent of the residents in the co-operative sector expected to become owner-occupiers within the next five years (Andersen 2011, 189-190).

### *The challenge from above*

Starting from 2001, the Fogh-Rasmussen government sought to push the co-operative sector in the direction of the free market, in line with the general aims of its housing policy. Consequently, government subsidies for new units were gradually abolished, and the economic freedom of residents was increased through financial deregulation (Larsen and Hansen 2015).

Financial deregulation contributed to the price increases in the co-operative sector. Before 2005, most bylaws of co-operative associations stated that shares could not be used as collateral for loans. These bylaws were originally designed to protect residents from creditors. If loans were not connected to shares, residents could not be evicted from their homes and shares could not be seized by financial institutions (Erhvervs- og Boligstyrelsen 2002). However, legislation introduced by the government in 2003 and enacted in February 2005, made it illegal to prevent co-operative members from using their shares as collateral (DP. 2003 L 51).

The law of February 2005 increased the economic incentives for voting for higher maximum prices inside the co-operative associations. Even residents who were not thinking of moving to the owner-occupied sector now clearly stood to gain from price increases. Naturally, the lending power of residents was also boosted by higher maximum prices. After February 2005, the price gap between co-operative apartments and owner-occupied flats decreased. In 2007, the maximum rates in the co-operative sector were even higher than prices on comparable owner-occupied flats in some cases (*Politiken* 2007b).

Financial deregulation and the general goal of marketization aside, the Fogh-Rasmussen government did not push for a wholesale deregulation of co-operative housing. The government supported legislation that prevented residents from making “speculative sales”, upheld price regulation, and made it punishable to demand money under the table exceeding the government maximum price (DP. 2005 L117; 2005 L173). It was not until March 2015 the Liberal and Conservative parties united behind a parliamentary proposal calling for market prices in the co-operative sector (DP. 2014-2015 B112). This proposal was, however, not accepted by the political majority and eventually withdrawn by the two parties in question.

Nevertheless, the push for deregulation from above continued unabated. In 2016, the Liberal Alliance, a medium sized liberalist party, proposed to make it legal to convert co-operative associations to owner-occupied flats. If the proposal becomes law, residents may legally circumvent price regulations simply by transforming their co-operative associations to individual pieces of real estate. At the time of writing, the wisdom of the proposal is considered by a government policy commission (*Berlingske Business* 2016).

### **The shifting boundaries of solidarity – political discourse in response to challenges**

After the millennium, ABF were caught in the middle between the economic interests of members and the ideal of external solidarity with outsiders. Even though the organization understood the economic concerns of residents, ABF leader Hans Erik Lund underlined that co-operative housing was supposed to be accessible for people with middling incomes. Thus, he defended price regulations and the government’s legislative response to the profitable or “speculative” sales of co-operative associations in 2005. This was made clear in an editorial in ABF’s journal:

ABF will of course not close our eyes to the problems that exist on the housing market, and that for instance make some shareholders consider their co-operative home more as a yoke than a cheap dwelling. But we must also remember to see co-operative housing in a broader perspective. If we allow speculation that gives shareholders the opportunity to circumvent maximum prices, we may well solve an acute problem for those living in low-cost co-operative housing they would like to move away from. But that would be a one-time windfall only the fortuitously lucky would benefit from. It would not solve the housing problem for those who as yet have not been lucky enough to acquire housing they can afford. On the contrary, it will mean that the supply of reasonably priced co-operative housing becomes even smaller – with the result that it will become even harder for people on middling incomes to acquire housing in Copenhagen and other attractive areas (ABF 2005b).<sup>1</sup>

In this editorial, Lund defends what we call external solidarity with outsiders. He clearly argues that the goal of securing access to housing for ordinary wage earners overrides the economic interests of individual co-op members. In Stjernø's terms, Lund expresses solidarity that has *wide boundaries* and asks members to sacrifice personal interests *to a certain degree*. Moreover, the discourse of the ABF leader – to some extent – opposed the challenges to solidarity from above, the inside and the outside.

In the pages of ABF's journal, we also find other examples in which the organization's leadership expresses solidarity with outsiders. When the Liberals and Conservatives proposed to abolish price regulation on co-operative shares in 2015, ABF opposed the legislation partly on the grounds that it would make it "even harder for first-time buyers, young people or others with low incomes to gain access to the market for co-operative housing" (ABF 2015). Moreover, ABF leader Lund expressed concern for the consequences of the Liberals' and Conservatives' proposal in terms of socio-economic segregation in Danish cities. He opined that ABF strived for co-operative housing that was "accessible also for people with middling and low incomes, so that we do not end up with respectively rich and poor neighbourhoods in our cities" (ibid.). ABF's current program of aims and principles echoes these sentiments. According to the program, co-

operative housing is not an object of economic speculation, but a form of affordable housing in principle accessible for all (ABF 2017b).

On the other hand, the discourse of ABF also gave concessions to the economic interests of the current residents of co-operative associations. According to Lund, the legal price increases after the millennium were not at odds with the *idea of co-operative housing* (ABF 2006a). In an editorial published in 2007, Lund expressed himself in the following manner:

In ABF, we do not support the skyrocketing prices for co-operative shares and economic speculation, but we see nothing wrong with the adjustment of prices in parallel with price increases in the rest of the housing market. The idea of co-operative housing means first and foremost communal management and together creating a value, that can be both economic and social, and that benefits everyone in the association in a democratic fashion (ABF 2007a).

In this editorial, the interests of outsiders are not emphasised, suggesting narrower boundaries and degrees of solidarity than the editorial from 2005 quoted above. The focus is on “everyone in the association”, meaning current residents, and not on middle- and low-income households looking to access the co-operative sector. Moreover, Lund does not ask residents to sacrifice their own economic interests for outsiders or the greater good.

Lund’s editorial must be seen in the context of the public debate at the time. In some newspaper articles, it was discussed if the price increases of recent years meant the death of the original idea of co-operative housing (cf. *Politiken* 2007c). In response, Lund and ABF stressed that the idea was far from dead and that co-operative housing still stood apart from individual forms of ownership. According to Lund, co-operative housing was to a higher extent characterized by “soft values” (*bløde verdier*), such as resident democracy (*beboerdemokrati*), community (*fællesskab*) and well-being (*trivsel*) (ABF 2006b; 2007a; 2007b). The emphasis on the “soft values” of co-operative associations meant a defence in terms of internal solidarity and the common benefits of *members*. The economic realities of the housing market and the external solidarity with outsiders, was not included in this concept of “soft values”.

The discourse of the politicians on the Danish left and centre-left shares many similarities with the statements of ABF. Like ABF, politicians condemned “speculative sales” of

associations, opposed conversions to owner-occupied flats, and supported price regulation. For instance, the minister responsible for housing, Social Democrat Carsten Hansen, opposed the Liberal and Conservative call for market prices in the co-operative sector in 2015:

[...] an abolishment of maximum prices will give current shareholders the opportunity to acquire capital gains when selling – that is not to be overlooked. To me it is, however, not a good enough reason, the drawbacks are much, much too great. It will become more difficult, it will become more expensive for new share-buyers to gain access to the housing market, and the benefits will come only once, namely for shareholders looking to sell right now, and what will remain is a much more expensive market for co-operative housing (DP. 2014-2015).

Here Hansen expresses support for the outsiders to the co-operative associations, in accord with the concept of (external) solidarity with wide *boundaries*. On the other hand, politicians generally stopped short of condemning price increases within legal limits, indicating that they at least tacitly accepted the legitimacy of the individual economic interests of residents in co-operative associations.

In our view, the development between 2000 and 2017 illustrates the limits of solidarity within Danish co-operative housing. The economic interests of residents were clearly furthered at the expense of outsiders. Some aspects of the institutional framework of the housing sector – the legal right to increase maximum prices and the new incentives created by financial deregulation – enabled residents to break free from the shackles of external solidarity with outsiders. Even though ABF and some politicians highlighted the interests of middle- and low-income households, and thus expressed external solidarity *to a certain degree*, they accepted this development with relatively little pause. In brief, there were limits to their resistance to the ongoing transformation of co-operative housing and their defence of external solidarity with non-members. (See Mortensen and Seabrooke 20008 and Larsen and Hansen 2015, for similar but not identical interpretations of the development of Danish co-operative housing.)

### **The mechanism of conflicting interests**

The triumph of the economic interests of residents over the goal of external solidarity with outsiders is no isolated Danish phenomena. Some decades earlier, a similar development occurred in the Swedish and Norwegian co-operative housing sectors (Sørvoll and Bengtsson 2016b). Apparently, the cherished Danish idea of co-operative housing did not function as much of an ideological counterweight in the end.

In Sweden, price regulation on co-operative shares was abolished as early as 1968. Pressure from the residents in the co-operative sector was not the sole, and perhaps not even the most important, driver behind this decision. However, the attitudes of co-op members influenced the Swedish co-operative organizations to back the removal of price controls. Moreover, membership opinion contributed to making it unrealistic to reintroduce maximum prices in the Swedish co-operative sector after 1968, even though this was discussed several times during the 1980s (Sørvoll and Bengtsson 2016a).

In Norway, price controls in the co-operative sector were *de facto* abolished during the course of the 1980s. Here pressure from co-operative associations was undoubtedly a major driver of deregulation. Much like in Denmark 25 years later, some associations terminated and converted to owner-occupied flats to circumvent price regulations in the 1970s. Furthermore, some residents joined a political action group calling for higher maximum prices, and studies indicate that the Conservative Party attracted voters due to their opposition to the highly contested regulations in the co-operative sector (Sørvoll 2014).

The common trajectory of co-operative housing in Denmark, Sweden and Norway – namely the gradual advancement of the economic interests of residents and the decline of the practical consequences and ideological commitment to external solidarity – suggests an explanation by general mechanism. Drawing on Sørvoll and Bengtsson (2016a), we argue that there is a general mechanism of ”conflicting interests between different categories in the housing market” in co-operative associations based on individual (home) ownership of shares and user-rights to apartments. The economic interest of residents is inherently in conflict with the interest of outsiders – whether members of co-operative organizations or not – looking to access a cheap dwelling in the future.

Both theory and history suggest that we should expect the mechanism of ”conflicting interests” to support individual residents’ economic interests. First, it is striking that no social movement, housing organization or political party in Sweden, Norway or Denmark, managed to

defend the interests of middle- and low-income groups in the co-operative sector more successfully. This is surely no coincidence. The main Scandinavian co-operative organizations' membership – HSB in Sweden, NBBL in Norway and ABF in Denmark – wholly or in part consisted of co-operative associations and their residents. As democratic organizations, they could not neglect the economic concerns of residents. Unlike the organizations in the rental sector in Sweden and Denmark, the Scandinavian co-operative organizations have been ineffective or unwilling to oppose deregulation and price increases unambiguously (Jensen 2013b, makes a similar but not identical argument.) Consider the way ABF and Lund were caught in the middle between the interests of residents and outsiders. Would it have been feasible for ABF to defend external solidarity with outsiders more wholeheartedly, when co-operative associations made up 100 per cent of the organization's membership? We strongly doubt it.

Second, theoretical arguments inspired by the political scientists Pierson and Tranøy underscore why it is likely that residents triumph in a situation with "conflicting interests between different categories in the housing market" (Pierson 1996; Tranøy 2000). Market prices represent a concentrated, tangible and easy to grasp advantage for the well-defined group of residents in the co-operative sector, whereas regulated entry prices is a potential benefit for a huge number of future residents, who in all likelihood do not even identify themselves as a group with collective interests (Sørvoll and Bengtsson 2016a). Crucially, in all three Scandinavian countries outsiders failed to mobilize politically in defence of their objective interest in affordable co-operative housing.

Our theoretical and historical arguments provides at least a partial answer to a conundrum: Why did co-operative housing in Denmark -- a society with a strong tradition of collaboration, participatory democracy, welfare state commitment and non-profit ethos in the housing sector (cf. Larsen 2016; Hansen and Langergaard 2017; Alves 2017) -- experience marketization and privatisation after the millennium? A comparative glance at the rented sector should further clarify the answer to this question. Even though Danish social rented housing has been characterized by marketization in recent years (Hansen and Langergaard 2017), it is striking that the Fogh-Rasmussen government's privatization agenda in the years after 2001 largely failed in the non-profit sector. Significantly, a collective actor – namely the organization of independent housing companies (*BL, Boligselskabernes Landsforening*) – successfully contributed to defeating a Danish version of right-to-buy. According to Danish law, the housing companies are



the legal owners of apartments in the non-profit sector, a collective judicial framework that made it difficult for the government to sell apartments directly to tenants. Thus, the collective ownership structure was a major obstacle to privatisation (Jensen 2013a; b), a structure that did not exist to the same extent in co-operative housing. Unlike ABF, the organization of housing companies did not have to deal with the tangible economic interests of co-operative homeowners. In light of this, defenders of social rented housing may use the Danish case as an example of the relative instability of co-operative housing as an instrument of housing policy.

### **Mechanisms of solidarity in collaborative housing – theoretical reflections**

The Danish case also offers a point of departure for some reflections on the general mechanisms of solidarity in collaborative housing in relation to the conceptual suggestions by Stjernø and Oosterlynck et al. As mentioned, according to Stjernø, the "foundations" of solidarity may be self-interest, altruism, empathy, interaction or a combination of different drivers (cf. Stjernø 2011, 157, 161, 169). Moreover Oosterlynck et al. suggest interdependence, norms and values, struggle and encounter as "sources of solidarity" (cf. above). We regard both Stjernø's foundations and Oosterlynck et al.'s sources as possible *mechanisms* of solidarity in collaborative housing, and discuss them on the basis of our empirical study of the Danish case.

In our discussion we see "self-interest" and Oosterlynck et al.'s "interdependence" as one type of mechanism related to and emphasizing instrumental and self-oriented drivers of solidarity and collaboration. Further, we put together "altruism" and Oosterlynck et al.'s "norms and values" to one type of mechanism emphasizing others-directed drivers of solidarity. Whereas these two types of mechanisms are in principle *individual*, a third, more procedural, type has to do with the *relations between actors and actors' preferences* in creating solidarity (Stjernø's "empathy" and Oosterlynck et al.'s "encounter"). Finally, Oosterlynck et al.'s "struggle" (against a common enemy) is of a somewhat different character; it could e.g. be understood as one of several factors behind instrumental solidarity based on interdependence and self-interest, or as strengthening altruistic norms and values in other-directed solidarity.

The main candidate for a mechanism favouring *internal solidarity* is self-interest and interdependence, perhaps in combination with some procedural mechanism to enforce feelings of shared fate and group loyalty. This type of instrumental drivers of solidarity should be less efficient on the external societal level, where interdependencies are typically more complex and

difficult to perceive by all involved. Moreover, although objectively interdependencies may be just as strong, we expect the procedural mechanisms to be weaker with less dense interaction.

Furthermore, we expect reciprocity between members and non-members to be less obvious on the societal level than between members of a small collaborative housing unit. This suggests that self-interest and interdependence are weak foundations of external solidarity in collaborative housing. Moreover, external solidarity may be seen as what Onora O’Neill has labelled solidarity *with* a group of people as opposed to solidarity *among* a group of people (Miller 2017, 62). Arguably, this makes altruism, and not self-interest or interdependence, the main source of external solidarity.

However, as pointed out by Hatak, Lang and Roessl (2016, 1232–1234), external community orientation may be based on so-called *generalized reciprocity*, e.g. in response to perceived or anticipated actions of societal support. There are obvious elements of external solidarity based on such generalized reciprocity in the Danish ”idea of co-operative housing”, and even more so in the early history of co-operative housing in the Scandinavian countries, when generalized solidarity was sometimes flavoured with elements of ”struggle” against a common enemy in the form of a capitalist private housing market.

Generalized reciprocity may be understood as one source of what Stjernø calls altruism and what Oosterlynck et al. call norms and values, but these mechanisms may also be rooted in other types of perceptions and motivations. Such other-directed mechanisms may have a role to play for internal solidarity, but they are absolutely essential to external solidarity. Thus, the development of Danish co-operative housing after the millennium towards members’ individual and group interests and away from external societal solidarity may be seen as an illustration of the overriding strength of self-interest and interdependence as foundations of solidarity compared with altruism and norms. In the Danish case, self-interest and altruism collided and the former triumphed. Whereas internal solidarity has several, more or less stable, foundations, external solidarity seems to rest on wobbly pillars.

### **Concluding reflections: general mechanisms of collaborative housing?**

In this article, we have analysed the trajectory of Danish co-operative housing in light of theoretical conceptions about social mechanisms of solidarity in collaborative housing. We have discussed mechanisms of solidarity based on instrumental reciprocity, other-directed altruism and

social norms, and relations between actors. Although there is much to speak for some combination of reciprocity and altruism, other-directed drivers seem to be essential to external solidarity. Our theoretical reflections should be relevant for researchers studying internal and external solidarity in other forms of collaborative housing. One way forward could be empirical studies of attitudes and actions of individual members of collaborative housing units. This would be a micro-level analysis of solidarity, as opposed to our focus on the discourse of ABF leaders and the macro-level relationship between insiders and outsiders in the co-operative sector.

Somewhat paradoxically, the Danish case suggests that altruism may be a shaky foundation for external solidarity – even though it may be the most common mechanism of solidarity of this kind. Moreover, the historical development of co-operative housing in all three Scandinavian countries indicates that *co-operative housing sectors* based on individual (home) ownership of shares and user-rights to apartments, are susceptible to the mechanism of “conflicting interests between different categories in the housing market”. More generally, the empirical and theoretical arguments of our paper suggest that *all types of collaborative housing associations*, particularly if they are based on some form of home ownership, may be vulnerable to the mechanism of “conflicting interests” and the triumph of the economic interests of residents over external solidarity with outsiders. For instance, as buildings grow older and new people move into co-housing projects, the original harmony may make way for conflicts around common work, maintenance and the financing of refurbishment (Sørvoll and Bengtsson 2016b). However, empirical research may uncover specific mechanisms or housing communities organized in a way that counteracts “conflicting interests” in collaborative housing.

The Janus face of many housing communities – one-half solidarity and one-half home-owning individualism – could be what attracts researchers to collaborative housing in the future. For instance, it would be interesting to explore the response of Danish co-housing units based on the co-operative tenure to the challenges to the sector after the millennium. Interestingly, subsidies introduced in 1981 sparked a new wave of co-housing in Denmark based on the co-operative tenure (Larsen 2016). A study of these co-housing units may possibly modify our conclusion about the strength of self-interest in situations of conflict between individual economic aspirations and external solidarity.

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