

International cities: case studies

Malmö

Introduction

Malmö is located in southern Sweden, in the Skåne region close to Denmark. It is the third largest city in Sweden and has a growing population; there were 300,000 residents in 2011 and by late 2013 the population exceeded 312,000 residents. Migration has played a large part in recent growth, with around a third of the population born outside Sweden, with the largest groups from Iraq, the former Yugoslavia, Poland and Denmark, but with around 170 different nationalities represented. In 2013 22% of Malmö residents were below 20 year of age (Malmö City Office, 2014). The city has lower employment rates and higher welfare dependency than most of Sweden, and the highest level of child poverty among Swedish municipalities. There is strong socio-economic segregation.

Malmö forms a key part of the Öresund region: a functional area including Malmö and other cities in the region and Greater Copenhagen linked by the Öresund Bridge which opened in 2000. The Öresund region had a population of 3.8 million in 2011 and is the largest labour market in the Nordic countries. Malmö residents can travel easily to Copenhagen, with around 8,000 people commuting to work there on a daily basis (although the imposition of border controls at the start of 2016 in an attempt to reduce the number of immigrants arriving in Sweden has extended journey times).

Malmö may be characterised as a previously prosperous industrial city which underwent industrial decline, but has managed to change its identity to become one of the fastest growing cities in Europe. In the 1960s and into the early 1970s Malmö was a major industrial city, with a particular reliance on ship-building and textiles. There was immigration in the 1950s and 1960s to support these industries. Employment in these sectors declined markedly in the 1970s and 1980s, during which period the population declined by 35,000. There were further job losses in the early 1990s and unemployment rose (at a time when Sweden – an particularly Malmö – received a significant number of refugees from the former Yugoslavia). From the mid-1990s the city has seen a transition to a post-industrial economy, with the establishment of Malmö University, and the transformation of former industrial areas in the western parts of the harbor to areas of environmentally sustainable residential, office and commercial buildings, together with the construction of the Öresund Bridge. The largest sectors of the local economy are logistics, retail and wholesale trade, construction and property (Malmö Stad, 2016).

Governance

Sweden is typically characterised as having a Nordic / Social Democratic welfare regime, characterised by state provision of relatively generous benefits (based on previous income) financed through taxes, but administered largely by trade unions involved in a strong centralised collective bargaining system with employers. However, since the 1980s the key pillars of centralism, universalism, social intervention and consensus which underpinned the Swedish welfare model of the immediate post World War II period have come under increasing attack and in the 2000s there has been a move towards individual activation in a move from 'welfare' to 'workfare'. Nevertheless, compared with the UK there are high levels of tax in Sweden. Gender equality has been a central element in policy and there low cost / free pre-school childcare provision.

Public administration in Sweden has three levels: central, regional and local. National legislation sets overarching goals but local governments have a great deal of freedom in deciding how to achieve these goals (Montin, 2011). The principle of local self-government is guaranteed in the Swedish constitution. Services provided by local authorities are financed from taxes: local councils determine

the level of the municipality component of the income tax.¹⁷ In Malmö councillors are directly elected every four years from party lists. The Social Democratic Party is the largest party in Malmö, although (since 2014) the 61 members of the Council have represented seven different parties. The Council appoints the city's Executive Committee (Board) and eight governing commissioners. The head of the city is the Chair of the Board or 'Mayor'.

Since Sweden joined the EU in 1995, the regional level has become an increasingly important level of governance. There is a directly elected regional assembly in the Skåne region where Malmö is the largest of the municipalities.

Within the context of Sweden's 'decentralised and uniform welfare state' employment policies have become more centralised over time. However, within the national framework regional and local government plays an important role in deciding how to meet national goals and in collaborating locally to provide services for the unemployed.

Equitable education is a fundamental part of Swedish society. Equity has three aspects: (1) equal access to education; (2) equal quality of education; and (3) education should compensate for social inequalities. For immigrants there is a particular emphasis on language education and tailored skills development, taking into account prior learning. More generally there is particular emphasis on raising qualification levels as a route to better employment. Education in Sweden is free.

Skills development is an activity for government at all levels, but with particular emphasis at local and regional levels. Regional and local co-ordination takes place around regional planning frameworks. Local authorities are increasingly important as actors in economic development policy, since this is a policy area that is not as closely regulated as welfare policy, which means that public-private partnerships and informal policy networks may also play a role.

Strategy, Vision and Leadership

The local council – the mayor and the executive board has been credited as central to 'turning around' the city. An important element of this success has been 'devolving' power to district leadership within the city (Hambleton, 2015).

The first integrated local development strategy in Malmö (*Vision 2015*) was prompted by socio-economic crisis in the mid-1990s following major job losses. It provided a vision statement of how the city might look in 2015. The strategy set out business, environment, city-builders', cultural, social and youth visions to help guide the city's revitalisation. It capitalised on opportunities provided by EU membership, locational advantages, a tax equalising system between municipalities (which contributed to filling budget gaps), establishment of a local university and construction of a city tunnel and the Öresund Bridge to facilitate movement and communication. The strategy was part of a broader renegotiation of local and national level responsibilities regarding the labour market, skills- training and social assistance (Bevelander and Broomé, 2012).

Inspired by the World Health Organisation Commission on the Social Determinants of Health 'Closing the Gap in a Generation'¹⁸, in 2010 a *Commission for a Socially Sustainable Malmö* was established involving the research community, the voluntary sector, the City of Malmö, the business sector, and

regional and national stakeholders to suggest objectives and actions to reduce inequities in health by making the social determinants of health more equitable. The Commission was guided by:

- an ethical perspective: that it is deeply immoral not to take immediate steps to reduce health inequities when the causes are known and can be targeted using reasonable efforts;
- a sustainability perspective: explaining how the ecological, economic and social aspects of sustainability must be developed as a whole;
- a sociological society perspective – placing importance on integration (including participation);
- a gender perspective: a deeper understanding of women's and men's inequitable access to power, resources and influence in society (which affects health, well-being and quality of life); and

- a social investment perspective: seeing social interventions and initiatives as investments, not as costs. Investments in people, particularly during childhood, lead to investments in the long term.

The Commission's final report in 2013 had two overarching recommendations:

- that the City establish a social investment policy that can reduce differences in living conditions and make societal systems more equitable;¹⁹ and
- to change processes by creating knowledge alliances (defined to include informal and 'unquantifiable' knowledge alongside formal and quantifiable knowledge) and democratized management, together with continuous monitoring of how inequality and segregation develop in Malmö.

The Commission set out 24 objectives and 72 actions, divided into six domains: (1) everyday conditions during childhood and adolescence; (2) residential environment and urban planning; (3) education; (4) income and work; (5) health care; and (6) transformed processes for sustainable development. The Malmö Commission advocates the principle of proportionate universalism – i.e. action should be 'universal, but adapted, both in scope and design, to those most in need'.

The *Comprehensive Plan for Malmö* published in 2014 to guide development over the next twenty years aims for Malmö to become 'an appealing city that is socially, environmentally and economically sustainable'. It prioritises a mixed-function, dense and green city; the city as a generator of green growth and employment; and the city as a cultural and democratic arena.

The social investment principle is important in Swedish policy making overall, including the national level metropolitan policy. Integrated funding programmes were designed and implemented from the late 1990s to reduce the emerging social and ethnic segregation in large cities. Some interventions focused specifically on deprived neighbourhoods - typically social housing estates on the outskirts. The main actors for implementing the metropolitan policy have been local authorities.

In general the Swedish social-democratic welfare state has stressed 'equality of outcomes' through the reduction of inequalities among citizens. There is a strong sense of 'social justice'. The social investment approach represents a slight shift away from equality based on social justice, and emphasizes that the (initial) costs of developing human capital are a good investment, leading to future savings (i.e. in the costs of health and social care and poverty alleviation). The current 'Comprehensive Plan' however states that all citizens should have the same capabilities and be given the same opportunities.

Design, Implementation, Monitoring and Impact

The *Vision 2015* strategy was developed by representatives of the two leading political parties (Social Democrat and Conservatives), representatives of large local companies and private housing companies, assisted by local, national and international experts. The *Vision* was drafted in a series of informal meetings led by the mayor. The *Vision* is argued to have helped Malmö to recover from previous economic downturns, build its new role as an open and global city and become a more equal partner of the national government in negotiations.

Regarding skills and labour market policies the *Vision* has been criticised for not sufficiently supporting the inclusion of migrants in the labour market and not including mechanisms for upgrading the skills of workers already in employment - given an exclusive focus on those outside the workforce (Bevelander and Broomé, 2012).

As indicated above, the *Commission for a Socially Sustainable Malmö* advocated the creation of 'knowledge alliances' involving broad collaboration with stakeholders with different levels of responsibilities across sectors and with different skills sets, encompassing both scientific and experience-based competences to generate new knowledge as a basis for action. An interviewee who was involved in the Commission reported that this involvement of participants with different knowledge and experience was beneficial for the participants and for the development of the city.

This is in line with the principle of 'democratised governance' in which many different stakeholders influence the entire chain from problem articulation and the development of solutions to implementation and welfare. Progress towards the Socially Sustainable Malmö commitments is measured using a 'traffic light system' capturing the direction of travel, rather than key performance indicators with specific targets attached.

In relation to localisation and area-based programs in the city concerns about inequalities in services provided across the city have precipitated a move towards greater 'centralisation' (from 10 areas / wards to five areas / wards to a further amalgamation) on the grounds of equal service provision across the city.

Exemplar themes and initiatives

Two inter-linked themes are highlighted in this section:

- Initiatives to promote employment entry
- Physical development alongside socio-economic development in area programmes.

Underpinning both themes is an increasing interest in the role of social enterprise.

Initiatives to promote employment entry

It is noteworthy that employment initiatives in Malmö focus overwhelmingly on labour market entry as opposed to progression. In part this reflects higher levels of unemployment in the city than nationally. However it also reflects the structure of the Swedish labour market, which may be conceptualised as creating 'insiders' and 'outsiders'. Traditionally trade unions and industry associations have an important role in negotiating collective agreements and these set wage levels for those in employment (i.e. the 'insiders'); (there is no national minimum wage floor in Sweden). Swedish firms use collective bargaining as a way to improve productivity and modernise production with the consent of the workforce; hence work quality issues are dealt as part of collective bargaining. Young people and 'new arrivals' (i.e. the 'outsiders') find it difficult to get a foothold into the relatively heavily regulated (by UK standards) Swedish labour market. Given also that social assistance is a municipal responsibility, there has been a particular policy focus on residents distant from the labour market.

JobbMalmö is the municipality's operation to reduce the level of total income support as a complement to the activities of the national employment service. Activities are undertaken in co-operation with the national employment service, the probation service, the Swedish Red Cross rehabilitation centre, the social insurance service and various colleges and non-profit organisations. The focus is on residents with the longest unemployment durations and on people with disabilities, with the aim of moving them closer to employment. There are approximately 25,000 jobseekers in Malmö and around 8,300 on social benefits. 1,800 people are registered at *JobbMalmö*, drawn from three key target groups: young people aged 16-24 years, citizens on income support, and citizens studying Swedish for Immigrants (SFI). Job training, guidance and motivational programmes and work experience placements are provided at different locations across the city. Around 400 paid sheltered employment places are provided per year in the public sector and non-profit organisations, subsidised by the national employment service, and the tax paid by those in sheltered employment goes to the municipality budget. One interviewee indicated a widespread commitment amongst employers to corporate social responsibility. This is exemplified by 'Good Malmö': a collaboration between the business community, the foundation 'Upstart Malmö', the city of Malmö and the public employment service with the aim of creating jobs for those distant from the labour market and reducing youth unemployment by employing long-term unemployed people on paid work experience.

The municipality is also initiating third sector public partnerships (TSPPs) within the employment sector. In 2015 six TSPPs were established for two years in the first instance (at a cost of €140 thousand per TSPP per year) to complement other labour market initiatives in the city. The target groups are young people and the long-term unemployed. Activities include the development of language skills, internships, mentorships and treatment for post traumatic stress disorder.²⁰ There is an emphasis on mutual learning amongst the TSPPs (including cross-referrals as appropriate) and between the municipality and the third sector organisations.

One of the TSPPs is Yalla Trappen: a work integration social enterprise in the Rosengård area of Malmö where 90% of the population are from immigrant groups. As such it may be conceptualised as an example of place-based inclusive growth. It works primarily with women who lack professional experience and training in their home countries and in Sweden, who are not proficient in Swedish and who have been out of the labour market for many years, with recurring ill-health. The emphasis is on 'self-strengthening' through collaboration with other people and education, to create positive outcomes including earning a wage, decreased medication and better health, and reduced social isolation through more numerous and varied contacts. Commercial activities include a café, lunch and catering service; marmalade production; a cleaning and conference service; and a sewing studio (serving Ikea). Yalla Trappen is part of a supportive network of Yalla elsewhere in Sweden, and there is a desire amongst those involved for sickness benefit savings from existing work integration social enterprises to be reinvested in further similar initiatives.

Physical development alongside socio-economic development in area programmes

Since the mid 1990s there have been a series of different (often relatively short-term) projects to address area-based disadvantage, but with limited consultation with residence and an absence of evaluation.

Recently emphasis has been placed on a place-making model for social investment, although there have been some variations across area development departments that are responsible for work for social sustainability in each of five city district administrations. In City District South, in the Lindängen area which has around 7,000 residents, many of whom are unemployed and live in apartments characterised by long-term lack of maintenance, overcrowding and high energy use, the 'Bygga om Dialogen' (Rebuild Dialogue) led by the Environment Department and the City Planning Office with the private sector, has been working towards a programme of renovation of housing / buildings from a social and environmental perspective. This involved working with local property owners to create jobs for unemployed tenants and investment in new flats. This illustrates the key role attributed to improving local infrastructure, including the housing stock, in promoting economic growth and socio- economic well-being.

In a similar vein an area programme in the natural neighbourhood of South Sofielund – a natural neighbourhood of 12,500 households, but with a reputation for criminality and a relatively high population turnover of approximately a quarter per year. In order to escalate the area 'from deprived area to innovation area' attention has focused on making the area appealing and safe for everyone, where private landlords and housing associations want to commit and invest. Physical development has been a crucial factor, but alongside investment in schools, creation of an innovative climate to attract entrepreneurs, and development of cultural and leisure activities.

A review of the area revealed 42 private apartment building owner and 16 real estate owners, with some problems of sub-standard housing. Harnessing the involvement of real estate and apartment building owners has been crucial to improving the area. Drawing on international experience, a Business Improvement District (BID) has been established to promote co-operation between property owners, housing associations and businesses and to work together to jointly invest in and improve the area's long-term sustainability. The idea is that promoting good property management and environmental improvement (including cleaning, recycling, enhanced illumination, camera monitoring, instituting improved parking arrangements and creation/ upgrading of green spaces) will contribute to a socially sustainable and attractive area; (rent controls provide a bulwark against gentrification). Members of the association pay a membership fee and a service fee, while the City of Malmö' finances a development leader/ co-ordinator and the administration. The University of Malmö' is evaluating developments in Sofielund and a small positive trend regarding sense of security is apparent.

Alongside the emphasis on physical development Yalla Sofielund (drawing inspiration from Yalla Trappen) is a social enterprise (initially financed with EU funding) with four businesses in the same building: a sewing studio working on furniture upholstery, furniture recycling, a commercial cleaning service, and a café and catering service. Yalla Sofielund caters predominantly for immigrants who are long-term unemployed and social welfare recipients. They move between the different businesses and then are placed in one of them. The idea is to focus on language skills and learning

about Swedish culture and norms while undertaking business tasks. Within the same building there is an Islamic Centre and a Somali Business and Information Centre. These developments are new and no evaluation evidence is available, but they are illustrative of activity being undertaken in Malmö' to focus on integration of immigrants within Swedish society and to enhance their work-readiness and social well-being.

Synthesis and Conclusion

In comparison with the UK, local authorities in Sweden are less reliant on central government for funding. The high rate of income tax means that more public funding is available in Malmö' than would be the case for similar-sized UK cities. This provides an opportunity for the city to provide investment and enable experimentation in policy initiatives. However, there is a recognition that the municipality cannot, and should not, work alone as examples of work with NGOs and social enterprises illustrate. Typically such activities are seen as complementary to those of the municipality.

One point of interest for UK cities is the underpinning emphasis on health – and health inequalities – in strategy development and implementation. At least in part, physical place-based developments and associated people-based developments undertaken in parallel are prompted by a desire for improvements in health and well-being. Together the place-based and people-based developments are seen as helping to deliver social sustainability.

A number of strong principles about how people should be treated, that immigrants should be welcomed, etc., guide activity in Malmö'. In accordance with the ethos of proportionate universalism, the emphasis is on making services (e.g. free education, language training, etc.) available for residents to take up, rather than on mandating them to do so, but then focusing support on those people most in need. However, in contrast to the relative openness of the labour market in the UK, the 'bureaucracy' and 'systems' associated with Swedish labour market regulation means that it is hard for 'outsiders' to break in. This helps explain the policy focus on supply-side initiatives relating to employment entry.

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Notes

¹⁷ Approximately 70% of local government finance is raised from local income tax (Hambleton, 2015), so giving the city a degree of 'self-sufficiency' when negotiating with the national government.

¹⁸ http://www.who.int/social_determinants/final_report/csdh_finalreport_2008.pdf

¹⁹ Although the term 'inclusive growth' was not used specifically, an interviewee involved in the Commission suggested that the guiding principles were related, as the emphasis was on discussing the limitations of 'financial growth' models and on trying to change the relationship between growth. However, this is inhibited by a traditional, hierarchical decision-making structure and would take time to embed. Expert members of the Commission are not involved in the implementation / evaluation phase and an interviewee raised a concern that the findings and recommendations of the Commission may be interpreted by the Council in a somewhat narrow sense. A follow-up report for the Commission highlights that there is a need to strengthen collaboration with voluntary organisations, the private sector and residents, given that the emphasis in the first two years was on the municipality making a request, receiving responses and making a decision based on its own priorities

²⁰ Some 'new arrivals' have fled from conflict.