Reflections: Lectio praecursoria

Gentrification in a welfare state: the case of Helsinki

KEVIN DRAIN

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In this lectio, presented on May 4th 2024 at the University of Helsinki, I describe my journey to writing a doctoral monograph, including the challenges in studying a complex phenomenon like gentrification. Finland's robust welfare state includes subsidized housing and housing allowances available to lower-income residents, while local policies in Helsinki have long sought to mix tenures, and together these policies have helped prevent the residential displacement and inequality which characterize gentrification processes in many settings. In this sense, classic residential gentrification has been largely absent, and where these policies have been in effect, low-income populations have remained and even increased in central neighborhoods. Yet other aspects of gentrification have flourished in recent years, driven by local and international media and enabled by planners and politicians pursuing a 'vibrant' urban core and an internationally competitive food scene. My research reveals a paradox of welfare and planning in the context of Helsinki, in which some forms of gentrification have been held at bay while others flourish. In Finland, where gentrification remains absent from public policy and planning discourses, the historical success at preventing classic gentrification has been unintentional, and is unlikely to remain as the strength of housing policy erodes while planning for international competitiveness prevails.

Keywords: gentrification, welfare, planning, housing, Finland, Helsinki

Kevin Drain (https://orcid.org/0000-0002-5997-047X), Department of Built Environment, Aalto University, Finland. E-Mail: kevin.1.drain@aalto.fi

Honored Custos, honored Opponent, members of the audience.

Early in my doctoral studies I had formed a research question around the topic of what gentrification looked like in Helsinki. I worked for months, with the help of undergrad and graduate students, to document evidence of gentrification on a particular street in a particular neighborhood in Helsinki. Through interviews with locals and shopkeepers, observations of people and businesses, I believed we had captured the essence of what made this street a gentrifying street. After all, both the street and the neighborhood were well known to be gentrifying. I then wrote was a very rough draft of a paper with what I claimed was the evidence that this was, indeed, gentrification, and this was important, I believed, because at the time there was very little academic discussion of gentrification in Finland.

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At the seminar where I would share my findings, we had a guest visitor who read our papers in advance that week, an esteemed scholar from the States who had written about gentrification in his own work. As he began to comment on my paper, it was clear that he was unimpressed. He explained that gentrification is a process of change over time, and you cannot just point out what is visible at a single moment and call it gentrification. What I had presented, he was telling me, was merely a snapshot.

As I realized the challenges of documenting gentrification, there was something else I had to figure out first before I could do any serious study: how to even define gentrification. There are plenty of good definitions out there, but none seemed to capture what was going on in Helsinki, something that had been happening long before I arrived. Others had certainly written about gentrification in Helsinki, and while for many years this was limited to a handful of studies or even just mentions of the topic, I tried to build from these works whenever possible. But gentrification had not really been well defined in the context of Helsinki. In some of these works, usually the word was used less as a declaration, more as a loose description. Others did make declarations, saying there is no gentrification here. Or at least not the kind anyone should be worried about. But most people around town seemed to agree that gentrification was happening, or happened long ago, or had been slowly happening for many years. In fact, among everyday residents, there were at least two parts of Helsinki that seemed to easily come up in conversation, as if it were obvious to anyone who had spent enough time in the city. This was the state of the debate on gentrification when I began my studies: Everyone knew where it was happening, but it was not *really* happening, and if it was happening, it was happening in a way that everyone seemed to kind of know what you were talking about, but maybe not the way you would see it in New York. So, I had my snapshot, but I was stumped.

Well, what is gentrification? How do we define it? The word gentrification was first introduced by British sociologist Glass (1964) in the early 1960s, and described a specific process of neighborhood change she observed in London — the renovation of homes in working-class neighborhoods by progressively wealthier residents (the gentry of gentrification, or those we might call gentrifiers). This narrow idea of gentrification has since grown to include different types of housing stock, renovation is no longer seen as a prerequisite, and it is understood that other types of newcomers who may not be wealthy have the power to transform neighborhoods, too. In this dissertation. I use the term 'classic gentrification' to refer to all aspects of the process as they relate to housing and those who occupy it.

Thanks to generations of activists and scholars, today gentrification of any kind is widely understood to be detrimental to individuals and communities. We now understand a multitude of ways the process can dispossess — directly, indirectly, symbolically — as neighborhoods transform. But this has not always been the case — we have been made to believe that most neighborhood improvements are essentially good. In many cities, finding innovative ways to stimulate growth and commerce has been on the agenda of policymakers since industrial decline in the 1960s and 1970s left many inner cities in rough shape. In the United States, media and real estate voices frequently praised gentrification and gentrifiers, branding them as pioneers taming the wild urban frontier. The arrival of wealthier residents brought services and safety to neglected areas, ushering in a re-opening of city to the middle classes, eager to consume urban amenities in spaces that were once off-limits. For city leaders, the wealthy tax base and good press was seen as a miracle cure for urban blight. At the same time, the grittiness of working-class neighborhoods and industrial spaces lent itself easily to branding around notions of authenticity, urban spaces once passed over now in demand.

While some of this relates to housing, clearly there is much more going on. In this work, I use the term 'general gentrification', to include everything else, and this phrasing can be traced to Neil Smith about 30 years ago. What Smith (1996) argued was that discussing changes in housing markets alone was no longer enough to capture the scope and magnitude of gentrification. He described gentrification as "the class remake of the central urban landscape" with residential aspects simply the leading edge (*ibid*., 37). Urban leaders and policymakers had realized that the emerging consumption landscapes of the central city could attract capital in the same way as residential upgrading, and in fact they were almost inseparable. Smith used the term 'gentrification generalized' to refer to this seemingly all-encompassing process, which he framed as a "global urban strategy" (Smith 2006, 191).

Many of the changes associated with general gentrification relate to retail shopping, dining, and other amenities. As neighborhoods gentrify, their consumption landscapes tend to reflect the tastes of

wealthier shoppers. Gentrifying shopping streets offer consumers who value certain types of food, drinks and objects a chance to practice cultural 'distinction' (Bourdieu 1984). When shops and restaurants in an area change over time to accommodate these consumers, at the expense of businesses that serve working-class or lower income residents, this can be called 'retail gentrification'. My honored opponent, Professor Philip Hubbard, has argued that retail gentrification be taken seriously as its own field of study (Hubbard 2018). Similarly, others have argued that 'tourism gentrification' be considered as visitors arrive to gentrifying neighborhoods in search of particular consumption options and ambiance, or that food consumption in particular should be seen as central in all of this (Cocola-Gant 2018; Joassart-Marcelli 2021). We often find local media celebrating retail gentrification, as with the arrival of new restaurants. Some parts of cities may receive international media attention, broadcasting a new landscape to a global audience of tourists. All of these aspects of gentrification can happen with or without changes in housing markets, though they often overlap.

I did not understand all of this early on. I had no framework with which to study residential gentrification, no way to separate it conceptually from the rest of what seemed to be happening in Helsinki. Retail gentrification, on the other hand, seemed such an obvious thing to observe, but was difficult to capture. Around the time of that early seminar, I was walking around Helsinki with a colleague who asked me why retail gentrification was so interesting to me. I motioned up towards apartments above street level, and said, "if someone's rent goes up between now and next month, and they had to move out, we would probably never know". Then, motioning to a storefront window we were passing, I said "but if this shop closed and something different opened here — especially something trendy or expensive — it would be obvious to everyone". I would soon understand that this was a bit of an oversimplification. Businesses change all the time, but it's not always gentrification, right? What types of businesses count? Many stores and restaurants seem to emanate a universal code of the gentrifier's taste, down to their choice of logo, design features, or menus, but this code is difficult to define, and trends, too are subject to change. What may be the mark of the gentrifier one year could be mainstream the next. It is perhaps not unique to Helsinki that gentrification can somehow be both obvious and elusive, clearly happening but difficult to capture empirically, a process that occurs over time and relates to many things.

And while I had set out to construct a chronology or typology of Helsinki's gentrification, I eventually arrived at a bigger question: How does gentrification happen in a welfare state? After all, Finland is outstanding in many international rankings — low inequality, low crime, high trust in institutions, and so forth. The mechanisms of Finland's welfare state are largely the foundation of this success. This, I believed, would offer the context needed to make sense of the question at hand. The outstanding public welfare found in Finland must have some influence, one would suspect, on a process like gentrification.

The question was not just how does gentrification happen in a welfare state — as in what form does it take, how does it unfold—but how on earth does it happen *here*? Should the welfare state not prevent it somehow? Of the gentrification that we can observe here — whatever form it takes — does the welfare context have something to do with how it does or does not appear?

That seminar where I presented that first paper was over 10 years ago. Over time, I kept collecting more snapshots, walking the same streets, observing, recording. I also began following media accounts of gentrifying areas, and soon found myself sifting through public records related to planning and development in parts of Helsinki. I learned about housing policies, too. Housing may be low priority among all of Finland's welfare mechanisms, but there are interventions nonetheless, and we know from other welfare contexts that once something like rent control or subsidizes housing is taken away, gentrification often follows. As I did my best to collect a *series* of snapshots, I tried to compose these images from different perspectives, sometimes zoomed in, sometimes taking in a wider context.

By seeking the welfare context of gentrification, I was asking a much bigger question, but stepping back from the details offered a path forward: I would need to include my focus on retail change under a wider umbrella of general gentrification, and I would find a way to treat classic, residential gentrification separately. I would look at residential gentrification alongside housing policies, and general gentrification alongside Helsinki's local planning.

This first half of my results is based on a logic of counts and spatial units, and how they relate to each other across time. One aim is to isolate different areas of Helsinki, with different characteristics of history, housing stock and population, and compare them among a variety of statistical indicators associated with gentrification, at the same time asking which housing policies are in effect in these different conditions. This part of the thesis begins at the scale of the district but zooms in, moving across decades, introducing additional variables to examine along the way. In doing so, I reveal which housing policies seem to work and under which conditions to offset the worst effects of gentrification.

One of the main findings of this dissertation is how well subsidized housing units, where they exist, offset any statistical indicators of gentrification, such as clusters of high-income residents. Housing allowances, on the other hand, which are direct payments to eligible recipients, can be used in either these subsidized units, or more often, in the private rental market. Another finding is that this private rental sector is well subsidized by these allowances throughout the city, and areas with a larger private rental sector are also spared from the typical indicators of classic gentrification. While these are state-level programs, a local policy called social mixing has historically ensured that any new housing developments contain some subsidized units. Where this deliberate mixing of renters with owners has occurred at a significant scale, we also do not see indicators of classic gentrification. However, we do see these indicators elsewhere, in parts of the city that have not developed within the reach of these policies, in places where there is a limited rental sector, and therefore limited housing allowances; in places where very little subsidized housing has been built, or in areas where new construction has been limited since these policies came into place. Another finding relates to areas with concentrations of very small homes, which seem to work together with the system of housing allowances to prevent an influx of higher-income residents. In sum, part one of this dissertation reveals a system of state and local interventions that have worked quite well to prevent classic gentrification. But there is a catch—trends are beginning to change, the wealthy relocating to areas once thought off limits, and what has worked so far may not continue to work. Part of this is because the success of these policies in preventing classic gentrification has been largely incidental or accidental, as these policies are not targeted at gentrification, and the term does not exist at all in policy language.

General gentrification and local planning are the subject of the second half of the dissertation, which takes a qualitative approach. Here, general gentrification is meant to encompass all aspects of the process not explicitly related to housing, such as retail changes, symbolic changes, those which result in the displacement not of low incomes but of lifestyles and communities, of affordable shopping and dining options, of late-night activities or spaces of difference. The aim of these chapters is first to identify this generalized gentrification happening in Helsinki, but also to find the role of Helsinki's local planning regime in somehow mediating it. Like the larger state welfare context, we might assume the role of city government to have the best interest of the worst off in mind, to guide development in a way that might prevent gentrification from proliferating the way it does in non-welfare contexts. From urban renewal projects to marketing campaigns and long-term strategies, it is possible to identify a role of local government in places that have been associated with gentrification.

And while the City of Helsinki is exemplary in many ways, the circumstances described in these chapters reveal a local planning discourse that does not *always* elevate welfare. Rather, commercial success, tourism, and international competitiveness have emerged as the primary motivation for renewal projects. These priorities are clearly discussed in various planning documents or in public meetings, though press releases and more public-facing documents frame visions for the City in a language of urban 'vibrancy' and 'sustainability'. Outside of planning, City and state firms both engage in direct marketing to visitors, branding specific neighborhoods and streets in the familiar language of gentrification found in media reports.

All of this relates to, and enhances, the types of changes associated with general gentrification — an upgraded dining scene, increasingly expensive; the promotion to tourists of specific neighborhoods already under threat of gentrification; and an expanding pedestrian street network that we are convinced is a sustainable leap but is motivated by commerce and marketability, of connecting gentrified retail landscapes and attracting more visitors (and ultimately, perhaps, wealthier residents).

This is not to say that the City of Helsinki has not made great strides in sustainability elsewhere. But gentrification, while unnamed in the city's planning discourse, is not unknown, and is stoked and

leveraged. In this way, Helsinki's approach to gentrification is hardly different from countless American cities', and the circumstances I describe in the dissertation will be familiar to those who follow the topic.

Ultimately, the finding of this work is a paradox of the welfare state and urban planning — one works to prevent classic gentrification, the other promotes general gentrification. I offer a warning that the balance of preventing classic gentrification is in jeopardy by the latter. My hope is that this dissertation will lead to a local policy debate about gentrification. As long as it goes unnamed, it will continue to branded as something necessary, something green, something altogether harmless.

Honored Opponent, Professor Philip Hubbard, I now call upon you to present your critical comments on my dissertation.

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