Mutual Benefit
Rethinking Social Inclusion

Lina Martinson

Doctoral Dissertation
Stockholm 2005
Royal Institute of Technology
Department of Infrastructure
Division of Urban Planning

Abstract

Lina Martinson: Mutual Benefit—Rethinking Social Inclusion

Increasing socioeconomic polarisation in contemporary society impacts the cities’ geography, where segregation and social exclusion of neighbourhoods and marginalised groups are mounting problems. Concurrently, globalisation and structural changes have altered the conditions for the national state and the public sector as well as for other actors. Previous efforts to decrease social inequalities have failed to achieve sufficient results. Today, promoting social inclusion and integration is a top priority on the political agenda and calls for innovative interventions.

These changes in society have resulted in new constellations of collaboration, crosscutting sectors and borders in which various actors work towards collective goals. Many of the issues and subsequent responsibility that once belonged to the public sector are now handled through interplay between private and public actors in so-called governance arrangements.

The thesis discusses if governance arrangements where new actors engage to promote social inclusion and integration can be more effective than traditional efforts. To reach satisfactory results, the relations between involved actors need to be solid and trustworthy, and the perspective of benefit must be long-term. In this respect, social capital is a central theory as it focuses on social relations between people, and emphasises networks, trust and reciprocal norms as important foundations for such relations.

The aim of the thesis is to rethink strategies to promote social inclusion and integration by providing a theoretical discussion about value-creation. An assumption analysed is that in situations where power and other resources are unevenly distributed, all parties involved can benefit by trustful cooperation. The ambition is to critically examine the concepts of governance and social capital, and to discuss their possibilities and shortcomings related to the value-creating processes. The usefulness and capacity of the theoretical framework is tested by analysing two unconventional approaches to promote social inclusion and societal integration, carried out by a public housing company in Malmö.

Keywords: Social inclusion, integration, segregation, social exclusion, social capital, governance, value-creation, value-creating processes.
Preface

My first contact with the Royal Institute of Technology, KTH, was in December 2000, when I got involved in a European research project, the NEHOM-project. Many have expressed their surprise that I, with a degree in social work and a complete lack of technical skills, ended up at a technical university. What most people do not know, however, is that there are enclaves within KTH that focus on issues that only marginally belong to the technical sciences. The division of Urban Studies, which has been my work place for the last four years, is one such enclave where the emphasis is interdisciplinary in an area that previously has been mainly technically oriented.

Life seldom becomes what you planned for. During my university studies I considered research as a possible future occupation, but I was convinced that I should work for several years before entering this arena. But then one day, after I had worked for approximately 10 months, I was offered to work with the NEHOM-project. The plan was still not to become a researcher, but to work in an academic environment with clearly formulated issues that would end up in a final report. But diverging from my initial plan, I became more involved and before I knew it, I had become a PhD student.

The EU-project, where case studies comprised the basic information, helped develop my research work. Beginning with case studies and thereafter developing a topic for the thesis and then finding appropriate theories is not the most common order to conduct research, but through the years it has developed into a satisfactory process.

Hence, when beginning the PhD, my starting point was the EU project’s case studies, focussing on the problem of segregation and social exclusion. These cases have been central throughout the work, but nevertheless the focus has somewhat glided from the empirical to the theoretical.

For me, the thesis writing has involved long periods of frustration when nothing of importance seemed to materialise. In retrospect, I believe that those periods have been just as crucial for the final outcome as the more creative intensive writing periods. Without those difficult times, the precious moments of motivation, engagement and creativity could not appear.

Another challenge of research work is that the more you read and learn, the more you realise how little you know. This means that it feels like the gaps of knowledge decrease rather than increase through the learning process. You cannot ignore the things you know exist, and this demands limitation of the study, because it is impossible to use everything interesting or important, but still it is necessary to prove that you are familiar with the knowledge and how it connects to the work. Nicolas Cusanus, theologian in the 15th century, wrote the book De docta ignorantia about the learned ignorance [den lärda okunskapen]. He revealed that the multifaceted and contradictory can never coincide completely in human thoughts.
Therefore, the search for knowledge is about gaining insight in the absence of context and meaning. True human knowledge is, in this perspective, awareness of the lack of control over the context one thinks and talks about. Knowing this insight is to reach as far as possible, according to Nicolas Cusanus: the learned ignorance—that knows that it does not know anything.

During the past four years many people have been supportive in various ways. Some have actively and professionally helped me to further develop the thesis writing, while others have been a source of strength by simply being there. All are important in their special way.

First, I want to express my gratitude to my supervisors. Besides the tough job of being the head of the department, Professor Göran Cars has been my main supervisor and a great support throughout the whole process. From day one you have showed both engagement and interest. Thank you for always being positive and never doubting my ability to carry this through. Sometimes it must have been tiring trying to convince me that I can manage, but your never ending source of affirmative words have constantly encouraged me! I have also been lucky to have a co-supervisor, Associate Professor Lars Orrskog. Your academic skills and critical eye have been a fantastic help in improving the quality of my study. Besides the academic work, we share an interest for music, which among other subjects have lead to highly appreciated conversations.

In addition to my supervisors, I want to direct appreciation to Associate Professor Hans Westlund for being a ‘mentor’ of social capital. The comments from your detailed reading of my study in June 2003 have been an enormous asset to come further in the research work. I also put a high value on the interest you have shown for my work and the time you have spent on continuous discussions.

Thanks also to Professor Angela Barhanente from Bari, Italy, who was my opponent in the final seminar in September 2004. You did a fantastic job when you carefully read the material and commented on it in a structured and fruitful manner. Thank you for the effort you put into my study and the constructive comments that have helped me to complete the thesis. I also want to give Professor Emeritus Abdul Khakee special thanks for constructive last minute comments on the final chapter.

Also people outside of the university have been important for professional inspiration, both before and during the thesis work. I want to especially thank Annika von Schéele and Torsten Malmberg, as well as my contacts at Boverket.

I have been lucky to have a precious collegial climate where laughter shares space with serious issues. Thanks to all my dear colleagues at the Department of Urban Planning - both present and past. A special thanks to Åsa von Sydow: Having a friend like you in the office next door has meant so much! I also want to recognise Tigran Hasic for patiently helping me with all kinds of practical issues over the years, but also for being a friend.
During my stay at KTH, I have been involved in two EU projects, where I have had the opportunity to meet additional colleagues from all over Europe. I want to send my appreciation to everyone in the NEHOM project and the Neighbourhood Governance project. It has always been nice to see you at meetings around Europe. I also owe gratitude to all interviewees, without which I would not have been able to carry out this study. Thank you!

Many dear friends outside KTH brighten up my daily life. Thank you all for being there! I do not mention any names, but I hope you feel my appreciation. One person however needs to be mentioned especially in this context: Lisa George Svanh. You have been an irreplaceable support in editing the English language of this study. Thank you so much for a great job and for showing interest in my work!

Last, but not least I want to thank my fantastic family for support and love: mum, dad, my brothers, Mattias, Tobias and Per, and my sisters in law, Sara and Annica. I love you all! Mattias, thanks for the time and effort spent on reading and advising me towards better academic quality. Per, thanks for all your help with layout and graphics.

Finally, I will send love to my nieces and nephews. All four have been born during the evolving study and you have given me many happy moments by just being children: spontaneous, and full of life. Your smiles, funny expressions and comments mean a lot. I love you, and dedicate this book to you: Sofia, Alice, Olle, and Ivar.

Contents

Abstract 3
Preface 5
List of figures 11
List of tables 11

Chapter 1. Introduction 13
   Aim of the study 16
   Shaping the research 18
   Central concepts 21
   Previous research 28
   The structure of the study 31

PART ONE: A Theoretical base 35

Chapter 2. Conditions for Social Inclusion and Integration 37
   Sweden in the world 37
   Swedish housing and social exclusion 40
   Immigrants and ethnic minorities 46

Chapter 3. Governance 59
   Modes of governance and collaboration 59
   Why governance? 62
   Collaboration and social integration 63
   Communication and collaboration 72
   Contribution of the chapter 75

Chapter 4. Social Capital 77
   The concept of social capital 77
   Social capital as trust, norms and networks 81
   Strong and weak ties 89
   Bonding and bridging 92
   Measuring social capital 95
   Social capital in civic life 96
   Social capital in business life 99
   The interplay between civil society and business life 102
   A theory of social capital 103
   Social capital and inequality 111
   Social capital and collaboration for social integration 114
PART TWO: Theories Applied

Chapter 5. A Qualitative Approach
Qualitative research 123
Introducing the case studies 124
Theories connection to the empirical material 125
Case study methodology 126
The work procedure 128
The emphasis of the case study work 136

Chapter 6. A Contextual Overview
Malmö – a city with many faces 139
MKB Fastighets AB 145
Problems and measures in neighbourhoods 148

Chapter 7. From Isolation to Networking
The neighbourhood of Holma 153
The self-maintenance initiative 161

Chapter 8. Housing and Job Creation Hand in Hand
The neighbourhood of Örtagården 181
The job initiative 189

Chapter 9. Value-creation
A new management strategy 211
Mutual benefit 213
Prioritised values 214
Dimensions of value-creation 224

Chapter 10. Analysis and Discussion
What is value? 229
Collaboration and value-creation 234
Building social capital 246
Social capital in collaboration and value-creation 256
Concluding discussion 270

References 279
Sammanfattning på svenska [Summary in Swedish] 297

Appendix 1: The NEHOM (Neighbourhood Housing Models) project 303
Appendix 2: Interview guides 307
Appendix 3: List of interviewees 315
Appendix 4: MKB’s organisation schemes 319
Appendix 5: Statistics of Holma 321
Appendix 6: Statistics of Örtagården 323
List of figures

Figure 1. Schematic picture of the thesis’ content 33
Figure 41. ‘The forbidden triad’ 90
Figure 42. Structural constraints on networking effects 109
Figure 43. Relative effects of social capital 110
Figure 61. Maps of Malmö 139
Figure 71. Map over Malmö, pointing out Holma 153
Figure 72. Holma from the eastern side 154
Figure 73. Age profile 2000 157
Figure 74. Recycling station 159
Figure 75. Decorated entrance in Holma 162
Figure 76. Self-maintainers in action 163
Figure 77. Garden in Holma 171
Figure 81. Map over Malmö, pointing out Örtagården 181
Figure 82. Dwelling units 1999 183
Figure 83. Örtagården 189
Figure 84. The house of entrepreneurs 191
Figure 85. Garden in Örtagården 201
Figure 91. Shifts in relative power and strengths 218
Figure 101. The relation between social capital and value-creation 256
Figure 102. Alternatives for increased effectiveness 260

List of tables

Table 21. Number of immigrants arriving to Sweden 53
Table 31. Advantages and disadvantages of two types of networks 71
Table 41. Social capital of the enterprise 101
Table 42. Predictions of effort and return for purposive actions 106
Table 43. Dimensions of valued resources 110
Table 71. Ethnic minorities in Holma 2003 156
Table 72. MKB’s expenses and profits for the self-maintenance initiative 174
Table 81. Ethnic minorities in Örtagården 2003 184
Table 82. JEW applicants 194
Table 83. MKB’s expenses and profits for the job initiative 206
Table 91. Possible dimensions to identify value creation 225
Table 92. Possible dimensions to identify value creation for (divided) 226
Table 101. Dimensions to identify value for different actors 230
Table 102. Collaborating strategies and outcome 246
Table 103. Values created through the self-maintenance initiative 260
Table 104. Values created through the job initiative 267
Table 105. Overlapping values 269
1 Introduction

Newspapers regularly report that growing segments of the population suffer from social isolation, discrimination and exclusion from society’s service functions, and that the gaps between different groups in society are increasing. Sweden has long been regarded as a leader in terms of social welfare, and the Swedish welfare state is well known for its successes. However, like other countries, social problems related to segregation and social exclusion have increased and become a top priority on the urban policy agenda. One primary issue in the Swedish political agenda is the integration of minority groups into mainstream society. ‘Mainstream society’, however, involves a large variety of groups, and integration as stressed in policy documents and governmental bills thus is related to giving all people access to rights, such as equity, participation, and freedom of choice rather than making minority groups become more like the majority, i.e. the Swedes. I regard integration as a mutual responsibility of all in society. Furthermore, I think that it is society that can be more or less integrated, not individuals or groups. Therefore, rather than talking about ‘integration of minority groups’, I prefer to discuss the need for social inclusion of minority groups as a means for societal integration. In relation to the urban context, this can be discussed in terms of everyone’s ‘right to the city’ and coexistence despite differences.

Over the past two decades, the extensive welfare policy has undergone changes. The economy deteriorated and unemployment increased dramatically during the early 1990s. Many argue that the welfare state, to a large extent permeated with social democratic ideals erected in the 1930s and the following decades, has not managed to handle the social problems and realities that emerged after the 1970s. However, the direction the development of society has taken is due to several factors working simultaneously.

One can argue that we are in the last phase of the ‘industrialised society’ era, and entering the era of ‘information society’, and that there are many uncertainties

1. See e.g. prop. 1997/98:16.
2. Both Healey (1997) and Sunderland (2000) use the concept of coexistence to catch differences in the urban space.
about how the society will develop. We are at present in a phase of searching for knowledge of how to tackle societal problems and not look at the new society through old lenses. We have to accept that development and changes are happening continuously whether we like it or not, and new arrangements are required to suit new emerging situations. The matter is therefore not whether society is better or worse today. The important issue is to find ways to manage the problems present in our society today.

Sweden is also affected by globalisation and its trends and developments. After decades of policies to increase social equality, Sweden is now in a period of economic restriction, and disappointment is apparent over what, to some extent, can be described as failures of the welfare state. These aspects are compounded by cutbacks in the social welfare sector in favour of individual responsibility, which together create a growing income disparity and thus increasing polarisation.

This polarisation between groups of people has effects on the geographical configuration within cities. People with low incomes and limited resources are concentrated in the least attractive neighbourhoods, leading to serious problems when it comes to issues such as participating in civil society and accessing high-quality services. The geographical social division of the housing market takes its form in socio-economic and ethnic segregation and social exclusion. As the problems become increasingly serious, the need for effective policies in this field also becomes urgent and has generated discussions and strategies to combat the problem. Projects and programmes have arisen from this process and have been launched in an attempt to meet the need for sufficient housing- and integration policies. Examples of such programs are the ‘Metropolitan Policy’ [Storstadssatsningen] targeting all three Swedish metropolitan areas with ‘local development agreements’ [lokala utvecklingsavtal], and the ‘Outer City Regeneration Program’ [Ytterstadssatsningen], targeting the greater Stockholm area. The ‘Renewal of city districts’ [Stadsdelssförnyelsen] has today replaced the Outer City Regeneration Program.

Problems are often concentrated in the least attractive areas of the urban landscape. We tend to call such places ‘vulnerable’ neighbourhoods/areas. According to the language used by Swedish authorities, it describes an area where the income

---

3. This statement is made by Hyldén (2002, pp. 27-28) who also claims that an era in society’s development can be described as an S-curve that is based on the law of increasing and decreasing yield. A social system constitutes a reaction of a previous social system and is initiated when the previous system reaches its peak.

4. The polarisation between groups in society has been discussed and debated in several newspaper articles. See e.g., Bergström & Gidehag, 2002; Salonen & Åhberg 2002; Sonnegard, Baltman and Splint, 2002; Wiklund, 2002; Strandberg 2003.

5. Information about these programmes can be found on http://www.integration.stockholm.se (2004-06-15).

6. Vulnerable is translated to svagt in Swedish, which is the concept used in public authorities as well as in general when discussing problems and improvements on the neighbourhood level.
level is far below the average. The concept is however associated with an image of social problems, often illustrated by large-scale areas populated with a concentration of people with a foreign background, and where high rates of unemployment, benefit dependency, and crime exist.

Despite many measures and attempts to improve the situation in vulnerable neighbourhoods, the results have been limited, and in most cases falling below expectations. As the problems are complex, the possible solutions and the programmes targeting the problems also need to be comprehensive and multi-layered. However, this is difficult and demands insight in and experience from the situation in the neighbourhood, which are often lacking many projects and programmes set up to improve the situation in certain neighbourhoods. Therefore, the result is often short-term - any result diminishes when the project is completed, or the measures tend to target physical needs since they are more tangible. Physical improvements are not unnecessary, but without simultaneous social changes, they do not solve the problems. Instead, there is a risk that social problems are moved to adjacent areas after such improvements.

Still, in the last decade, most actors have realised that segregation and other social problems are complex and measures therefore need to overlap into many different policy areas. The most common way to deal with such problems has therefore been to involve a range of public sectors and authorities. Thus, cooperation between actors is nothing new in the field of local development. What is new, however, is that actors from outside traditional public sectors are becoming more visibly involved in this field today. Public involvement is coupled with engagement from actors from the private and voluntary sectors, and the reliance on these sectors seems to increase in pace with the cutbacks of public finances.

Expectations have increased for private actors to engage and take responsibility in societal issues regarded as situated outside of their core focus. In many countries in Europe, North America, and Australia, 'Corporate Social Responsibility' (CSR) has appeared in the last decade as an important aspect in the discussion about how to confront the social and environmental problems of contemporary society. Researchers in this field discuss what role the business world has in contributing to a sustainable society. Its primary message is that it can be beneficial for companies to take social responsibility.

In Sweden, we can also detect the presence of other actors than those we are used to concerning engagement in social issues. Under the government’s initiative on global responsibility, 15 Swedish companies are affiliated (November 2004). The

7. See e.g. Integrationsverket (2002).
8. This is a viewpoint that many researchers and practitioners share. See e.g. Hertting (2003) that discusses the possible underlying reasons.
9. These companies are: ICA, Löfbergs Lila, the Body Shop, Folkser, Hennes & Maurits, OMHEX, ITT Flygt, Vattenfall, KPA, SEWCO, Banco, V & S grupp, Lernia, Apoteket and Akademiska hus
companies are mainly engaged in issues related to human rights, the environment, and work to raise consciousness about social and environmental issues among their employees. In the World Economic Forum it has been pointed out that many companies experience pressure from e.g. customers, NGO’s, governmental bodies and their employees to engage in social issues. However, despite this broad engagement, it is difficult to make real change, because many investors do not always agree on the importance of social responsibility, and are reluctant to investing on the long-term basis that is needed for a beneficial outcome.\textsuperscript{10}

This study sets out to investigate the changed role of a housing company, or rather its approaches on the social arena (in the local context). However, housing companies, particularly public ones, have certainly already been active in local development issues, so this is not a new role. What is different though is that previous efforts most often focused on physical renewal, which has shown to lead to short-term and unsatisfying results.\textsuperscript{11} New attitudes have therefore arisen in some housing companies, creating new forms of organisation and methods of working. The starting point for the new is both social and economic realities. The housing companies’ involvement in local development is today regarded as a condition for favourable results. Nonetheless, a prerequisite for success is a well functioning communication between the residents and the housing company as well as between the company and the municipality and other possible actors. Boverket [the National Board of Housing, Building and Planning] emphasises the housing companies’ central role in issues like segregation and social exclusion and the work needed to combat these problems.

The housing companies sometimes describe their new role as a necessary transition from regarding oneself as maintaining a housing stock to providing housing and related services that the residents are satisfied with.\textsuperscript{12}

\textbf{Aim of the study}

Integration policy is one of the current central government’s most important issues (prop. 2003/04:1). This concern is reflected in the vast amount of policy programmes and projects currently in motion to promote social inclusion and integration. I have chosen to specifically look at strategies within vulnerable neighbourhoods that increase possibilities for marginalised groups or individuals to become

\footnotesize{\textsuperscript{10} For further discussion, see World Economic Forum (2004).}

\footnotesize{\textsuperscript{11} This has been discussed both by researchers, e.g. Öresjö (1997) and Nyström (2000), and institutions and authorities, e.g Boverket (2002a, 2002b).}

\footnotesize{\textsuperscript{12} This is further stressed by Boverket (2002c).}
socially included in society by discussing value-creating processes through the development of social capital and the introduction of governance arrangements.

One of the major challenges to achieve success in such approaches is to regard differences between groups of people as a potential instead of a problem, and to focus on coexistence. “The right to difference is based on the identity, needs, and rights of specific groups who have been excluded” (Sandercock, 2000, p. 11).

Social relations and collaboration are of significant importance for processes of social inclusion and integration, and new modes of collaboration can contribute to solutions characterised by mutual benefit for the residents and other involved stakeholders and thus contribute to value-creation. It is often necessary to re-examine traditional ways of thinking, traditional ways of working and traditional forms for communication, e.g. by rearranging priorities, introducing new work methods and establishing new modes for communication.

I focus on social issues related to housing and discuss how social exclusion and polarisation can be combated through an increased focus on social relations, networks and collaboration between different actors. The neighbourhood level is used as the scene for action and development. With that perspective in mind, my aim is to rethink strategies to promote social inclusion and integration by providing a theoretical discussion about value-creation. An assumption analysed is that in situations where power and other resources are unevenly distributed, all parties involved can benefit by trustful and mutual cooperation. The ambition is to critically examine the concepts of governance and social capital, and to discuss its possibilities and shortcomings related to the value-creating processes. I test the usefulness and capacity of the theoretical framework by analysing two unconventional approaches to promote social inclusion and societal integration, carried out by a housing company.

One or more actors often oppose collaboration, which means that the potential of win-win situations cannot be obtained. Questions of importance to my research are therefore: What are the obstacles that prevent collaboration where mutual benefit could be the outcome? What is needed in the work to combat social inequalities and promote social inclusion and integration, and to finally make all actors benefit from it?

The housing sector in general, and the public rental sector in particular, serve as good examples of an instance where this discussion is interesting and fruitful. Housing has a specific position, as it is a need of one and all. The reason for my particular interest in the public rental sector in this respect is that its development has involved new roles and responsibilities. The public rental sector has a special position on the housing market in the way it traditionally is coordinated by municipalities to serve the need of its inhabitants. It is seen as a part of the welfare state and has played a special role throughout Sweden’s modern history. Today, however, this sector is breaking loose from its once strong ties to the public sphere. This sector has a strong impact on the development of the overall welfare in Swe-
den, as housing segregation is a significant problem in our society. Thus, housing is important both for ‘ordinary people’, the municipality and overall society, as for other (sometimes private) actors with interest in the housing and welfare businesses.

A home is one of the central foundations for a fulfilling personal life, argues Hawtin and Kettle (2000). If residents feel safe, secure and proud of living there and also want to invest time and money in it, they are generally more likely to feel included both in their neighbourhood and in society. “Researchers and policy makers are becoming increasingly aware of the ways in which living in impoverished environments contributes to exclusionary processes, and the fact that investment in housing yields wider economic and social benefits including improved health and reduced crime.” (Hawtin & Kettle, 2000, p. 108)

Pettersson (1997) describes how categories of people living in public rental, private rental, co-ops or own houses reflect differences related to social groups, age and housing area. Despite this and contradictory to what one could believe, these groups seem to share ideals concerning systems of valuation and philosophy of life, which should mean that demands and expectations, e.g. on the housing situation, also are similar. The diversity of how residents in different types of housing evaluate their situation are therefore more a result of their preconditions in the current previous and current housing situation and what they are used to than different dreams and valuations. Thus, despite the factual differences between housing sectors, where the rental sector seems to generate the most discontent and worst quality of life, people living in all forms of the housing sector seem to share a system of values and dreams. One example concerns most people’s wish to be able to influence their housing (often expressed by owning it), even if the varied experiences impact how people evaluate their current housing and their future possibilities.

Value-creation and mutual benefit through the work to promote social inclusion and integration applied to housing issues is my contribution to the theoretical discussion with the specific relation between residents and a housing company as the empirical base.

**Shaping the research**

My theoretical focus is placed on theories concerning governance and social capital. I have also developed a theoretical discussion about value-creating processes. During the process, I have estimated that these three approaches have the capability to grasp some of the complexities and dynamics connected to the social inequalities studied here, and they are thus suitable and appropriate tools for analysing the current social complexities and structural changes that I want to focus on.

As mentioned, there is a need to tackle societal issues with new approaches and methods of work due to the changes in society during the past decades. The term
governance is used to highlight the interplay between actors from different sectors in society, both public and private – a form of arrangement that is becoming increasingly common as a complement to the traditional powers of public government and its institutions to more effectively target specific problems. The extent to which this shift has taken place can be discussed, but what seems to be clear is that new actors are more involved than before when it comes to planning and decision-making.

The governance approach, however, has been criticised for being 'everything and nothing'. It is regarded as too broad to really be effective. Still, as a theoretical construction to explain a relatively new approach in society, where actors from different sectors and levels in the social hierarchy that make up our society, this mode of social organisation is useful to investigate the possibilities to promote social inclusion and integration.

The goal of social inclusion and integration demands not only new constellations for collaboration (governance arrangement), but also new priorities among the actors involved. In that perspective, social capital becomes an important theoretical thread to develop.

Social capital appears in relations between people and can never be owned by one single individual. Its most significant foundations are networks, trust and reciprocal norms and values. Being a member of a network filled with trust and reciprocity means that it is possible for the involved individual to use the outcome from the social capital created within the network. The theory is used as an instrument analysing actions and actors - how people by relating to each other, both vertically and horizontally, can develop resources.

When discussing issues like social inclusion and integration, the relations between different actors/people are of significant importance. If relations can build up capital that can be used for positive development, we need to explore the possibilities and potentials for this in neighbourhoods in need of social upgrading.

I also find this approach especially interesting and valuable because theories of social capital stress informal social relations and basic social traits and such types of relations are not commonly used in research about vertical networks.

However, social capital is today a theory and a concept used in a variety of contexts which increases its risk of being applied inappropriately and eventually losing its meaning. It is used in both macro- and microanalyses without real distinction, and it is often seen as the solution to any kind of social problem. This is understandable since social relations are a basic need for well being, and thus can be applied to different areas of society. However in this study, it is specifically relevant as the basis for obtaining inclusion and integration is functioning social relations that link people to different areas of society. The housing situation in neighbourhoods is a well suited area of research where it is possible to study social relations on a micro-level, and possibly relate the discussion to a macro-perspective.
Collaborating arrangements combined with networks filled with trust and reciprocity provide potential for value-creation. Thus, theories of governance and social capital are used for developing the value-creating processes rather than for their own intrinsic value. Value-creation in this thesis is not only an economic term. Neither should it be regarded in the same way as in studies of ethics where it is commonly used. Rather, in this respect, value-creation means positive outcomes from social relations and networking, and it can be related to economic, social or political values.

There is criticism that emerges about this concept. One can argue that strong (corporate) actors may use value-creation ‘for all’ to advocate for their own objectives. By claiming that residents receive social values, only marginal social changes can be used to motivate their own strategies for increased economic values. In spite of this risk, I want to use value-creation as a possibility to promote social inclusion and integration in society, but I do not think it should be used to justify any business strategy. It is important to state the need for a joint objective of the collaborating partners, and that the ambitions and values within the collaborating arrangement/network are common.

Two case studies have been carried out for this thesis. They are initiatives to combat social problems and inequalities in two Malmö neighbourhoods. MKB Fastighets AB in Malmö, the municipal housing company in Malmö, is the initiative taker in both initiatives, and they own and maintain the neighbourhood in which both cases have been undertaken. MKB has a long-term objective to increase the stability of the vulnerable neighbourhoods while improving the economic performance of the company. Compared to other housing companies, their engagement is unconventional and, in some respects, transcends the borders of public agencies. Their conviction is that social engagement can lead to a win-win-situation for all stakeholders involved: the company itself, its residents and greater society. In chapter 5 I provide a more detailed methodological discussion with focus on case study research.

Rather than putting too much focus on the case studies and using them as the ‘best’ examples, they serve as examples that the theoretical discussion can derive from – as a way to ‘test’ the theories, to make it possible to understand if and how the theoretical issues are applicable, what the difficulties with such an approach may be, and what the prerequisites for value-creation in vulnerable neighbourhoods are. Thus, the theoretical discussion is the primary contribution from which it may be possible to apply to other vulnerable neighbourhoods, provided that each specific local context is taken into account.

The issues discussed in this study are also highly topical within the EU. In the Amsterdam Treaty 1999 it was agreed that combating social exclusion should be one of the EU’s social policy goals. The European Union’s Commission has adopted a report analysing the member countries’ social inclusion policies, which describe the present situation and main challenges for fighting poverty and social
exclusion in the EU. The EU’s interest and engagement in these issues has led to possibilities for researchers to address the problem area using scientific means.

It was under an EU project called the Neighbourhood Housing Models (NEHOM) that I carried out the case studies presented in this thesis (to be presented in chapter 7 and 8). The project was initiated in 2000 and completed in 2003, and was developed to explore and evaluate initiatives to combat segregation and social exclusion. Eight partner countries constituted the NEHOM project.

The objective of the NEHOM project was to identify housing-based initiatives which aim to improve the quality of life in deprived areas. This was made by evaluating housing and neighbourhood initiatives and assessing their transferability across Europe. More about the NEHOM project will be presented in chapter 5.

Central concepts

The concepts central for this study are complex. In some cases they are problematic to define and to separate from each other, why a discussion that clear some of the confusions is needed.

Social inclusion

Social inclusion relates to possibilities to participate in the different areas of society. Other aspects of social inclusion can be stakeholding, citizenship, partnership and empowerment, according to Hawtin and Kettle (2000). There are several dimensions that need to be taken into account when discussing social inclusion, e.g. economic, social, political and spatial, and it encompass both individuals and groups.

Vranken (2001) discusses social inclusion on three levels: micro, meso and macro. At the micro-level, inclusion takes place through different sets of roles, and may be seen as the result of participation in the exchange of social commodities and extension of social networks. ‘Gate-keepers’ with strategic positions in a network are important, as they possess the power to allow the flow of social commodities access to important areas of society. Therefore, they can promote social inclusion. The meso-level concerns relations between social groups, while the macro-level involves situations on the societal level.

According to Hawtin and Kettle (2000) there are strong arguments for supporting the notion that participatory methods can be a tool for real inclusion and empowerment if accompanied by certain values and beliefs. Participation can lead to an opportunity for people to take part in decision-making and even help to develop a sense of inclusive community. For individuals, participation can lead to independence, dignity, self-esteem and community belonging. Chanan puts it like this:

“Included people have maximum opportunity for local community involvement, but are not dependent on it.” (Chanan, 2000, p. 203)

The potential of societies and individuals is achieved only when living and working together, which implies that citizens need to take an active part in shaping their lives to be included in society. Hawtin and Kettle state that

Successful inclusionary policies, therefore, are not possible unless residents not only feel safe, secure and comfortable but also feel that they belong, have ownership of what is going on, feel proud of where they live, do not feel oppressed and feel able to control their living environment. (Hawtin and Kettle, 2000, p. 122)

Thus, social inclusion is about combating and preventing social exclusion, and refers to reducing structural fault lines between e.g. population groups, areas and political, cultural, economic and social institutions (Vranken, 2001).

Integration

Integration, as it is used in the social sciences, is a process unifying separated entities, and also the result of such a process, according to Nationalencyklopedin [the Swedish National Encyclopaedia] (1992). It further states that it is a concept that can be used in different situations. The Encyclopedia gives an example how integration in studies of international migration and relations can be used to indicate the social processes through which minority groups are becoming part of the majority society (concerning e.g. housing, labour market, or cultural or political life). I would however suggest that such a description more refers to social inclusion, while integration rather is characterised by the processes through which different groups are gaining equal possibilities to participate in society. Vertical respective horizontal relations illustrate my distinction between social inclusion and integration, where social inclusion relates to vertical relations and integration relates to horizontal relations. However, there are no sharp dividing lines between the two concepts.

It is important to make a distinction between integration and assimilation. Assimilation means that participation in the public society implies simultaneous change or adjustment of the private sphere to habits that prevail within the majority groups (Westin, 1999).

The Integration Programme for the city of Stockholm (Stockholms stad, 2001, p. 20) defines integration as all citizens’ responsibility for, solidarity with, and participating in the fellowship of society. Furthermore, it claims that integration implies equality between people, good communication, mutual understanding, and respect between people with different social and ethnic backgrounds.

It is possible and perhaps even necessary to make a distinction between spatial integration and integration into society (Liedholm & Lindberg, 1998). The latter has more to do with the process leading to participation in rights, benefits, obligations and life chances offered to the majority of the population, and corresponds with the
definition stated by the Integration program. This dimension of integration is much more difficult to measure, but still the more important of the two, and the one used in this study.

While social inclusion regards groups’ and individuals’ relation to society, integration relates to the whole society. However, social inclusion of different groups and individuals are needed to reach an integrated society. Integration is a mutual responsibility that affects all individuals and groups in society, not only the minorities or the marginalised. It is the society that can be integrated, not the individuals.

Integration into society as defined above means that all people, irrespective of background or current situation need to live together and accept and tolerate each other. Therefore, a term that is also useful is ‘space of coexistence’ (see Healey, 1997), as it emphasises that society is constituted by a diversity of people, living together, which is what the process of integration aims to achieve.

Sweden’s integration goal is summarized in the budget proposals for 2004 (prop. 2003/04:1, the 8th area of expenditure, p. 12, my translation):**

- Equal rights, responsibilities and possibilities for all, irrespective of differing ethnic or cultural background.
- A social community with the society’s multitude as foundation.
- A societal development characterised by mutual respect for differences within the borders that follows society’s fundamental democratic values and that all, irrespective of background, shall be participant in and co-responsible for.

Even if integration should not be reduced to a spatial process, housing and the living environment are significant for people’s conditions of life and therefore also for their integration into society (Boverket 2002a). Therefore, housing is an equally important factor of integration as employment, language knowledge and education. This means that the housing companies can contribute to striving for integration in society.

**Segregation**

Integration is often used as the opposite of segregation. However, the meaning of societal integration as related to equal possibilities, rights and responsibilities for all people, is not applicable as the opposite to segregation.

According to Nationalencyklopedin (1995), segregation means separation, and more specifically the spatial separation of different groups of the population. Thus, it is related to geography, and can be discussed e.g. from ethnic, demographic, social, and/or economic perspectives. This study relates to the ethnic and socioeconomic dimensions of segregation on a neighbourhood level, which means that the discussion is examined in terms of segregated housing or segregated neighbour-
hoods. Furthermore, the Encyclopedia states that segregation can be either voluntary, e.g. when a religious sect isolates itself to decrease the risks for conflicts, or forced segregation, like for instance when an ethnic minority is not allowed access to the dominating group’s restaurants, schools, etc. In Sweden, the forced segregation exemplified above is not a significant problem, as such discrimination is not allowed. However, we can also discuss forced segregation when people lack the possibilities to choose housing location because of restrained resources.

Stigendal (1999) notes that segregation appears when social and geographical differences coincide. He emphasises the importance of opposite poles to be able to decide whether an area is segregated or not. The poles must be homogeneous in relation to each other, but the characteristic of homogeneity can differ (social status group, origin, age, sex, etc).

According to Byrne (1999), spatial location decides what access people have to central social ‘goods’, especially education. For many people, the place where they live decides what kind of education the children will receive and also to a large extent their future course in life. The housing situation also has meaning for physical and psychological health and sometimes determines life style. This is the conclusion from an American study, but these characteristics are also relevant for the Swedish situation.

Ethnic segregation in Sweden is different from many other countries’ because it is characterised by ethnic heterogeneity - not homogeneity (Edgren-Schori, 2000). This implies that the so-called ‘segregated areas’ are constituted of a large variety of ethnicities; they are ‘multicultural’ or ‘multiethnic’ areas. Segregation is thus used in everyday language as the distinction between native Swedes and people with foreign (often outside Western Europe) backgrounds, not as large groups of ethnicities accommodated in certain areas. To use Stigendal’s terms: the homogeneous character of the ethnically segregated poles is a concentration of people with non-Swedish background compared to poles where the Swedish population is in majority. However, as will be stated in chapter two, immigrants from western countries are not treated or looked upon as immigrants in the same sense as people of colour. Appearance, culture and religion are important factors for ‘how much of an immigrant’ a person is considered to be. Someone from North America might thus be integrated into the Swedish society more easily than a person born in Sweden, but with parents from e.g. an African country. It is mostly people with a darker colour of skin that are living in the segregated areas and looked upon as immigrants. To understand this phenomenon, the term ethnic distance is useful (Olsson Hort, 1995). The ethnic distance is made up by differences in language, norms, religion and systems of values and varies depending on the groups involved. The distance is for instance much smaller between native Swedes and citizens of the other Nordic countries, while the distance between Swedes and Latin Americans or people from the Middle East is much larger. The correlation between ethnic distance and geographic distance tends to be strong.
In Sweden, many of the immigrated ethnic minorities choose to cluster when they arrive in the country. A clustering like this provides a feeling of belonging and safety in a new and unfamiliar society. This clustering has obviously advantages and can be compared to the migration of Swedes to the United States during the 19th century. There are still large parts of cities where the Swedes migrated to that remain dominated by Swedish culture, deriving from the clustering of Swedes at that time. However, it needs to be stated that the possibility to choose living place for the ethnic minorities in Sweden today often is restricted. Even if clustering means safety for people, the other side of the coin is that physical concentration leads to increased isolation and segregation (Edgren-Schori, p. 193). This can be discussed from two different perspectives:

- Is isolation and ethnic segregation the price for immigrant groups to be able to feel safe/belonging?
- Is an ethnic heterogeneous composition of people in neighbourhoods, which can lead to insecurity for some, the price for societal integration?

I find these questions to be of great importance as they clearly illustrate the complexity of the problem, and will return to them later in the study.

However, the tendency for immigrants to cluster is mostly visible for newly immigrated people, and tends to decrease with the length of stay in Sweden (Borgegård, Häkansson & Müller, 1998; Andersson, 2003). Andersson (see e.g. 1995, 2001, 2003) have invented the term ‘Swede-sparse’ ['svenskglesa'] neighbourhoods to stress the lack of Swedes instead of the concentration on ethnic minorities. It is also an attempt to focus on why native Swedes flee these areas instead of focussing on why immigrants cluster.

Molina (2001) discusses the ‘racialisation’ of cities and claim that researchers tend to overly regard segregation as a static phenomenon solely connected to the marginalised neighbourhoods. She argues that we also need to consider the people in the well-off areas and discuss their roles and responsibilities.

Even if segregation and integration are not the opposites of each other, they are closely related, not least as the negative consequences of segregation can make integration difficult.

When the most resource-weak groups are directed to poor housing environments where their conditions for leading a good life is made difficult, housing segregation becomes a serious problem, both for the residents and for the whole society. (Nordiska Minsiterrådet, 1997, pp. 36-37)

**Social exclusion**

In response to increased awareness of social polarisation and widening social gaps in our society, the concept of *social exclusion* has been coined and is now frequently
used.\textsuperscript{15} “When we talk and write about ‘social exclusion’ we are talking about changes in the whole of society which have consequences for some of the people in that society” (Byrne, 1999, p. 1). Hence, some people ‘do exclusion’ to other people. Johansson and Khakee (2001) provide nuances to the discussion by arguing that exclusion not only is caused both by actors’ active hindrance to integration, but also by a structural incapability (see also Madanipour, Cars & Allen, 1998; Percy-Smith, 2000). According to Bessis (1995, referred in Byrne, 1999), rich people have less and less need for labour provided by the poor, which can be one of the reasons for the increased exclusion. However, this can be questioned as others argue that there is a greater request for service among well off people today, which indicates an increased need for low paid workers in this sector (Sassen, 1991).

Walker and Walker (1997, referred in Byrne, 1999), argues that social exclusion is a dynamic process of exclusion, totally or partly, from social, economic, political or cultural systems that are decisive for a person’s integration into the society. However, it is important not to confuse social exclusion and poverty. Social exclusion refers to some of the wider causes and consequences of poverty and low income. It is defined by the British government as “what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown” (Batty, 2002; see also Percy-Smith, 2000). Poverty can be the foundation of social exclusion, but social exclusion can also result in poverty, according to Edgren-Schori (2000).

Considering the above, an appropriate definition of the concept therefore is:

…a multi-dimensional process, in which various forms of exclusion are combined: participation in decision-making and political processes, access to employment and material resources, and integration into common cultural processes. When combined, they create acute forms of exclusion that find a spatial manifestation in particular neighbourhoods. (Madanipour et al., 1998, p. 22)

According to Edgren-Schori, segregated housing can be a consequence of social exclusion. But social exclusion can also be the result of segregated housing. Sen (1998, referred in Edgren-Schori, 2000) notes that one form that exclusion can take is people lack the possibility to relate to other people and to participate in the society. This takes us back to the two questions above. People chose to live together in ethnic or perhaps social groups to be able to access something they value as important, e.g. a feeling of safety and belonging. This can either be an answer to an exclusion from the majority society, or lead to the same.

Byrne explains social exclusion as follows:

\textsuperscript{15} In Sweden, this concept is still quite rare, but increased interest to evolve it in relation to segregation can be traced, not least due to the focus on the concept in the EU.
...social exclusion as generally discussed is not about the emmiserization of the many, of the majority. It is about a 'sloughed off' minority at the bottom of the society separated by material poverty and increasingly distinguished by negative cultural characteristics. These people are not just poorer. They are different. (Byrne, 1999, p. 70)

He also stresses structural changes in society as a reason for increased social exclusion. During the ‘fordist period’, one could be certain that each new generation would have an improved situation; every generation earned more than the previous one. In the post-fordist era, this is no longer assured. The majority achieve better life standards, but many are forced into a worse situation and the gaps are increasing (Byrne, 1999). A report from Save the Children Sweden [Rädda Barnen] (2003) confirms the above applies to the situation in Sweden, as discussed in a previous section.

According to Edgren-Schori (2000), the existence of exclusion presupposes that there also is inclusion – a sphere connects these two processes. Thus, integration is the way from exclusion to inclusion, whilst marginalisation is the way from inclusion to exclusion (the individual loses participation in the systems of values and meaning). Hence, we can state that the opposite of integration (as it is discussed above – not spatial, but the societal integration) is not segregation, but marginalisation.

Like Edgren-Shori, Vranken (2001) regards social inclusion as the opposite of social exclusion, but it is important to bear in mind that the “road back into society is always more difficult” (p. 2). Thus, it is easier to generate social exclusion than to achieve social inclusion.

Polarisation

As previously mentioned, some argue that wealthy people are presently less dependent on the low paid workers (Byrne, 1999). Other theorists argue that the low paid sector increases at the same time as the high-income sector increases (see e.g. Sassen’s ‘dual city theory’, 1991). The latter argument indicates that it is the middle-income sector that is decreasing, not the low-paid. In Sweden, the need for low-paid workers in industry is decreasing. This does not mean that more people have better possibilities for accessing high incomes. Rather it means that more people are standing outside of the labour market, depending on social benefits. At the same time, there is an increasing need for low-paid workers in the service sector, which means that it is difficult to tell whether the low-income sector is increasing or decreasing in Sweden. However, whether the low paid sector is increasing or not, the gaps between rich and poor are increasing, both in Sweden, the rest of Europe and the United States. These increasing gaps mean a polarisation in society that also is obvious geographically. Segregation and income polarisation are strongly interrelated.
Previous research

The concepts discussed above are related to research topics that have attracted many researchers from various fields. A special focus on metropolitan areas and problems in suburbs of larger cities can be noticed, both in Sweden and in other countries. My ambition in this section is not to cover all, but to provide a small selection of research that I find especially relevant to my study.

A person that early established a position within this research topic is Jane Jacobs with her classic book *The Death and Life of Great American Cities* (1961), where she discusses a battery of issues of importance for the city. She introduced the discussion on networks and social capital as ingredients for successful development of cities. The volume has become a ‘classic’ for architects and planners as well as for sociologists and geographers. However, this book, as well as a large amount of the international literature on segregation reflects the situation in North America.

Saskia Sassen is another important contributor who primarily has concentrated on trends of polarisation in the large American cities and global trends’ impact on the development of cities. Apart from North America, a significant amount of this literature also targets British conditions, often with housing as a central theme. Together with Great Britain, the Netherlands is in the forefront of research connected to housing and planning.

Even though international research is significant and much of the reasoning can be applied to Swedish conditions, it is important to also conduct research in the national and local context. The Institute for Housing and Urban Research [Institutet för bostads- och urbanforskning], Ifb, located in Gävle, is a key contributor to urban research in Sweden with a broad competence. 14

There is an extensive number of Swedish researchers in the field of segregation. Roger Andersson, professor in human geography at Ifb, has made important contributions, both in terms of traditional quantitative studies aimed at mapping the problem and following the mobility of different groups of people, but also in terms of qualitative studies where he poses relevant discussions on the causes and consequences of segregation.

There are also other research centres concerned with issues of segregation. The Multicultural Centre [Mångkulturellt centrum] in Fittja has focused on ethnic segregation in the Swedish larger city regions, primarily in the municipality of Botkyrka, south of Stockholm. 15 Hassan Hosseini-Kaladjahi is a researcher placed at the centre who has contributed to this field, not least concerning evaluations of measures and projects to interrupt the social decline in the suburbs. A similar profile can be found at International Migration and Ethnic Relations [Internationell migration och etniska relationer], IMER, with research centres e.g. at Malmö Uni-

16. Information about Ifb can be found at http://www.ifb.uu.se (2004-12-20).
versity and Umeå University,18 and within a network consisting of researchers and local practitioners called Partnership for Multietnic Inclusion [Partnerskap för multietnnisk integration], PfMi.19

Regarding research on social inclusion and integration, the range of relevant studies are much more limited than concerning segregation. In the Swedish policy programmes it is clearly articulated that integration is a mutual process that relates to the whole society, not only to minorities or excluded groups. This perspective is, in my opinion, to a large extent missing both in the official debate and in research.

Ethnologists and anthropologists have however made great contributions by studying how people experience life in different housing environments. Last year (2003), Aje Carlbom, social anthropologist at the University of Lund, published his thesis The Imagined versus the Other, which deals with the integration and inclusion of Muslims in Malmö. He argues that the hegemony of multiculturalism that is apparent in Sweden is an obstacle to understand multicultural society and may contribute to preventing Muslims from being fully participant in society rather than the opposite.

This is similar to the research carried out by Irene Molina, human geographer at Ibft. Her topic is the racialisation of the cities, and she argues that ‘the Other’ (in Carlbom’s case, the Muslims) too often are regarded as to blame for segregation, while the majority of society and the groups of people with enough resources to be participant and included in society are regarded innocent. She claims that the concept of segregation needs to be reconstructed and made more dynamic so that everyone is seen as responsible for the development of the cities. I regard this approach to be interesting as it transcends the borders between what distinguish segregation and integration.

As in many other studies, the empirical material in my study is from neighbourhoods built during the ‘Million Homes Program’.20 What distinguishes my study from others, however, is that my starting point is the initiatives taken to improve the life for people living there, rather than focussing on the problems per se. The focus is thus social inclusion and integration and not segregation and its negative consequences. I have found relatively little research on integration related to housing. Most integration studies are conducted in areas connected to employment and education. Housing as one of the most important features of everyday life is a stepping stone to many other areas in life and can therefore be of significant importance for integration. Both the housing area and the actors connected to the living environment can constitute links to other areas in society.

18. The research centres that work with IMER-issues are presented on http://www.immi.se/imer (2004-12-20).
20. A large construction programme carried out between 1965 and 1974. It is described in chapter 2.
The theories I use for discussing my topic are not specifically developed for this purpose, but still I find them well suited. Governance research has many contributors. It is a large research area and often connected to political science and decision-making processes. However, also important contributions to the discussion about social inequality and studies over governance in vulnerable neighbourhoods have been carried out. My inspiration in this field has primarily been a European network for research on neighbourhood governance.\textsuperscript{21} The research carried out in this network discusses governance arrangements as a possibility for social inclusion for people living in segregated and vulnerable neighbourhoods. The neighbourhood is regarded as the natural base in issues related to people’s everyday life and is therefore a good platform for integration. The project emphasises ‘relational networks and webs’ as important key elements. There are both informal and formal networks, and the lack of webs connecting the two types contributes to the inefficient use of resources in the neighbourhoods.

Patsy Healey, today Professor Emeritus at Newcastle University, is one of the most important persons in this field as she developed the ‘collaborative planning’ approach that has had significant impact on the governance discussion related to vulnerable neighbourhoods.

Regarding social capital, the list of prominent researchers is long. A never-ending source of literature is evident within a variety of fields. Most often, however, social capital is discussed as a trait needed to increase democracy in civil society, and it was also Robert E. Putnam’s primary objective when his book \textit{Making Democracy Work} was published in 1993. This has had a large impact on the discussion of the concept and on my study as well. My ambition is to look at social capital both in the civil society and in business life and to bind the two perspectives together. I find this important, because the ambition is to investigate if social capital can be built and developed within collaborating arrangements where people from differing positions in society are involved, including both citizens and professionals from private and public arenas. However, social capital is rarely discussed from both these perspectives in the same study. The only person I have found who specifically deals with both perspectives is Hans Westlund from the Swedish Institute for Growth Policy Studies (Institutet för tillväxtpolitiska studier), ITPS. His studies have provided significant input to my work. His interest is mainly economic growth, while my objective is to use social capital for increased social inclusion and integration related to housing. I therefore find my contribution to the social capital discussion important: since it is largely missing from available research.

Nan Lin, sociologist at Duke University, is another important point of reference for my understanding of social capital. He has somehow taken a larger grasp of

\textsuperscript{21} The full name of the project is \textit{Neighbourhood Governance – Capacity for Social Integration}. The website for this project can be found on http://www.infra.kth.se/SP4p/forskning/index.html (2004-12-15).
social capital than usual among other authors, which has been useful in my discussion of social capital in vertical relations.

What I miss in the wealth of research is the focus on social relations as the driving force to strive for integration and social inclusion. Some researchers mention it as the basis for all human well being, but it is not treated as such to any larger extent. I regard it as something that must be scrutinised for increased knowledge to come further in the discussion and closer to an integrated society. Thus, I find a need for a focus on social relations and networking – between individuals, organisations, neighbourhoods and actors of all kinds. Marianne Liedholm and Göran Lindberg, sociologists at the University of Lund, argue that society can be regarded as an enormous network of relations. They have carried out important and inspiring research in this field as they not only share my perspective, but also, like I, relate their studies to housing and regard the neighbourhoods and the actors within the neighbourhoods as important links to the greater society.

Jan Vranken, Belgian Professor at the Department of sociology and Social Policy in Antwerp, argues that most empirical research and theory building regarding social networks do not consider the uneven distribution of different types of networks over the population, the diverse functions they have, etc. He claims that the network paradigm should avoid the ‘functionalist trap’ that considers society (and the city) as an integration whole only characterised by ‘differences’, and not by inequality and forms of social exclusion.

The title of this study, Mutual Benefit – Rethinking Social Inclusion, captures the need to find a new understanding of issues like social inclusion of marginalised groups and societal integration. By collecting knowledge from previous research, I hope to make a contribution with knowledge that seems to be lacking in the current research. Value-creation made possible from social relations and networking between actors from different positions, sectors and with varying backgrounds, have an impact on the possibilities to make integration and social inclusion more effective than previously.

The structure of the study

The thesis consists of two parts with differing natures. The first part is primarily theoretical. In the next chapter, the conditions for social inclusion and integration in the Swedish context are discussed. The policy areas concerning housing, immigration, and integration are presented.

Chapter three and four make up the theoretical basis. In chapter three, collaboration is discussed, mainly in terms of governance as an illustration of the changed roles in society derived from the developments on both the global and national arenas. Governance arrangements call for collaboration over sectoral borders and
between actors with varying positions, and this in turn calls for openness and dialogue between the actors.

The fourth chapter stresses the importance of social relations where social capital can develop and be used for purposes with impact on integration and social inclusion. It also emphasises that in order to achieve good collaboration, social capital needs to be developed among and between actors with differing positions and resources.

The second part includes the empirical study and the contribution from the theoretical analysis on the empirical material. First, chapter five presents the methodological considerations connected to the thesis in general, and the case studies in particular.

The context of the case studies is presented in the sixth chapter: Malmö's history, development and current state as well as the background and present situation of the housing company MKB Fastighets AB (the main actor in the cases). It also includes a section where the most common problems in vulnerable neighbourhoods are presented as well as the major measures taken to combat such problems.

Chapter seven and eight comprise the factual empirical material. The self-maintenance initiative in Holma and the job initiative in Örtagården are described, but before that, the neighbourhoods are presented together with the important actors of each neighbourhood. I briefly discuss whether the cases have created values for the different actors involved.

In chapter nine, an applied theory about value-creation is developed. The ambition is to weave the theoretical threads presented in chapter three and four with the factual situation in the case studies. It outlines how social capital in collaborating arrangements can lead to value creating processes where mutual benefit is expected for all involved. This can be used in different occasions, but here I put special focus on the work to promote social inclusion and integration.

The theory about value-creation can be regarded as the platform from which chapter ten derives, where the case studies and the research questions are analysed from the theories. The analytical chapter also involves a wider discussion and concluding remarks.

Figure 1:1 is an attempt to present the relation between the different chapters in the study, showing important interconnections between the different parts and sections.
Figure 1.1. Schematic picture of the thesis’ content
PART ONE

A Theoretical Base
2 Conditions for Social Inclusion and Integration

Sweden in the world

Particularly in the Western countries, but also in other developed countries, we can discern patterns illustrated by serious and growing problems such as increasing social exclusion and polarisation. Sweden is a small country, but is still affected by globalisation and its trends and developments. Influences from the outside world make it relevant to place Sweden in a larger context when discussing Swedish contemporary society.

Structural changes and increasing gaps

Over the past decade, the advanced industrial cities of the world have all gone through a process of economic restructuring that is frequently assumed to be strongly associated with the process of globalisation. … Among the characteristics of these changes are a growth for service and thus service jobs … The final result of the restructuring process is said to be increased social polarisation, that is, a growth in both the bottom end and the top end of the socio-economic distribution… (Musterd & Ostendorf, 1998, p. 2)

The previous chapter made clear that Sweden currently is in a period of economic restrictions, and that experience changes of the previously so strong welfare state (see e.g. Abramsson & Borgegård, 1996). Disparities of incomes are growing and polarisation increasing. Economic polarisation affects the spatial distribution of economic and other types of resources. How poor neighbourhoods affect the people living in them is of great interest for urban planners who want to prevent a spiral of decline. A common statement is that poverty in a neighbourhood leads to social decline among residents and increasing social isolation from the mainstream society (Friedrichs, 1998).
With the deindustrialization of entire regions and urban economic decline, interest has turned to a further aspect of urban neighbourhoods: poverty, social exclusion, and socio-spatial polarization. (Friedrichs, 1998, p. 77)

Sassen (1991) and other theorists regard the occupational and income polarisation as the outcome of a general shift from manufacturing to service. She presents three reasons for this development (referred in Hamnet, 1998):

1. The shift from manufacturing to service lead to polarised incomes and occupational structure, characterised by growth both at the top and the bottom because of the polarized nature of the service sector.
2. Growth of low-grade service jobs that are dependent on the growth of the top has become a pattern—services are provided for the wealthy by the poorly-paid.
3. Growth of informalisation in the remains of the downgraded manufacturing sector calls for low-skill and low-paid jobs that are overwhelmingly filled by the immigrant labour force. Many immigrants are attracted to cities because finding a job is easier there than elsewhere.

This polarisation is linked to a growing geographical polarisation between rich and poor, and between natives and immigrants.

Thus, Sassen claims that the gaps between rich and poor are increasing and the growth in both ends of the socio-economic distribution means a larger low-paid segment of the labour-market with no other option than work to serve the rich part of the population. This results in a decreased middle-class.

The scenario that Sassen presents is relevant, but has been criticised for failing to take other factors into account. According to Hamnet (1998), there may be other forces that contribute to polarisation, e.g. shifts in household and age composition of the population. Sandeford (2000) names increased migration and the ‘rise of civil society’ as two factors which trigger increased differences. It is important to note that the institutional context of each country is crucial to how the process develops. “Social polarisation is not a single, homogeneous process which operates in the same way in different places.” (Hamnet, 1998, p. 16) Therefore, Sassen’s theory may hold for the global cities in the United States (such as Los Angeles and New York), but it is not necessarily relevant for the European metropolis and urban Sweden. The welfare states in Europe have other systems and the Scandinavian countries comprise a special category which includes a strong safety net that ensures a minimum level of existence. If we consider the polarisation trend as a

22. Sandeford (2000) refers the ‘rise of civil society’ to the recognitions of needs articulated by social movements to combat injustices such as homophobia, racism, and discrimination against the physically challenged. Also the emerging voices of women focusing on gender issues are an important aspect of this dimension of the politics of difference.
23. Many authors refer to Esping-Andersen’s (1990) welfare state regimes when discussing differences between countries.
general pattern in cities, we may fail to see the existence of different forms of polarisation in different places, and also how the process can be mediated in various ways.

Given the focus of this study, along with the realisation that Sweden and other European countries have a comparatively large and well-functioning welfare state, Sassen’s conclusion that more and more people are forced into the low paid sector is not fully accurate. Although a larger proportion of the population fall in the low-income bracket, the income polarisation is ameliorated somewhat as it is combined with professionalisation of the paid labour force in many countries, including Sweden. This also means that even if most welfare states have been restructured and are under threat in one way or another, a greater share of the population is able to live outside the labour force on state benefits than in the United States. However, Sweden may also exhibit signs of an increased low paid labour force, as stronger emphasis placed on experiences in all Western societies (Pine & Gilmore, 2000) calls for a larger service sector, and hence people that can provide the services needed for the experiences. Thus, the American polarisation trend presented by Sassen, may be similar to the trend we can detect in Europe, with the only difference being the extent it has taken place thus far. Still, one of the factors of importance to understand the increasing income gaps in Sweden, according to the Swedish public investigation, SOU1997:118, is the decreased demand for low-skilled labour simultaneously as an increased demand for highly qualified labour. This implies that there are differing views about whether or not Sweden experiences a larger low-paid sector. However, whether or not the increasing low-income sector in Sweden consists mostly of low-skilled workers or social benefit receivers, polarisation is increasing. Other factors contributing to this development are that total occupancy rates have decreased, despite an increased number of students and early retired, and that continuously increasing incomes for retired people as a group no longer has an equalising effect, but instead indicates that higher pensions during the years of crises combined with overall decreased incomes from wages may have contributed to increased differences in income.

It is important, however, to take a holistic approach. What kind of life and resources would the people we more or less arbitrary regard as belonging to the weak sector of the population have had in another situation? Certain immigrants may have led a life without sufficient material needs, barely able to earn enough money to survive from one day to the next. If that is the reality they have experienced, they may look upon their changed situation as an enormous improvement of their everyday life standard and not regard the problems we detect in so-called vulnerable neighbourhoods as problems. The same is true for many Swedish people that have experienced economic and social instability in the past, before the rise of the welfare state. However, with this notion in mind, the study will focus on how to tackle what from the Swedish welfare society’s point of view is seen as serious problems in contemporary society, and thus disregarding other conditions. What is important is
how all people can become fully included in society, whether or not their situation has improved compared to previously.

**Swedish housing and social exclusion**

Closely related to polarisation and social exclusion is the issue of housing, since access to housing, or rather good quality housing, is a crucial aspect of social inclusion.

**A brief presentation of Swedish housing policy**

Housing policy has been an essential part of Swedish government policy since World War II. It has played a significant role within general social welfare policy, economic policy, and as part of labour market policy. In general, housing policy is carried out on two levels: the central government is mainly responsible for legislation and financing conditions, while the local (municipal) authorities are responsible for issues concerning planning, production, and management of housing (Svenska Institutet [Swedish Institute], 2002).

Rent controls were introduced in 1942, which meant that rents were almost frozen until 1968 when the rent control system was superseded by the Act on the Utility Valuation on Rented Dwellings [lag om bruksvärdering av hyreslägenheter]. Under that act, rent is determined by the utility value of the housing unit to the occupant. This system means that flats with similar value to the occupants should have approximately the same rents. The rents vary according to standard, location and age, and those steering the rents are the non-profit municipal housing companies, after negotiations between the corporation and a residents’ organisation. This utility-value system is under debate today, and some relaxation of the regulations has already occurred (Svenska Institutet, 2002).

Swedish housing policy has a strong general character, i.e. measures have not been targeted at groups with specific needs, but measures have instead been directed to meet general needs. From the view of the Swedish welfare system, if the situation is made better for all, it is also made better for those that are worse off. The primary focus has been on the supply of high standard affordable housing. The subsidy system has therefore primarily been supply-oriented with the goal of being neutral in relation to tenure and ownership. The rent-setting system has also been an important component of the policy to make affordable housing available to all.

The right to housing is expressed in the Swedish Constitution [Regeringsförmen] (Chapter I, Art. 2): “it shall be incumbent upon the public administration to secure the right to work, housing and education…” It is the responsibility of the municipalities to carry this through. The latest goal for Swedish housing policy, approved by parliament in December 2002, has the following wording:
The goal for housing policy is that everyone shall be given opportunities to live in good homes at reasonable costs and in a stimulating and secure environment within long-term sustainable frameworks. Housing and the constructed environment shall contribute to equal and decent living conditions and especially support a positive growth for children and youths. In planning, building and management, an ecological, economically and socially sustainable development shall be the foundation for the activities. (Prop. 2002/03:1, bet. 2002/03:BoU1, rskr.2002/03:66, my translation)

An ongoing debate, however, touches upon the role of today’s Swedish housing policy. The idea of housing as a social right remains strong. However, Bengtsson (2001) argues that, despite the general ambition, the practice and outcome of housing policy is developing into being more selective.

As for housing people with special needs, e.g. the homeless, the municipality is obligated to provide agreements with landlords on a voluntary basis. Mainly this is done with companies in the public, non-profit sector. When no housing company is willing to accept the household as a resident, the municipality must find more specific solutions. In some cases this means that the municipality is responsible for the contract and dwelling which it then sublets to the household or person in question. In other cases when the person cannot live on his or her own, the municipality has to provide special dwellings with supervising personnel to assist the tenants (Svenska Institutet, 2002).

Many authors also claim that the housing policy sector has weakened significantly (see e.g. Lindbom, 2001; Persson, 2001; Turner, 2001). In the early 1990s, it went through a thorough system change, which resulted in both a dismantling in an absolute sense, since the government authorities have improved their financial balance with large sums, and relatively, since the cuts are considerably larger than in other sectors (Lindbom, 2001). From being one of the most important policy areas, the role of the housing policy has diminished, and this has had a great impact on the housing situation in Sweden.

The ‘Million Homes Programme’
Due to a severe housing shortage and an urgent need for modernising the existing housing stock, the central government in 1965 created a construction program to build one million homes within a period of ten years. The objective of the programme was “...to produce sound, well planned and suitable houses of high quality at affordable prices to the entire population” (SOU 1965:32, my translation).

In 1975, slightly more than one million homes had been built, and the goal was reached. However, the results were not only positive. Like in many other European countries where similar large-scale construction programmes were carried out, many of the estates were built on the periphery of cities, had a large-scale and monotonous character, and lacked essential features such as service and transportation
 provision. These factors have negatively impacted the estates’ attractiveness and image (see e.g. Flenström & Ronny, 1972; Arnstberg, 2000; Popoola, 2002).

The Swedish housing stock was thoroughly modernised during the programme, and remains of high standard even today. In addition to the large-scale, multi-family estates that were built, a substantial number of detached houses and small-scale estates were also constructed. However, many of the neighbourhoods built during this period today suffer from serious inter-related problems, which indicate that some critical knowledge about how to create and develop good housing and housing environments were lacking or ignored in the process. Apart from the criticised physical outline, the problems related to the Million Homes Programme today relate primarily to neighbourhoods with segregation, high unemployment levels, high concentration of ethnic minorities, large social benefit dependency, high crime rates, and low participation in elections (see e.g. Cars & Edgren-Schori, 1998; Nyström, 2000).

New roles and relations

In retrospect, an examination of Swedish post-war housing policy raises the question about effectiveness, especially with respect to social integration. When problems appeared, primarily in the Million Homes Programme estates, ambitious efforts to improve conditions in distressed neighbourhoods have mainly occurred through physical restructuring. Despite these major and costly efforts, the results have often been poor (Cars, 2000; Andersson & Cars, 2001; Herting, 2003).

During the post World War II period, housing policies to a large extent were directed towards issues concerning new construction and modernisation of the existing housing stock. During the early years of the 1990’s, housing policy took a new direction. Three ‘new’ conditions were identified (Alfredsson & Cars, 1996):

- Housing standards had been raised to high levels (practically all substandard units had been demolished or modernised).
- In many cities/regions an increasing number of vacant flats appeared.
- Central Government’s costs for housing subsidies had increased rapidly in the 1980’s. This increase continued in the 1990’s and became extremely problematic as the recession hit the Swedish economy.

Promoting change in deteriorating areas is a social issue. Today it is commonly recognised that physical upgrading does not solve the problems facing these areas; upgrading must include social improvements. It is also clear that services such as language training and high quality schools are instrumental to improving the quality of life for the people living in these neighbourhoods as well as for improving the reputation of these areas in the long-term (Nyström, 2000).

Structural changes have weakened the strong welfare state of Sweden. New actors and constellations are becoming increasingly important in the economy, as well as elsewhere in society. This development is not unique for Sweden; it is evident all
over the world. When discussing new conditions and roles in society, the concept of governance has received increased attention, as it can be used to describe some of these patterns and developments. In the proposal for a new housing policy, presented by a governmental committee in 1996, much attention was given to segregation and how to combat social exclusion (SOU 1996c:156). The proposal emphasised co-ordination and local democracy. Efforts to improve living conditions must be based on coordination of resources and on resident participation.

The Swedish government has expressed that making Sweden a sustainable society is a priority, from ecological, social, and economical as well as cultural perspectives. To be able to reach this goal, strategies have changed from sector-approaches to a comprehensive view of sustainable development – from detailed rules to visions and guidelines.

During the first years of the 1990s, new strategies for upgrading have been developed. Many of these local approaches have common features. One frequent starting point is the failure of previous ‘top-down’ approaches. Now, it is commonly recognized that renewal efforts should be based on thorough knowledge about the specific character of the neighbourhood in question, as well as the needs, problems and wishes of the residents (Nyström, 2000).

Despite the change from a physical focus to the inclusion of social and other aspects in local development projects, and despite co-ordination and co-operation between different actors, many projects fail to achieve sufficient results (Hertting, 2003).

**Municipal housing**

The Swedish public housing sector was created in the 1940s and social responsibility has been an important part of their work ever since, supported by the national state. However, in recent years conditions of the housing market have changed significantly. This is especially apparent with public housing companies. All preferential special rules have been abolished and today public housing companies compete on the housing market on the same terms as privately owned housing companies (see e.g. Lind, 2001). In this situation, some local authorities have to plan to sell their public housing companies on the market. In order to reverse this trend, the central government has set up an official commission of inquiry to develop proposals for new legal instruments for the public housing sector. The same commission is also to suggest measures to guarantee residents’ influence in public housing companies.

What has been missing in the public housing sector is the businesslike view needed to make a company efficient and attractive in order to exist with the same rules as other housing companies. However, a complicating factor is that in the public sector business performance standards must be made on a non-profit basis (see e.g. SABO, 1995). Today, companies are not only selling their product, but also need to have a trademark. As a housing company, one must offer more than simply
good housing to meet the new demands from residents, especially young people. Environmental issues and social responsibility are often seen as more important than economic growth, and the critique of the polarisation in society is increasing (Avellan, 2001). This strengthens the demands on housing companies to develop a more socially and ecologically sustainable housing situation, and at the same time attain economic profit.

Public housing companies often have a significant share of their stock in the least attractive and socially and economically vulnerable areas, which puts special demands on management. Residents in such neighbourhoods often face problems related to security and daily maintenance. Case studies have shown that neighbourhoods can often move into a vicious spiral of decline (see e.g. Cars, Martinson & Normann, 2001). New approaches to break this spiral have been successfully developed. These approaches have two common features: The first is that rules for resident behaviour have been clearly formulated and strictly enforced. Acceptable and unacceptable behaviour is clearly defined for residents. The second feature is a decentralisation of service provision and maintenance (Cars & Edgren-Schori, 1998).

A way to create profitability within the organisation is to improve the living standards and life situation for the residents. Bernow (2002) argues that one of the primary factors for how residents value their housing situation is the housing company’s treatment of the residents and its willingness to provide good service. In a housing company, public or private, the customers are central and it is crucial that their needs are met.

Increased service levels involves short-term costs for the housing company, but most likely means savings in the long-term, because the possibility that residents feel better, are comfortable and want to stay in the area increases. In turn, this leads to a more stable neighbourhood with fewer vacancies, low turnover rates and lowered rates of vandalism (Avellan, 2001).

Thus, the focus during the 1990s for many municipal housing companies has been economic efficiency and a changed view of the residents as ‘customers’ with individual preferences and needs. This new focus can be called businesslike public housing (SABO, 1995; Ramberg, 2000). The maintenance service area has changed its focus similarly from houses to people, and from residents as a collective to residents as individual customers.

This new approach has made many municipal housing companies reorganise themselves. The previously common hierarchical structure has often been replaced by an organisation where several tiers have been removed. Instead, a ‘housekeepers organisation’ has been established as the base for the new organisational structure. This change has led to a closer contact between employers and residents (Alfredsson & Cars, 1997). “Customer-orientation in combination with social responsibility has led to housing companies’ engaging in people’s whole life-situation.” (Ramberg, 2000, p. 224)
The housing market and housing supply

Housing supply in Sweden is diverse. Larger cities suffer from severe housing shortages, while many smaller cities and peripheral regions carry a surplus. This study focuses only on the situation in metropolitan areas. In growing cities, the shortage is especially related to a lack of rental sector housing. This problem is further accentuated by the conversions of public rental housing, which has taken place e.g. in Stockholm. However, the latest political decision (after elections in September 2002) enforced that public rental houses in Stockholm are no longer allowed to be converted into co-ops. The last decade or so, very few housing units have been built, and almost no new rental housing has been created. Therefore, the new political majority in Stockholm stresses the need for rental flats in Stockholm, and have decided to promote housing production with an emphasis on the rental sector.

Both residents and the housing companies are interested in the quality of the housing. For residents, this interest exists because they live and lead their everyday life there. From the landlord’s point of view, this interest is closely connected to financial interests and placement of capital. This interest can be an incitement to create a positive housing environment for their residents, but it does not necessarily depart from a care of the residents, but possibly from the maintenance of the risk-capital that the housing stock make up (Popoola, 2001, p. 198). There are thus rational motives for the actors on the housing market to maintain a high standard. However, there are examples of the opposite. In metropolitan areas and other places with housing shortages, it is probable that situations exist where the landlords abuse their commission as house owners, because there is still no risk that vacancies will occur.

Although no statistics are available, it appears that an increasing number of households experience difficulty in accessing rental housing due to more rigid acceptance rules. Residents often have to prove minimum income, have no history of eviction, have no payment complaints from banks or other payment failures. There are housing allowances that allow families with low incomes to acquire sound and adequate accommodation. The allowances redistribute resources throughout the life cycle and from families without children to those with children. The allowances are means tested and most beneficial for people with the lowest income. However, the conditions for receiving this allowance have decreased over the last few years, while the rules have become more stringent. Less than one out of ten families with housing allowances now live in owner occupied homes and a very small proportion of them are couples. In 1994, only about half of the receiving families with children were couples. There are also rent subsidies available for retired people with low pension. The regional social insurance office (which belongs to the municipalities) handles the applications and pays the allowances (Svenska Institutet, 2002).
Immigrants and ethnic minorities

Segregation is a concern for housing policy, and since the 1970s, different measures to break segregation patterns have been evident in Swedish housing policy (Borevi, 2001). Discussions of housing segregation today inevitably touch upon the ethnic dimension, as the last decades’ increased immigration has created certain geographical patterns in many cities. Still, I would prefer discussing how people, irrespective of origin, background, economic resources etc. can get become included in society, rather than emphasising the ethnic dimension of the problem. Integration is more about creating the correct conditions for all people to be included in society. Apart from housing, as being the issue dealt with in this study, labour market is an important respect as well as education.

However, we cannot ignore the fact that many ethnic groups in Sweden are unable reach an integrated place in society in comparison to native Swedes, especially refugees.

Concerning refugees, it is clear that the group has extreme difficulties to step into the labour market. Only 13 percent of the refugees that arrived to Sweden during 1995 were self-supporting three years later. (SCB, 2002, p. 31, my translation)

The segregation between Swedes and ‘immigrants’ is not only due to their immigrated people’s poor economic status in comparison to the average native Swede. Andersson (2001, p. 18) argues that there is a need to emphasise questions such as why so many immigrants are poor, where the more wealthy categories of immigrants live, what the income of the immigrants living outside the vulnerable neighbourhoods is, and if there are specific obstacles for immigrants to have a housing career (discriminating factors). These questions are raised to question the commonly held standpoint that segregation is only a matter of class. Immigrants are also underrepresented in the political arena, and in coalitions and networks that influence local development (Khakee & Johansson, 1999). The social exclusion is thus more problematic among our immigrated inhabitants, and therefore we cannot disregard the ethnic dimension when discussing the problem.

The process of ethnic integration is stymied by limited knowledge of the Swedish language, limited knowledge about the Swedish society, and a generally perceived low education level that to a degree is caused by the absence of appropriate assessments of foreign educations by the Swedish bureaucracy. Only 39 percent of the immigrant population has employment that corresponds with their level of education, compared to 85 percent of native Swedes (SCB, 2002, p. 32). One additional factor (concerning refugees) is the unintentional passivity caused by long-waiting periods involved in the processing of refugee applications. But, discriminating forces on the labour market are also partly a barrier in accessing employment for some groups and we need to consciously stop assigning ethnic minorities...
blame for the problems of segregation and social exclusion. Integration is a mutual process.

**Integration policy**

As will be shown below, immigration has changed over time, both concerning number and reason. Therefore, immigration- and integration policy has also changed character from labour force oriented to an orientation towards asylum. When immigration increased after World War II, the principle of ‘assimilation’ was applied, meaning that immigrants should melt into the Swedish context and become as ‘Swedish’ as possible. During the 1960s, the need for an immigration policy grew stronger and by the end of the 1960s, the integration policy’s goals were discussed and put forward in a government bill (prop. 1975:26), and *equality, freedom of choice* and *collaboration* became central concepts and emphasized that assimilation was no longer the goal. Rather, policy was directed towards integration. Equality means in this context that immigrants shall have the same rights and responsibilities as other residents in Sweden. Furthermore, immigrants shall (like others) have the freedom to choose to what degree their cultural identity will be kept and how much of Swedish culture will be adopted. Collaboration concerns tolerance and cooperation between different ethnic groups and a clear repudiation from discrimination and hostility towards foreigners (SCB, 2002).

As a response to the increased immigration of refugees in the mid 1980s, the conditions of the different immigrant groups became too large to discuss as one category. A ‘we-them’ view was created, with a negative connotation for immigrants. In 1985, a decision was taken to spread the social and financial burdens of the increasing reception of refugees among the Swedish municipalities, as the trend was that most refugees moved into the larger cities. The ‘whole of Sweden strategy’ [Hela Sverige strategin] lasted until 1994 (Borgegård et al., 1998). According to Andersson (1995) the strategy did not change the process of concentration of immigrants in the metropolitan areas as second moves among refugees were likely. Research shows that the mobility among immigrants is greater than among native Swedes, but that the pace of this trend slows with length of stay in Sweden. This also corresponds with the phenomenon of living close to people with the same ethnic background (see e.g. Borgegård et al., 1998; Andersson, 2003).

In 1994, an extensive review of the immigration policy was conducted and the committee of immigration policy [invandrpolitiska kommittéen] handed in their final report in 1996 (SOU 1996:55), where new objectives and directions were proposed and led to the central government’s integration political bill (prop. 1997/98:16, see also above, p. 23). The integration policy of today emphasises the importance of general policy and mirrors the diversity of society. Therefore, special issues should motivate measures, not just being an immigrant (Borgegård et al., 1998). The only legitimate reason to treat ‘immigrants’ as a homogeneous group is
when the immigration per se is a more relevant starting point for measures than other conditions. This is only the case during their very first period in the new country (DS 2000:43; SOU 2003:75).

Integration – to reach the goal of equality, freedom of choice and collaboration – demands a period of establishment for the immigrated people.

The aim of integration policy is to bridge different hindrances on the way towards equality with the native Swedish population. The length of the time for establishment is thereby an indicator of the effectiveness of politics. (SCB, 2002, p. 150, my translation)

The reception upon arrival in Sweden is another influential factor for the immigrant’s welfare situation. Open or hidden discrimination can delay integration into Swedish standards of living, or create an underclass of immigrants. Furthermore, there are institutional and administrative measures with the objective to facilitate integration but sometimes they are rather obstacles to effective integration, e.g. the handling of cases, reception of refugees. Together this contributes to differences in living conditions between immigrants and native Swedes, as often is documented in both research and statistics, because the chances for the new immigrants to get access to e.g. the labour- or housing market is delayed (SCB, 2002).

Thus, Sweden has moved from a perspective of assimilation to a view where integration is the focus. Previously, it was expected that immigrants fully adopt Swedish culture as their own, while we now mean that immigrants can be a part of Swedish society while keeping their cultural beliefs and traditions. This means that immigrants should participate both in the labour market and in the political process. It is true, though, that assimilation again has been given room in recent debates. In addition, it is sometimes a discussion of positive discrimination (e.g. by allocation of quotas), which can be a response to the failure of reaching the goal of equal possibilities for all in the Swedish welfare state (SCB, 2002). This perspective has recently been emphasised by the minister of integration that appointed a commission to investigate the structural forces that create racism and segregation, as a complement to the more individually focused investigations (Stenberg, 2004).

It can be discussed how this change of perspective may impact on society. The focus on structures in society, and the notion that the most important aspect of integration is to strengthen the process of increased participation by minority groups in society, may lead to an acceptance of a society where different groups of people live in enclaves. Thus it is a risk that the spatial segregation increases even if the process of integration is improved.

The concept of immigrant
Using the term ‘immigrant’ is difficult. It is coupled with risks of generalisation and categorisation. This term automatically places a native Swede in a more advan-
tageous position over someone from another origin. This is generally true, but with a few exceptions as some nationalities seem to have higher status (e.g. people from English-speaking countries, like Great Britain or United States), and some nationalities may have a high status within specific circles or branches (e.g. doctors from Iran). Similarly, other groups have lower status, and when such groups are concentrated in neighbourhoods, the area easily earns a negative reputation, just as the inhabitants.24

The concept of immigrant needs a definition. Today, many uses and definitions are living side by side, which leads to some confusion (see e.g. Ds 2000:43). The reason for this is that the term ‘immigrants’ is a social construction, not a homogeneous group, and therefore lacks a common sense definition. Immigrants can be attributed general characteristics that can be relevant to parts of the group, but not to the entire group. This kind of typifying can lead to anonymisation (Edgren-Schori, 2000). Herzberg (2003) describes how categorisation of people may result in that people become connected to characteristics of a group that are not relevant for the individual. When such negative characteristics prevail, the person can land in a disadvantaged position and a lower status than would have been the case without the group generalisation. Negative stereotypes appear when a person with deviant behaviour stands as a characteristic for the entire ethnic or cultural group.

According to Nationalencyklopedin (1992), an immigrant is a person that moves from one country to another with the aim to settle down for a longer period of time. But, evidently this is not how the concept is used in general. The common public understanding is that the term immigrant only applies to selected people, and sometimes even for people that have not immigrated into Sweden themselves. A native Swede seldom sees a Norwegian or North American as an immigrant, but rather just a ‘Norwegian’ or an ‘American’. But, this perception changes if the immigrant has a different skin colour. This also indicates that people that are born and raised in Sweden by parents with another colour than white can be regarded as immigrants. We tend to treat those groups of people that are most unlike ourselves different than those that have similarities with the Swedish way of living and that look pretty much the same as we do, which can be explained with the term ‘ethnic distance’ (Olsson Hort, 1995; see also above, p. 24).

Ethnic groups or ethnic minorities are more useful concepts than the concept of immigrant in many situations, as they involve at least some common characteristics depending on the cultural or religious origin, even if individuals within these

24. My wish is to try to describe a complex situation in which the ethnic minorities and people with foreign background are important stakeholders. I therefore need to use the concept immigrant sometimes, but I will try to do it carefully and respectfully. I will also state that my personal opinion is strongly in the belief of equal rights and worth of every human being, so any indication of condescending that can be detected in the text is not meant to be, but might illustrate a difficulty of handling and discussing the complexity of problems connected to ethnic minorities combined with social problems.
groups differ and share characteristics with members of other groups. Any type of
categorisation is stigmatising on some level.

The statistical offices have tackled the problem by using the term ‘foreign back-
ground’. This term allows a division of different categories of foreign backgrounds,
such as first generation of immigrants (born outside of Sweden) and second genera-
tion of immigrants (born in Sweden but with at least one parent born abroad),
Swedish citizens born abroad, foreign nationals, etc. Still, it does not make it possi-
ble to differentiate between the different reasons for immigration.

In a report from Statistics Sweden [Statistiska Centralbyrån, SCB] (SCB 2002),
16 different immigrant groups were investigated (groups of countries and some-
times singular countries) and compared with native Swedes. In the report, they
state that it is possible to group the immigrants in two rough categories: On the one
hand immigrants from the ‘rich world’ that is the Nordic countries, the central
EU-countries” and North America, and on the other immigrants from other con-
tinents and present war zones (particularly refugees). There is a clear connection
between these categories and the reason for immigration: Those from the rich
world are most often a favoured group that came to Sweden because of labour
market reasons (they have in principle right to free immigration), while the other
group primarily consists of refugees and relatives to immigrants. The second cate-
gory is disadvantaged and can only stay if they have specific reasons. Also the speed
of establishment varies between these two categories, according to the report. It is
therefore not surprising that refugees have a more difficult time to become in-
cluded than other groups, as they have poorer structural conditions and often origi-
nate from countries with a large ethnic distance from Swedes.

According to Hennertz (referred in Andersson, Molina and Sandberg, 1992)
four variables are of significance for the assimilation and integration of immi-
igrants:

1. The grade of cultural divergence from the Swedish society
2. The pattern of migration: ‘Chain migration’ or ‘individual migration’ gives
different conditions. In chain migration, people with the same background can
medicate between the newly arrived immigrant and the Swedish society. Individ-
ual immigrants are more vulnerable and more dependent on the measures of in-
stitutions.
3. The intention to stay in Sweden or not impacts adaptation
4. It is also of importance for the cohesion within the group how accustomed the
immigrant is to live in ‘minority status’ and claim the minority group’s borders
towards others.

25 Germany, France, Austria, Belgium, the Netherlands, Great Britain and Ireland (SCB, 2002 p. 154).
Borgegård et al. (1998) have made a similar categorisation, taking into account e.g. duration in Sweden, reason for immigration, and the policy in Sweden at the time for immigration.26

Immigrants go through a process of change, which means that the cultures are not imported unchanged to Sweden. Knowledge about such phenomenon is important to understand differences between different ethnic groups and how they integrate into a new society (Andersson et al., 1992).

Today, the word immigrant often has a negative connotation. We tend to relate it to structural problems that a concentration of non-Swedish people can lead to, but also to cultural differences that we find odd or frightening. This is yet another reason why integration is difficult to attain.

In a society that is permeated with the idea of a reciprocal integration process as the way to a coherent society, it is likely that the concept ‘immigrant’ is given another meaning, charged more positively. (Edgren-Schori, 2000, p. 153, my translation)

Hertzberg (2003) argues that categorisation of immigrants involves problems as mentioned above. However, he claims that it also can be positive in the respect that it creates order and provides a common frame of reference. Thus, using categorisations, like immigrants or people with foreign background can be useful, but nevertheless implies that we must clearly define what we mean by each term and concept. I will use the definition of immigrants to encompass all people born in another country. When I refer to people with foreign background, the second generation will be included as the discussion often relates to cultural or religious associations, where children to immigrants can be involved and when they experience

26. The categories are 1. Non-regulated immigration from neighboring countries (Norway, Denmark, Finland, Iceland). Unlimited possibilities to move across countries because of an old Nordic agreement; 2. Labour force and family related immigration from emigration countries (former Yugoslavia, Italy, Spain, Portugal, Greece, Turkey). The need of labour force was the reason for immigration; 3. Labour force immigration from immigration countries (Germany, France, Great Britain, Belgium, The Netherlands, USA, Canada). These countries have had a similar development as Sweden, which means that the reason for immigration is more individual than structural; 4. European refugee immigration (Poland, Hungary, former Czechoslovakia, Romania, former Soviet Union). Many of these came before 1970 and were not part of the ‘whole of Sweden strategy’. The cultural differences between Swedes and these groups are not particularly large; 5. Non-regulated, non-European refugee immigration (Chile, Vietnam). These groups were not involved in the ‘whole of Sweden strategy’, but the cultural differences are larger. Regulated, non-European refugee immigration (Iran, Iraq, Ethiopia). These groups were spread out according to the ‘whole of Sweden strategy’. Since this categorisation was made, new groups have arrived, and new conditions and policies have developed. The ‘whole of Sweden strategy’ is not apparent anymore, and we belong to the European Union. In addition the EU has recently expanded and also includes countries with traditionally lower living standards than the rest of the union – populations that previously arrived as refugees into Sweden (see category 4) (Borgegård et al., 1998, pp. 32-33).
their background as important to maintain. SCB (2002) claims that the differences between the second generation of immigrants and the native Swedes are very small in most respects. It is however important to state that my case study areas are housed by a large number of immigrant groups and ethnic minorities with significant differences between them. The problems concerning social exclusion related to these groups are rather connected to when they arrived to Sweden and by what circumstances and their social network than the fact that they are immigrants. Thus, categorisations made by Hannertz (referred in Andersson et al., 1992) and Borgegård et al. (1998) is relevant, but not available in statistics. An additional important component is the structural racism and discrimination. Being an immigrant in and of itself creates challenges irrespective of social networks and time of arrival.

**Quality of life**

The differences between various immigrant groups and ethnic minorities therefore make it important not to discuss every immigrant using the same model. Not only do differences exist depending on country of origin, but also on point of arrival into Sweden.

This fact has consequences for the situation of children: Every third child with any foreign background (born abroad or one or both parents born abroad) in 2001 lived in a household with either a low-income standard and/or receiving social benefit in comparison to every twelfth child with a Swedish background. "Accordingly, the risk of living in an economically vulnerable household is four times greater for children with any kind of foreign background." (Rädda Barnen, 2003, p. 22, my translation)

Concerning social relations, some immigrant groups end up in a worse initial position. While the second generation of immigrants have more or less the same pattern as the native Swedes, many other groups have minimal social networks outside of the immediate family (SCB, 2002). Time of residence in Sweden and the number of relationships seem to covariance. Beginning in the new country is of course worsened in the cases people have broken from old social networks in the home country, and even forced to leave close relatives.

Refugees often lose both their own family, the larger network of relatives, friends from childhood, and colleagues. In the new country, language difficulties, cultural differences and the reception by the native population can be obstacles to a quick integration concerning social relation. This is about obstacles difficult to overcome politically. (SCB, 2002, p. 114, my translation)

62 percent of native Swedes and second-generation immigrants visit a close relative every week. The corresponding percentage for African immigrants is 29 percent and for all immigrants 44 percent. The span of the frequency is however, very
large, and a lot point towards a considerably larger span among immigrants than native Swedes: Sometimes immigrants’ and refugees’ contact with relatives are much more intense than what is common among Swedes. This can be due to that large families came together to Sweden, or the subsequent immigration of relatives of immigrants who arrived in Sweden earlier. At the same time, there are immigrants that are completely isolated from their family as they have no family in Sweden (SCB, 2002).

**Who came when and why?**

About one fifth of Sweden’s population today is immigrants or have at least one parent born abroad. Until World War II, immigration to Sweden was fairly small. In the post-war period, immigration became more extensive, comprising groups of people from countries further than Scandinavia and the Baltic countries (http://www.sis.se 2002-11-11).

The demand for labour increased rapidly in Sweden after the war, so industries started to recruit people from other European countries into the labour force. In 1954, an agreement was signed by the Nordic states that created a common labour market. Due to this, immigration from other Nordic countries increased. During the 1960s, two waves of immigration dominated: the first consisted mostly of workers from Yugoslavia, Greece and Turkey (mid 1960s), and the second (1968-1970) was dominated by people from Finland (100,000 out of 166,000) (http://www.sis.se 2002-11-11).

In the 1970s, the structure of immigration changed. Immigration of workers from non-Nordic countries decreased, but the number of refugees increased substantially. This pattern continued in the 1980s, when 178,000 of the total number of 338,000 immigrants came from countries outside of the Nordic region as refugees or relatives to previously immigrated people (http://www.sis.se 2002-11-11).

**Table 2.1. Number of immigrants arriving to Sweden (ten-year periods)**

<table>
<thead>
<tr>
<th>Decade</th>
<th>No of Immigrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940s</td>
<td>134,000</td>
</tr>
<tr>
<td>1950s</td>
<td>106,000</td>
</tr>
<tr>
<td>1960s</td>
<td>235,000</td>
</tr>
<tr>
<td>1970s</td>
<td>155,000</td>
</tr>
<tr>
<td>1980s</td>
<td>338,000</td>
</tr>
<tr>
<td>1990s</td>
<td>445,200</td>
</tr>
</tbody>
</table>

Of all immigrated people living in Sweden at the end of 1997, approximately 522,000 were foreign nationals and around 690,550 immigrants had become Swedish citizens. Approximately 50 percent of all foreign nationals come from the Nordic countries (http://www.si.se 2002-11-11).

**Immigrants and labour market issues**

There are different reasons for immigration, and the possibilities to gain access to society’s services vary depending on reason for coming to Sweden and on the category of the immigrant. Citizens in the Nordic countries and the EU automatically receive a permit to reside in Sweden upon request. For others, there are generally three categories where a residence permit can be accorded: labour force immigration, immigration of relatives to immigrants, or refugees. The probability of receiving a residence permit has changed throughout history. Today, we have a more restrictive policy than previously (SCB, 2002).

After Sweden entered the EU in 1995, citizens of the other member states and EEA (European Economic Area) states can stay and work in Sweden without permits for up to three months. After three months they must apply for a residence permit. Citizens from all other countries are granted residence permits for labour only if the need for labour cannot be met in Sweden in other ways (http://www.si.se 2002-11-11).

It will be interesting to follow the development after May 2004 with the entrance of new member countries in the European Union. It is no longer only ‘rich’ European countries (see above, p. 50) that have free entrance to Sweden. After intense debates whether this should be tackled with transition rules or not, it was decided that the Eastern European countries with less developed economies than most other EU members, shall be treated like other EU countries. Thus transition rules were not implemented.

Unemployment is considerably higher among the immigrant population than among people born in Sweden. In 1998, the unemployment rate in the total labour force in Sweden was 6.5 percent, but among foreign nationals 20.2 percent. Many immigrants work in sectors sensitive to fluctuations in the economy (e.g. industry, trade, hotel, restaurants etc.), and many are new to the labour market. However, foreign nationals also often have difficulties finding jobs even if the supply of job vacancies is good. This is especially true for those who struggle with mastering Swedish language. Another significant problem is that Swedish employers often fail to recognize foreign qualifications and accurately translate how they correspond to degrees or work experiences in the Swedish system. Furthermore, immigrants often have more irregular working hours than Swedes, and they are over-represented in industries with a poor working environment. Concerning living conditions, foreign nationals live in overcrowded houses more often than Swedish natives (http://www.si.se 2002-11-11).
Although employment is no guarantee to inclusion, it combats economic marginalisation, and makes inclusion possible in certain parts of the social transfer systems. “The most important reason to marginalisation and isolation is insufficient opportunities to work and become self-sufficient, and thereby participation and joint responsibility in society,” (Integrationsverket, 2001, p. 17, my translation, see also http://europa.eu.int/comm/employment for EU’s perspective in this issue)

It is however not only occupation and unemployment that are keys to the integration process on the labour market, but also the level of attachment of the employed. Time limited employment and being unemployed during the last five years are variables that SCB (2002) have used to control the attachment on the labour market and it has been proved that a low degree of attachment is more common among those that are new to the labour market (i.e. newly arrived immigrants and young adults).

Not only do people born abroad show both lower levels of employment and impaired attachment on the labour market … Their situation has also, relatively, become worse over time, i.e. relative to native Swedes. (SCB, 2002, p. 95, my translation)

A few explanatory factors:

- The type of immigration has changed (from labour force to refugees), from having had work arranged before arriving to Sweden to a lack of natural connection to the labour market.
- The group of immigrants has become more diversified. More and more immigrants come from countries outside of Europe.
- Structural changes on the labour market have led to the disappearance of many low skilled jobs, which disproportionally affects people born outside of Sweden.
- Changes in the state of the market impacts immigrants more: it delays the entrance on the labour market and gives decreased chances to keep the job.
- The possibility and will to employ immigrants has decreased depending on the structural changes and behaviours when hiring people (indirect discrimination as well as direct discrimination).

The newspaper Dagens Nyheter, has recently discussed how immigrants’ situation on the labour market during the last 20 years has worsened, which injures the national finances and increases the risk for hostility towards foreigners (Ekberg & Westholm, 2004). The authors argue that the political decision to spread out refugees throughout Sweden (according to the ‘whole of Sweden-strategy’ that was carried out in the mid 1980s) is an important reason for the lack of integration visible today. The article maintains that it was rather the supply of housing and not employment opportunities that steered this outplacement of refugees, and this led to large regional differences in employment rates among immigrants. Of course, a
large influx of people leads to an acute housing need but at the same time it is important to create a long-term plan of action, where it should be possible to make a quick transfer to regions where the chances to access employment is better, according to the authors of the article.

Weak integration on the labour market gives fewer possibilities to become self-sufficient. Instead, benefit dependency increases. The support-decisions are moved from the individual sphere to practitioners within the public system of transfers. This reduces the individual’s chances to influence his/her own everyday life. (Ekberg and Westholm, 2004, my translation)

If the power over everyday life diminishes, it can act as a hinder to integration and overall participation in Swedish society.

**Immigrants and housing**

The housing standard is dependent upon the resources of the residents, but also how long the resident has been on the housing market. Generally, new immigrants live in worse conditions in terms of standard and correspondence to their needs, since they often have both lower incomes and have not had enough time to establish themselves in the housing market. The fact remains that those new on the housing market (immigrants and young adults) generally pay more for their housing, and thus have a lower housing standard (SCB, 2002). The difference between immigrants and native Swedes diminish with the length of duration in Sweden (Borgegård et al., 1998; Andersson, 2003).

In 1994, the regulation that organized housing for people that have applied for asylum and awaiting residence permits was changed.27 Today, asylum applicants can choose whether they wish to live with friends or relatives or at one of the Migration Board’s reception centres. More than 50 percent choose to arrange their own housing, and are called *ebos*28 (personal communication with the National Migration Office [Migrationsverket], 2003-04-22). This has resulted in an increased share of newly arrived immigrants settling in metropolitan areas.

The share of overcrowded housed people is also higher among first generation of immigrants and especially of non-European descent. While 11 percent of the native Swedes live in overcrowded circumstanced (according to the third norm’), the share among non-European immigrant is four to five times greater (SCB, 2002). Added to this statistic are the ‘ebos’ that are not registered in statistics but

---

27. Between 1984 and 1994, the ‘whole of Sweden-strategy’ (Hela Sverige strategin) assigned refugees to municipalities all around Sweden. It was an agreement between the national state and most of the municipalities to spread the financial and social burden.

28. The term ‘ebos’ come from the Swedish ‘eget boende’, meaning own housing.

29. The third norm for restricted space means that a household is overcrowded if there is less than one bedroom per person (kitchen and living room not counted, but shared room for couples,
significantly increases overcrowding in some neighbourhoods and implies that the actual number of immigrants in these neighbourhoods remains hidden. The likelihood a person lives in overcrowded conditions decreases with the length of time in Sweden since the person has mostly likely had a chance to establish on the market. The process of establishment is also expedited if the immigrant has a Swedish partner.

This chapter has given a background to and an overview of the situation in Sweden concerning housing-related segregation and polarisation patterns. In the following chapter, the focus will be on how these changes and problems can be tackled through modes of governance and new constellations of collaboration between actors in society.
3 Governance

Modes of governance and collaboration

The word collaboration often has a positive connotation. The advantages of collaboration relates to coordinated action and potential to create synergy gains. Governance has become an expression for how new forms of networks and collaboration provide services that the national state or the public once did. However, one can question whether these new constellations always are more effective than the traditional and whether it always is justified to strive for this type of coalition (see Hertting, 2003).

New Public Management

Structural changes in society have had an impact on the role of the traditional welfare state. Today, organisations and other actors outside the public domain have assumed more power (see e.g. Pierre, 2000; Healey, Cars, Madanipour and de Magalhães, 2002). Concurrently, it is clear that issues previously regarded as public responsibilities are being dealt with outside of the traditional public forums for decision-making. This transformation, often referred to as ‘from government to governance’, can be explained by an increased marketisation and privatisation of the public sector, a phenomenon labelled as New Public Management (NPM).

Compared to many other nations, Sweden has been relatively moderate in the renewal of the public sector. Still, Sweden has privatised some areas where the national state traditionally has held a monopoly, e.g. infrastructure. Despite these mostly moderate changes, NPM is an expression for new ways of thinking and acting within institutions. New values, norms of action, and concepts of reality can be created among politicians, employees and citizens when new formal institutional arrangements, e.g. within the municipality appear (see Montin, 1997; Granberg & von Sydow, 1998).

The strategies and activities deriving from NPM do not remain in their original form. In addition, many of the contemplated renewals have only become catchwords for the future. However, Montin (1997) argues that it is likely that internal
competition within the public sector and increased cooperation between public and private actors will grow in many policy areas.

Governance

The contemporary frequent use of the concept governance can be explained by a number of factors, e.g. globalisation, fragmentation of politics, individualisation, and less trust in institutional decision-making. Economic changes have led to sociocultural changes, and society seems to increase in complexity with time (Healey et al., 2002).

The wide use of the concept indicates that it deals with an important phenomenon for the time being. However, not only is the concept of governance widely used, it is also well known for being difficult to define: "The concept of governance is notoriously slippery" (Pierre & Peters, 2000, p. 7). Pierre and Peters also say that:

A key reason for the recent popularity of this concept is its capacity – unlike that of the narrower term ‘government’ – to cover the whole range of institutions and relationships involved in the concept of governing. (Pierre & Peters, 2000, p. 1)

It is important to consider whether the governance discussion deals with real changes or whether governance is simply a popular word that sounds familiar to the ear and suits the present:

In the current state of affairs, governance does not actually constitute a concept rooted in a theory, or a fortiori, a theory. It is more of an idea; at best, a second rank concept which does not so much draw immediate responses as enable the formulation of questions. (Le Galès, 2002, p. 18)

Le Galès stresses that the role of governance is to construct questions important to our time and tackle them with new forms of collaboration.

Partnership

Partnership is a common form of collaboration. According to Holmberg (2003), partnership is an organised cooperation between two or more partners that through mutual commitments will reach a jointly formulated goal. This definition is very similar to the definition of governance that I use in this study, and stresses, like Le Galès, the importance of a collective goal (see below).

Malm and Gustavsson (2000, referred in Holmberg, 2003) have identified four key concepts that signify partnership and distinguish result-oriented and long-term cooperation from different kinds of networks or loose forms of collaboration:

- Long-term obligations/commitments between the parties involved formulated through e.g. agreements.
• Joint goals that include all and stem from the parties’ vested interests.
• Mutual dependency to reach these goals.
• Action and change is the position and direction.

Cooperation between several different actors is not only a way to spread economic and other risks. With sufficient effort, the varying views of actors contribute to a governance arrangement that can lead to more creative solutions.

Corporate Social Responsibility

Changes in society have not only affected the roles in the public sector, but also within organisations and private businesses. An increased concern over societal issues can be detected both in Europe and otherwise. Corporate Social Responsibility (CSR) has become a well-known concept throughout the European continent and North America, but surprisingly the term is not commonly used in Sweden.

The concept of CSR is strongly related to the governance concept, as the driving forces behind CSR, according to e.g. Matten & Moon (2003) are global changes, internationalisation, and technical and economic development combined with government-oriented institutional failures, particularly since the 1980s. This has, as described above, called for new ways of tackling important societal issues, e.g. increased and renewed collaboration and a new division of responsibility and power. “CSR dynamics can be expected to constitute part of wider societal and corporate governance systems.” (Matten & Moon, 2003, p. 1) Montin (1997) argues that political governing has developed into the co-ordination of activities; rather than steering, we talk about influencing, negotiation, collaboration and networking. Sometimes network is seen as a third institutional arrangement besides hierarchy and the market, he claims. Governance is a concept used to describe these changes.

The role of place

Previously, ‘place’ was the most important factor for economic growth. The significance of place was related to its fixed assets in terms of e.g. natural resources and infrastructure. Today, the meaning of place is still important, but not in an absolute sense. What is crucial today is the identity of the place, not its physical location. Instead of technical infrastructure, the determining variables for economic growth are the social infrastructures, and the image of the place.

The shift from institutional powers to thinking in terms of process is an additional factor in the increased emphasis on governance over government. Dynamic, process and relations are important aspects in governance, according to Healey et al. (2002).
What once was a powerful government with a high degree of control over the political economy of a specific territory was to be replaced with a fragmented collection of agencies, engaged in territorial governance. The challenge for spatial planning has been to adjust to change from government to governance, where political and economic power lies with not one powerful government but a multiplicity of agencies and interests. (Madanipour, Hull & Healey, 2001, p. 2)

However, even if other and less formal structures are becoming increasingly important (or at least more visible), governance should rather be considered a complement to government, not a competitor, and something that has developed out of changes in society (see e.g. Pierre, 2000). In the cases where the state or the market has restricted possibilities to accomplish successful policies, governance arrangements (networks, partnerships, and coalitions) can be the solution.

Thus, it is important to emphasise that the hierarchical state or the ‘traditional system’ no longer has monopoly over governing. However, it can be argued that a non-regulated market cannot offer the social cement that we need to keep society running effectively. Efficient governance arrangements thus need relatively solid frameworks.

**Why governance?**

For my research, governance theory is important as it provides an opportunity to look at decision-making, policy-making and governing in vulnerable neighbourhoods in a way that can positively influence integration and social inclusion. It expresses that there are other important actors than the public with responsibility for society’s development. The objective here is to explore how they can effectively combat social problems.

I characterise governance as a mode for cooperation where other actors are taken into account than those traditionally active in the policy- and decision-making processes. It can thus involve both private and public actors, and also the general public. It is a challenge to develop the right type of governance arrangements for the right time and place, which is crucial for effective problem-solving. “Governance is constructed by the question asked.” (Rhodes, 2000, p. 67, see also Le Galès, 2002) The foundation of a governance arrangement is thus a common interest to solve a certain problem. It must be characterised by mutual openness between two or more actors who allow discussions and negotiations. Thus, the reason for using governance as a central concept in this study is that it serves as an image both of the changed conditions in society and of collaboration and cooperation.

The perspective of new governance arrangements as a tool to achieve social change is to a large extent inspired by Le Galès. Relating governance to the social issues, I find it appropriate to use Le Galès’ (1998) definition, as related to political sociology:
... a process of coordination of actors, social groups and institutions in order to
attain appropriate goals that have been discussed and collectively defined in
fragmented, uncertain environments. (Le Galès, 1998, p. 495)

Le Galès connects governance to the territorial problems rather than only discuss
its regulatory effects. Allen and Cars (2001, p. 2202) summarise Le Galès’ descrip-
tion of urban governance as follows:

- The capacity to form a collective actor from diverse local interests, organisa-
tions and social groups and with sufficient internal integration to be able to for-
mulate collective goals; and
- The ability to represent the ‘local collective actor’ to the market, other parts of
the city and various levels of government

The concept of governance as defined by Le Galès is specifically useful for my
research because it legitimises participation of several actors in issues concerning
place and the social aspects in that place. This perspective is crucial in allowing
‘weaker’ actors to engage in development processes. However, Le Galès emphasises
that urban governance may rely on traditional local interests and dominant groups,
and include or exclude immigrants or disadvantaged groups. This emphasises that
the inclusion of marginalised or ‘weak’ groups does not come about automatically.
It is therefore important not only to think about who is included in the governance
arrangements, but also who is not involved and why. Is this because marginalised
groups want to participate but are not allowed to because stronger actors are afraid
of sharing power as it threatens the existing power structure?

According to Pierre and Peters (2000, p. 1), “Thinking about governance is
thinking about how to steer economy and society, and how to reach collective
goals.” One of the collective goals for Swedish society is to promote the integration
process, and we need effective tools to be able to reach that objective.”

**Collaboration and social integration**

Previously, the issues of welfare policy were relatively distinct with clear goals.
Today’s issues about racism, participation, equal opportunities, etc. are more com-
plex and interlinked with other issues. This complicates policy-making, as we need
to involve new issues and actors in the policy arena. Bell (1987, quoted in Pierre &
Peters, 2000, p. 16) argues that the hierarchical state sometimes is “too big to solve
the small problems”, Governance is a process, which strives to increase the coopera-
tion between different sectors and actors in society. It should be looked upon as a
formal forum for decision-making based on informal relations between actors
(Rhodes, 2000).

Vulnerable and segregated neighbourhoods often suffer from a lack of engagement among residents or lack of possibilities for residents to participate in decision-making or discussions about the development of their neighbourhood, which in turn can trigger social exclusion and marginalisation. New governance arrangements can be a way to include residents and other local actors in the governing of the area, working towards a common goal, and therefore contribute to positive development outcomes.

Neighbourhoods with large concentrations of residents with a non-Swedish background run the risk of being excluded and marginalised partly because of lack of proficiency in Swedish or lack of ability to know how to do their say in important questions for their everyday life.\(^3\) Allen and Cars (2001, with inspiration from Parekh, 2000) conclude that reaching well-functioning multicultural neighbourhood governance presupposes institutional capacities, which must be developed where the ability of different groups can be recognised and where people can define the outputs they desire.

Referring to a Californian case study, Innes and Booher (2001) describe consensus building processes, designed to address problematic aspects of the planning system, where stakeholders with different perspectives of the issue (knowledge and experience) are involved in a long-term discussion organised around a task. They define it as a form of what Anthony Giddens would call ‘dialogic democracy’.

This type of process is grounded in interest-based bargaining … and the techniques of mediation. The method ensures that all feel comfortable and all are heard, that assumptions and boundaries are legitimate for challenge, that technical information is provided to and tested by the group, and that consensus is sought on any actions taken. (Innes & Booher, 2001, p. 257)

Combating segregation and social exclusion thus involve giving people with small or weak resources possibilities for participation in decision-making. Healey’s (1997) emphasis of perspectives will also be explored further below.

In socially disadvantaged neighbourhoods the work to combat problems have long been arranged in the form of cooperation between actors (Herrtting, 2003). Renewal of neighbourhoods is not, and has never been, a policy field of its own. Rather, the situation has demanded the engagement of several different sectors. Segregation is a primary example of a complex problem that is impossible to solve by one single measure and one actor. Still, it appears that the majority of cooperation-projects that have been visible in vulnerable neighbourhoods have been co-ordinated and steered by municipalities and the public authorities connected to them, even if other actors have been involved and participated actively. Despite the failures in collaborating local renewal projects, partnership is regarded as an increas-

\(^3\) There are also other reasons for exclusion such as structural mechanisms and power-relations (see chapter 2).
ingly important arrangement for coordination and collaboration to achieve local
development and social cohesion (Holmberg, 2003).

**Democracy**

The influence in decision-making from resource-weak groups does not by nature
become easier when new public-private governance emerges. Governance ar-
rangements can involve people with weak resources and make them an important
part in decision-making processes, but it is no guarantee that such inclusion takes
place. These arrangements can also exclude groups. The conditions for which
situations actors are allowed to or encouraged to participate is a determining factor.
How governance arrangements are constructed is crucial for creating the possibil-
ity for citizens to influence decision-making. “Individual citizens may be urged to
participate but then find their influence limited to commenting on specific ser-
vice,” (Lowndes & Wilson, 2001, p. 637)

Power-relations are strongly connected to this problem. This study focuses on
how minority groups, or groups with weak resources, e.g. in terms of power or
economy, can gain enough power to take action. Thus, it is about attaining power
to be able to act, rather than power over someone else (Stoker, 1995). Perhaps this
implies that certain other actors with larger resources must share some of their
power to realise this goal, but it does not necessarily mean that those actors lose
their possibilities to achieve their ambitions. Joint forces of power can make us
more able to achieve results of importance in society.

In this perspective, democracy becomes important. Is governance a threat or a
possibility for democracy? The answer to this question depends on the structure of
the governance arrangement. Elander and Blanc (2001, referred in Healey et al.,
2002) discuss risks concerning democracy in governance arrangements:

- New forms of decision-making do not necessarily have the same openness and
transparency as the traditional is expected to have.
- New forums for decision-making do not automatically include mechanisms
  for democratic accountability.
- New forms of partnerships tend to build ‘forts’ around themselves, which
  means that some groups are excluded from participation.

One way to prevent these problems is to arrange governance under the representa-
tive democracy (Pierre, 2000). That is, not treating governance as a competitor to
the traditional democratic government, but rather subordinated to legal and other

---

32. There are different forms of power. Stone (1989) talks about systemic power, command power,
coalition power and pre-emptive power, where pre-emptive power as a capacity to occupy, hold, and
make use of a strategic position – to achieve the capacity to govern (see also von Sydow, 2004).
frameworks set up by government. It can be useful in some circumstances, but is not always a suitable as a possible means to tackle issues.

Hence, it is important to remember that increased partnership does not mean increased democracy. It can also mean more power for already advantaged groups (Lowndes & Wilson, 2001). Equally important to remember is that governance...

...is not a matter of efficiency or a miracle problem-solver: after the way that the failures of state and market have been highlighted, no one can doubt that the failures of governance will prove at least noteworthy. (Le Gales, 2002, p. 18)

Another problem related to democracy is the difficulty connected to responsibility – a matter rarely discussed by governance theorists, according to Pellizzoni (2004). Coleman (1990) describes how the corporate actor has different kinds of relations with the environment and the interests of the parties in these relations. Responsibility to one set of interest may conflict with responsibility to another, which complicates the situation, as the corporation to be effective need to satisfy some sets of interests, but how to deal with it is not an easy task.

In effect, the question of corporate responsibility is one concerning how to change this mix—ordinarily by making changes away from satisfying the corporation’s own interests toward satisfying one or more of the other four sets of interests, those of employees, customers, investors, or neighbors. But the multiplicity and diversity of the interests, within each set as well as between sets, suggest that the problem is not a simple one, even conceptually: There is no single group toward which the corporation may exercise social responsibility and simultaneously satisfy the interests of all those affected by its actions. (Coleman, 1990, p. 561)

As opposed to the relation between government and citizens, new governance arrangement often lack a clear distribution of responsibility internally, and also a discussion about which responsibilities as a collaborating network they have towards citizens and society (external responsibility). This is primarily a matter of gaining legitimacy and being effective, as unclear roles of responsibility decreases the legitimacy of citizens and other actors, which in turn hinders the potential effectiveness of the governance arrangement.

Pellizzoni (2004) distinguish between four different types of responsibility: care, liability, accountability and responsiveness. Care and responsiveness are anticipatory, while liability and accountability pertain to events that have already taken place. By scrutinizing these types of responsibility, it is possible to discuss whether or in what way governance arrangements handle responsibility internally and externally. The four types can be traced in the functioning of the modern state:

Liability has mainly to do with the independence of the judicial power. Accountability and responsiveness have mainly to do with the democratic political system, with the voters evaluating their representatives’ behaviour and voting
accordingly. The dimension of care expresses the relationship between the governmental apparatus and its fellow citizens. … Their relationship with citizens is similar to that of a good mother with her children, whose needs desires, strengths and weaknesses she knows very well. (Pellizzoni, 2004, p. 10)

He argues that today’s governance tends to focus on liability and accountability. To be trustworthy and gain legitimacy, however, there is a need for care and responsiveness, but these traits are often missing. “The caring state has been overtaken, to a remarkable extent, by new arrangements centred on the expansion of environmental liability and above all accountability.” (Pellizzoni, 2004, p. 21).

Thus, to reach effectiveness and trustworthiness as a governing arrangement, there is a need for responsiveness in the actions, by taking others’ perspectives into account and being open to others’ views. This in turn is strongly connected to communication, also stressed as an important part of governance arrangements (Healey et al, 2002). By being a forum for communication, possibilities should be given to those relatively powerless to express their interests and ideas. This is important from the perspective of excluded and weak groups, as it can be a way to take the resources of ‘small people’ into account, and thus decrease exclusion. But the problem of today is not only a matter of exclusion by others; it is partly lack of interest from the ones concerned. ‘Bottom-up’ approaches call for increased local participation. One of the challenges is therefore to provide incentives for people to engage in issues that can impact their life situation – to make the issue a collective goal, including rights and responsibilities for weak groups as well.

Obstacles for collaboration

Social issues are inherently complex, which increase the difficulties of cooperation. Local development is a particular subject that for a period of time has involved collaboration projects between different actors because it embraces several policy areas. However, these collaboration projects have seldom been effective (Hertting, 2003). This fact creates frustration, both among political scientists and among the actors involved in the projects. In spite of what theories say about the benefits and effectiveness that will appear when actors cooperate, this is not always the outcome when applied to reality. One reason for this, according to Hertting, is that too much effort is placed on discussing forms and appropriateness.

Allen and Cars (2000) have identified some obstacles in the present system concerning governance to promote social exclusion that are important to mention:

- ‘Sector-thinking’ among professionals is common. While the problems of social exclusion are multi-dimensional, the responses to them tend to be addressed

33. His article deals with governance in relation to environmental issues, but the reasoning is applicable to other policy areas.
through a set of single dimensional professional activities. Each professional is trained to see one specific slice of the problem and problem solving is therefore limited to that specific expertise area. Thus, there is a need for a more broad view and possibilities to act ‘holistically’.

- In addition, there are barriers on the organisational level. This is ‘slicing up’ the problems even further into the different departments and hierarchical levels. Different sectors can sometimes act as competitors, when they need to work cooperatively.

- Finally, the political barrier strengthens the obstacles to combat social exclusion, as welfare states tend to be administered through separate national ministries.

This increases the need for fundamentally new kinds of areas for communication, negotiation and decision-making in distressed neighbourhoods.

Another problem is the multitude of different small groups that needs to be taken into account. Lowndes and Wilson emphasise this by suggesting:

> Developing a range of participation methods to suit different citizen groups and circumstances may, in many instances, be more important that seeking the illusive goal of ‘representativeness’ within any specific initiative. (Lowndes & Wilson, 2001, p. 640)

The possibility to influence the development of the local neighbourhood increases with partnership building. There are rational motives to involve in partnership, but there are also barriers for collaboration concerning the specific issue of local development, often connected to the short-term vested interests.

- The tragedy of commons (Garett Hardin, 1968, referred in Holmberg, 2003): The actors’ own profit maximisation leads to everyone’s ruin. In a neighbourhood with more than one house-owner, the different parts of the neighbourhood influence each other, meaning that one house-owner’s maintenance and way of handling issues in the neighbourhood can affect everyone else.

- The neighbourhood as commons: Taking the above into account, a neighbourhood with low status, can be difficult to manage if one or some house-owners only act in their own vested interest, without considering how it affects the others. For instance, letting of flats to ‘troublesome’ residents that most other housing companies avoid (e.g. social benefit receivers, unemployed, etc.) can be profitable business. There are two exceptions from the rents based on utility value, in which housing companies are allowed to use market-based rents. One of these two exceptions regards the letting of flats to the municipalities (primarily the social services). Therefore, a house-owner can earn large profits by letting flats to a municipality that in turn sublets the flats to people in need of housing (Holmberg, 2003). This clustering of socially demanding residents can lead to insecurity, increasing levels of vacancies etc. among other housing companies’ houses in
the neighbourhood, which means that many actors lose attraction and stability because of one actor's short-term self-interest to earn money.

- **Free-riding**: Actors can choose to stay outside of a partnership, but still profit from the positive values that result from the cooperation. This can create an incentive to avoid active participation and still enjoy the benefits from other collaborating actors, i.e. a free-rider situation (Holmberg, 2003). In a neighbourhood where several house-owners are active, and where upgrading of the common areas is required, it is possible to create a partnership (or some other kind of collaboration arrangement) to share costs and benefits. However, there is a risk that some actors have to bear heavier burdens than others because one or more house-owners can decide to remain outside of the collaboration (they may argue that the need for upgrading is not great enough). The end result is of common character, and thus the actors outside of the partnership will still enjoy the benefits of an upgraded neighbourhood.

These problems can be related to some classic situations in which collaboration is difficult to obtain, commonly referred to as 'game theories':

- **First**, the *prisoners' dilemma* implies that potential collaborating partners do not know how other partners will act. Value cannot be achieved if parties do not collaborate and trust each other. Therefore, the easiest and most rational short-term alternative is not to collaborate, since it decreases the risk of being let down. It may also be an interesting alternative to use in a short-term free-rider perspective (Ostrom, 1990; Hertting, 2003).

- **The second situation** is called *insurance-game*, which means that all benefit from collaboration, but it involves a risk by agreeing before all others have agreed. The problem here is not to collaborate, but to establish the collaboration. If one of the actors for some reason chooses to withdraw, it is also best for the others not to collaborate, because the worst outcome for the collaborating partners is if only a few actors collaborate and give honest information etc. that other actors benefit by without giving anything themselves (free-riding). Therefore, it can be difficult to obtain a situation where all agree to join instead of taking the easiest short-term alternative. Thus, the insurance game emphasises the importance of trust between the actors and that they have information about each other and the nature of the situation (Hertting, 2003).

- **A third situation** is related to the forms for collaboration. It can be illustrated through a game called the *battle of sexes*. The problem here is not the temptation of free riding, but the difficulties to obtain a situation that is designed in an appropriate way. The actors can agree that collaboration is positive, but still disagree concerning its forms. It is called the *generosity problem*, because all actors
want to prove that they are generous and willing to offer something for the collaborating project. If all do so, it may lead to results that no one is satisfied with.34

These barriers to collaboration and partnership building will be elaborated on in the final chapter of the study. Even though everyone seems to agree that collaboration is positive and necessary for good development, there are several obstacles and we must question if it really is possible to obtain successful collaboration in governance arrangements, or if it is more probable to develop one of the alternatives posed by Holmberg (2003):

- Dictatorship: One or a small group of persons give order and supervise who does what. Not only is this system not beneficial for a positive atmosphere, it is also very complicated and costly.
- Privatise: Let no common land retain. That way there is no common land to maintain, which means that cooperation is needless. However, in the borderlands between the different landowners, problems of maintaining the land can still appear.

Even if there are difficulties in creating collaboration, the above alternatives are neither attractive nor desirable nor applicable in the Swedish context. Therefore, we need to find ways to overcome existing obstacles and problems. One important aspect is to be aware of the type and size of the collaborating network, as different kinds of networks have different advantages and relate differently to the problem situations illustrated above.

The first is policy community and involves few actors. In networks with few actors, it is easier to obtain trustful relations between them, and the expectations for reciprocity are high. The actors are expected to do more than only share information, but also ensure that the involved actors will not combat the others’ interests. Such networks are often quite closed with clear borders towards other actors. This type of network should more easily be able to avoid situations like the prisoners’ dilemma and the insurance game. On the other hand, it risks developing the generosity problem. The other situation is called issue network and involves many actors. Here, it is more important that different and varying interests and knowledge are included in the network than a high level of reciprocity and trust. The uncertainty about the character of the dependency between the actors implies that each actor keep a high level of independence. Being trustful in such networks means maintaining honest communications and keeping promises while not abandoning strategies that benefit the vested interest at the expense of others (Hertting, 2003).

34. The ‘battle of sexes’ got its name from the situation when a man and a woman want to spend the evening together. She prefers watching boxing, while he rather goes to the ballet. Both prefer the least valued alternative before spending the night alone. If they do not speak and coordinate themselves for the evening, the risk is that both get the worst result by adjusting to the other’s wishes: He will be alone on the boxing show, while she is alone watching ballet (Hertting, 2003, p. 83).
The table below summarises some of the advantages and disadvantages with each type of network.

**Table 3.1. Advantages and disadvantages of two types of networks**

<table>
<thead>
<tr>
<th></th>
<th>Policy communities</th>
<th>Issue networks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td>Easy to grasp – everyone knows each other</td>
<td>Broader information exchanges and more contacts</td>
</tr>
<tr>
<td></td>
<td>Stronger confidence/trust</td>
<td>Broad anchorage and checking against each other</td>
</tr>
<tr>
<td></td>
<td>Easy to communicate</td>
<td>Vaguely defined commitments gives preserved freedom of action</td>
</tr>
<tr>
<td></td>
<td>Easier and stronger resource exchanges</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fewer risks</td>
<td></td>
</tr>
<tr>
<td><strong>Disadvantages</strong></td>
<td>Increased demands on trust/confidence</td>
<td>Difficult to grasp</td>
</tr>
<tr>
<td></td>
<td>Less autonomy</td>
<td>Problems of communication</td>
</tr>
<tr>
<td></td>
<td>Fewer resources and contacts</td>
<td>More interests – more conflicts</td>
</tr>
<tr>
<td></td>
<td>Risk of uniformity</td>
<td>Fragmentation and unpredictability</td>
</tr>
<tr>
<td></td>
<td>Instability</td>
<td>Larger risks, fewer possibilities</td>
</tr>
<tr>
<td></td>
<td>Fewer possibilities</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Hertting, 2003, p. 82 (my translation).*

Thus, there is a general agreement that it can be advantageous to collaborate, but how and to what extent can be difficult to decide. It is not enough to communicate and make agreements if the difference between getting the best or next to best solution is significant for respective actor.

The most important insight in this game is precisely this. It is not always enough to communicate and negotiate to reach an outcome that benefit the collective more than the own interest in games of coordination. However, once agreement is obtained, it should be easier to get the institution respected even if one of the actors have to be generous and allow the counterpart to carry through its highest preference and accept a worse outcome than what should have been optimal for own sake. (Hertting, 2003, p. 84, my translation)

Ostrom (1990) describes that the most stable collaboration relationships are those negotiated by the actors themselves, who know their terms/conditions of what they can gain through collaboration. They also know what is important for each and every actor to contribute with and what they can expect from each other. The actors themselves ‘supervise’ how agreements are followed, which is efficient in terms of resources. Perhaps this can point to possible solutions for how landlords can
organise cooperation for maintaining and developing the commonly owned neighbourhood. Thus, this form of collaboration regards negotiated agreement, long-term commitments, it act like an institution that structures the actions of the different actors and also supervise each others’ behaviours mutually (Holmberg, 2003). This is in accordance with Hertting’s (2003) argument that the projects too often end up with discussions connected to the form and design instead of what really is important, namely to achieve meaningful results. This means that what matters in collaboration is not the number of actors, but that the actors involved are engaged, motivated and honest to each other on what they want to achieve.

Another risk with governance is that new actors are ‘hijacked’ by other actors that see advantages in the existing arrangement of governance (Lowndes & Wilson, 2001). This illustrates the difficulty of controlling networks or partnerships where many actors with various interests are involved.

Communication and collaboration

One challenge when working to solve socially and ethnically complex problems is changing attitudes and the constructed norms that flow in society. To be able to do this, new perspectives must enter the arena. Governance arrangements or partnerships might be an opportunity to let this happen, as different actors are supposed to meet and discuss joint problems, which demands changed or renewed views for at least some of the involved. The decisive factor for success is the climate of the discussion. Are actors willing to take in and discuss and even give room for new ideas and ways to look at the situation?

True communication, according to Sjöström (1985), can be of two different sorts: either starting from the same perspective or becoming conscious about the differences and capable of seeing and understanding the others’ perspective. One reason to choose the former is it is an easy way to avoid conflicts, to make the decision-making more efficient. But then, democracy is threatened as communication from this perspective represents only some groups of the population. Conflict is a kind of interaction, and does not necessarily have to become problematic (Asplund, 1970). It is important to make the standpoints understandable and reasonable – to make sure that it means something (Sjöström, 1985). According to Marton and Wenestam (1984, referred in Sjöström, 1985), perspective means ‘context given a meaning’, which implies that there might not be one truth, but several, illustrated by different perspectives.

To reach true communication and new positive governance arrangements, there is a need for a shift of power. Again, it is not enough to listen to and take into account views from ‘weak’ actors, but also crucial to treat them as an equal part of the collaborating network.
Healey (1997) has become well-known for her collaborative planning approach. She points at some of the major aspects of collaboration that are important and need to be further prioritised when discussing how to deal with social problems and how to involve new actors in such work. Some of them have been touched upon already, such as mutual trust and understanding and long-term perspective.

Collaborative planning is based on theories of relation-building processes and focuses on the relational networks (webs) in which we live our lives. Healey argues that we build both our own identities and bonds to others through social relations. The bonds between people are held together by mutual trust and shared understandings that create relational resources to be called upon in future times, and thus create both social and intellectual capital (see next chapter – social capital and balanced reciprocity).

"Governance processes themselves generate relational networks, which may cut across or act to draw together and interlink the relational webs of the life of households and firms." (Healey, 1997, p. 59) By using governance activities in planning processes, Healey argues that the aim can be to sustain or transform relational webs. However, as we all live in multiple relational webs, it may be a difficult task to interlink the different actors. This is further complicated by the fact that there exist large cultural differences between actors. A way to address this dilemma, according to Healey, is to recognise the potential cultural dimensions of differences, and to actively make new conceptions of culture—to build shared systems of meaning and ways of acting.

The question is how systems and strategies that can succeed to do this should be designed. Due to the differences among actors, there are always some actors that are more powerful than others, but it is important to find ways to make the actors equal in the process. Healey argues that

...collaboration, that is power-sharing, occurs in a multicultural world, in social relations where individuals construct their own identities through potentially multiple webs of relations. Through these multilayered culturally-embedded, intersubjective processes, people acquire frames of reference and systems of meaning. This contrasts with Schon’s conception of a deep structure of consensus. The present approach assumes a deep structure of dissensus, riven with current and historical relations of dominance and oppression ... Social learning processes which engage in consensus-building thus have to build up trust and confidence across these fractures and chasms, to create new relations of collaboration and trust, and shift power-bases. The approach focuses on transformative work, and the mobilisation of power through communicative work. Essentially, the argument ... is that power struggle which engages in social learning strategies will be more effective in producing real shifts in power and removing the hegemonic communicative distortions through which powerful groups have maintained their position in the past, than the grand battles of ideological titans. (Healey, 1997, pp. 263-264)
In addition, she claims that there is no correct rationality—in collaboration it is important to pay attention to various types of knowledge. To be able to do so, it is crucial to uncover problems by paying attention to the communicative contexts of each actor and stakeholder, since these carry the power to encourage the inclusion of all participants. Such consensus-building work can build trust and new relations of power that generate different kinds of capital. This effort builds institutional capacity, as there is access to a greater amount of different local knowledge through the participants and their networks. Institutional capital flows within the relational web. This kind of consensus-building that Healey (1997) argues for has transformative potential in the way that it allows the participants to generate new thoughts and ideas. The access to new perspectives and knowledge can change rules, behaviours, and the way resources flow, and thus also the relations of power. However, this is not simple because those who have power and control from the start may easily control access, routine, and style, and therefore obstruct transformation. Therefore, Healey uses Habermas’ ‘communicative ethics’ as having an important role as it provides a vocabulary to highlight distortions that may appear in communication.

By communication, Healey means ‘opening up’ issues to explore what they mean to different people. This is strongly emphasised throughout her book. By doing so it is possible to decide whether things really are as they seem or if they mean something else, but this analysis is not easy. It requires an open attitude among all participants, and it is a delicate task to sort and transform many different views: “‘Analysis’ is thus not an abstract technical process but an active social enterprise in mutual sorting through the arguments and learning about possibilities.” (Healey, 1997, p. 276)

The design of governance that Healey argues for should be satisfied by a number of attributes. It summarise much of her approach in relation to governance. First is the recognition of the range and variety of stakeholders, their social networks, and the diversity of their cultural points of reference as well as systems of meaning. The complex power relations that exist within and between them must also be recognised. Secondly, much of the work of governance occurs outside the formal government agencies, and thus should seek to spread power from government to other stakeholders without creating new unequal power differentials. Thirdly, opportunities for informal invention and local initiatives should be opened up that enables diversity in routines and styles of organising. Fourthly, inclusion of all members of political communities should be recognised, which involves a diversity of cultures and complex issues of power relations. Finally, such a governance process should be continually and openly accountable.

I conclude this section on Healey’s approach, with a quotation, which constitutes a challenge to the analysis of this report:
The effort of collaborative planning is surrounded by powerful pressures, explicit and implicit, from some cultural communities, to produce hegemonic outcomes within which their point of view prevails – the ‘I win-you lose’ approach. Collaborative planning efforts, however, search for more than the ‘win-win’ outcome of the conflict management textbooks … It seeks to re-frame how people think about winning and losing. It looks for an approach which seeks can we all get on better if we change how we think to accommodate what other people think? If this can be done, then we might think about winning and losing in a different way.

Nevertheless, it seems like a difficult task to achieve the kind of communicative collaboration that Healey presents. Hertting (2003) describes how frustrating the Swedish governance for local development is. Despite the fact that the results sought after rarely are reached and that the collaboration often implies large difficulties, similar projects – and similar problems - are repeated over and over again. He claims that there are some fundamental reasons to why such projects are not working satisfactorily. According to the Swedish norm, cooperation and collaboration is positive and desirable. Therefore, Hertting argues that the projects are more a result of what is regarded as suitable, and less a result of the different actors’ rational motives for participation. It is of course important to widen perspectives and give time for discussing the structure of the project, but the discussion climate must be honest and trustful so that the actors can reveal their motives and not simply state what they think the others want to hear. Another obstacle that Hertting presents is that it is common to strive for a formal collaboration in the local development projects, while informal collaboration arrangements seem to be the ones that work best. Striving for formalised collaboration can thus lead to worsened results, he argues. Still, for legitimate reasons, there needs to be a discussion about responsibility as suggested by Pellizzoni (2004).

**Contribution of the chapter**

Given my research focus, the most important governance aspect is how to create governance arrangements or partnerships that encourage and facilitate collaboration over issues concerning social exclusion/inclusion, segregation/integration and other social issues on the neighbourhood level. To put it in Le Gales’ (1998) terms: to form a collective actor around goals about social cohesion and resolving exclusion problems. What actors could be interested in getting involved in such collaboration, and what incentives could make them cooperate over traditional borders? There is a large risk that governance arrangements consist of people that are used to be listened to and already have power. They might lack the representative democratic aspect that after all is visible in the traditional government. We need to ask the questions: who is allowed to take part, and what interests are represented in reality?
Citizens’ perspectives need to be taken into account in a governance arrangement dealing with questions on the neighbourhood level, and moreover, citizens need to actively participate in governance. Differences in perceptions of the problems must be made visible and taken into account when developing systems for decision-making and ways to tackle problems.

Important in this context is considering how actors (often the general public) can strengthen their role in relation to other, ‘stronger’ and more powerful, actors. In a situation of negotiating (which most probably will occur in governance arrangements), they need to have something to negotiate over. Strengthening of the ‘weak’ actors must therefore come first. How can this be achieved? According to Lin (2001 p. 143): “What needs to be understood is that unequal transactions in exchanges can and do occur because there are payoffs for the actors who give more resources than they receive and why this is somewhat related to recognition.” This argument will be further explored in next chapter.

In addition to power and power relations, much of governance literature stresses the importance of trustful relationships when cooperating around important issues in society. To understand why, I will look to the concept of social capital.
Social Capital

The concept of social capital

Social capital is a concept used with increasing frequency by researchers in different fields. It is a relevant theoretical term for developing my research focus. Social capital involves traits that are important to consider when developing networks. Thus, it provides an understanding of the importance of mutual trust in collaboration around important societal issues.

A capital can be defined as “investment of resources with expected returns in the marketplace” (Lin, 2001, p. 3). Thus, capital is related to investment and profit. Traditionally, the concept of capital is connected to Marx, and deals primarily with goods, labour, and economic surplus value. However, over time different types of capital have been treated, e.g. economic, physical, human/personal, and cultural. What they all have in common are some sort of investment and an expected return. Social capital on the other hand focuses on relations and networks and the resources embedded in these relationships are more complex than investment and return alone.

While other types of capital have roots in the economy, social capital is derived from the sociological field. It has been around since the 1920s, but the interest for the concept has exploded over the past 5-10 years (see e.g. Performance and Innovation Unit, 2002). Bourdieu, among others, discussed the concept as an asset for the individual gained through social relations:

...the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition (Bourdieu and Wacquant, 1992, p. 119).

However, Coleman and Putnam have lifted the concept from the individual level and instead have concentrated on the links between individuals/actors. They argue

35. This, however, varies between theorists. Some emphasise social capital as investment and return more than others, and thus see the resources embedded within networks as possible investments (see e.g. Burt, 1992; and Lin, 2001).
that social capital cannot be seen as a possession of an individual (Westlund & Bolton, 2001). It is in the latter respect that I use the concept. There are still some variations in how to interpret social capital. Some argue that social capital should be referred to the resources that can be accessed through the relations/networks. Lin (2001) argues for instance that a network-member’s car or a child is a social capital for other members as it is an embedded resource that can be used to facilitate action. Putnam (1993), on the other hand, stresses relationships and the quality of these contacts. He explains social capital as a form of capital that fills the gap between physical, economic and human capital, and defines it as follows. Social capital refers to:

...features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions (Putnam, 1993, p. 170).

I follow the latter definition, which excludes individual possessions of the network’s members in the concept of social capital. Rather, social capital is regarded as the characteristics of the social relations in the network, and as such can be used for accessing other resources and forms of capital, like a friend’s car for instance. The purpose for engaging in social relations to achieve social capital can be both economic/material and non-rational (relational). What may be confusing is that social capital can be seen as both a precondition and an outcome of actions and developments. I regard it as a precondition for certain types of developments, but by using it for this purpose the definition may be extended. As will be discussed, the positive aspects of social capital are good for societal development and therefore the creation of more social capital is an objective and thus also an outcome. It can be illustrated as a spiral of development.

DeFilippis (2001) criticises Putnam for using the concept in a distorted way from its original use by theorists as Loury, Bourdieu and Coleman. He argues that “social capital must be reconnected to economic capital for the term to have any meaning” (DeFilippis, 2001, p. 798). Even though he believes that the concept can be used for community development, he says that the privileged position it has earned lately in this field is misguided, because Putnam has divorced it from capital in the literal, economic sense. DeFilippis argues that Putnam’s use of social capital as social relations always implies win-win relations and that individual’s gains, interests and profits are the same as the interest of the group. He argues that production and reproduction of capital (social or other kinds) is a process inherently about power, and that this is not stressed enough by Putnam. Also Mayer (2003) claims that the normative message of social capital is like non-economic vocabulary to reach economic growth, and therefore “the concept has entered a myriad of disciplines and areas, where the significance of social networking for the mobilisation of growth potentials has been rediscovered as a central variable” (Mayer, 2003, p. 114).
Even if there is disagreement around how social capital should be defined concerning its ingredients and around its potential, most of the theorists today agree that a single individual cannot own social capital. This matter can be simplified with the example that social capital dissolves if you or your partner in the relationship withdraw from the network (Burt, 1992).

Social capital is thus connected to social relations, but it appears only in relations where mutual trust and reciprocity exist:

If you think of human capital as what you know (the sum of your own knowledge, skills, and experience), then access to social capital depends on who you know—the size, the quality, and diversity of your personal and business networks. But beyond that, social capital also depends on who you don’t know, if you are indirectly connected to them via your networks. (Baker, 2000, pp. 1-2)

Burt (1992) explains the difference between the types of capital by using a service providing firm, where there are people representing the financial and human capital as valued for their ability to deliver a product with high quality. On the other hand, there are people valued for their ability to deliver clients, and this group represents the social capital.

Coleman (1990) states:

Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspect of social structure, and they facilitate certain actions of individuals who are within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence. Like physical capital and human capital, social capital is not completely fungible, but is fungible with respect to specific activities. A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others. Unlike other forms of capital, social capital inheres the structure of relations between persons and among persons. It is lodged neither in individuals nor in physical implements of production. … For example, a group whose members manifest trustworthiness and place extensive trust in one another will be able to accomplish much more than a comparable group lacking that trustworthiness and trust. (Coleman, 1990, pp. 302/304)

This statement is also an important link to the previous chapter on collaboration: If the parties of a governance arrangement dealing with a project for local development trust each other, they do not have to spend resources to discuss the design of the project and the collaborating arrangement, but can focus more on result and what to accomplish.

Furthermore, Coleman (1988) notes that there are different forms of social capital, identified by its function as useful capital resources for actors. First he mentions obligation, expectation and trustworthiness of structures. Briefly, it means that if actors with expectations and obligations to each other trust one another, it leads to a more
positive outcome and facilitates action. Concerning the second form, *information channels*, Coleman argues that there is a potential for information to be embedded in social relations. Social relations that are maintained for other primary reasons can be used for information that facilitates action. Finally Coleman stresses *norms and effective sanctions*. Norms existing within social relations can be powerful forms of social capital as they may lead to a collective good – the interests of the collective may become more important than self-interest. In addition, social norms “...not only facilitates certain actions, it constrains others” (Coleman, 1988, p. 105), which implies that sanctions can be implemented.

Another theorist with impact on this discussion is Fukuyama. He defines social capital as “...an instantiated informal norm that promotes co-operation between two or more individuals.” (Fukuyama, 2001, p. 7) Fukuyama argues that networks and trust, features that often are associated with the concept, do not constitute social capital, but only arise as a result of it. Instead, he places emphasis on the norms. The norms constituting social capital can be everything from a norm of reciprocity between two friends to articulated doctrines (like Christianity), and they must established in actual human relationships.

This is an interesting notion, but I will stick to the concept of social capital as being both norms, networks and trust altogether, because I believe that network and trust is the foundation where norms can appear, and therefore all three features are essential components of social capital. In addition, reciprocal norms may exist without trustworthiness in human relations.

Like other forms of capital, social capital is productive (see e.g. the quotation of Coleman above) and tends to be further accumulated by those who have already acquired it. Most forms of social capital are what can be called ‘moral resources’ (from Albert Hirschman referred in Putnam, 1993), which tend to increase rather than decrease with use. Putnam argues that they are self-strengthening and therefore can be seen as having a circular motion, either in positive or negative direction. “For all these reasons, we should expect the creation and destruction of social capital to be marked by virtuous and vicious circles.”(Putnam, 1993, p. 170)

Putnam argues that the distinguishing attribute of social capital from other forms of capital is its asset as a public good, not a private good. “As an attribute of the social structure in which a person is embedded, social capital is not the private property of any of tue persons who benefit from it.” (Putnam, 1993, p. 170)

However, Putnam’s argument is criticised. I have already noted that any single person cannot own social capital and most theorists agree. But Putnam can be questioned if by ‘public good’ he means ‘good for all and everyone’. An internal group of people that come together every second week to eat dinner at each others’ homes may be of very much importance to themselves e.g. because they like each others company, share recipes and eat good food. However, as they are a ‘closed’ group of people, their meetings do not benefit society. A more appropriate naming of social capital would therefore be ‘club good’, as social capital is positive for the
members involved in the network, but not necessarily for the rest of society. There may be externalities, but those are not necessarily positive for society (see e.g. Fukuyama, 2001). A club can be small or large, but does not involve the whole society, even if it often is a positive attribute within society. Sometimes, it can even be destructive for the public, if the social capital evolves in an environment where norms and values are dissimilar from the commonly used norms in society. Examples of this are criminal subgroups, like the mafia or small criminal gangs. It can also be a matter of protest movements that have values that differ from the majority (see Mayer, 2003). An additional negative aspect of social capital is that internal norms of small groups can be so strong that they work to obstruct integration and communication with other groups. Social capital has to be renewed and sometimes even dismantled to achieve sound development.

**Social capital as trust norms and networks**

The most important features of social capital are trust, norms and networks (Putnam, 1993). These features make up the platform for social capital to facilitate action and increase effectiveness among the members of a group of individuals or within organisations and thus also improve cooperation and make it more efficient. In this section, I would like to discuss each of these factors in more detail, starting with trust and norms, followed by a more thorough discussion about networks.

The contents of social capital tend to be cumulative and self-reinforcing, which results in social equilibrium in a positive circular direction, where high levels of cooperation, trust and engagement lead to collective well-being. Societies and institutions that lack these traits, experience another equilibrium where the circle reinforces itself in a negative direction.

This can be exemplified by the notion that citizens in communities with a stock of social capital expect better government. They are prepared to act collectively to achieve the goal which is defined together. In civic communities, the performance of representative government is also facilitated by the social infrastructure and democratic values among citizens and officials. Thus, both demand and supply facilitate social capital building in civic communities. Lack of expectations for improvements contribute to the opposite, making cooperation more difficult as trust and reciprocity is missing (Putnam, 1993). Granovetter (1985) refers to the

36. Hans Westlund introduced the term ‘club good’ in connection to social capital. It is mentioned in Westlund and Nilsson (2003), but I have also discussed the relevance of the term with Westlund and found it useful.

37. Compare Coleman’s statement above: "may be useless or even harmful..." Coleman, 1990, p. 302).

38. In relation to the topic of this thesis, such small groups’ norms and strong social capital may combat integration in neighbourhoods rather than work as a positive force for social cohesion, e.g. in relation to different religion or previous history of war and deeply rooted conflicts.
equivalent in business life, when social relations and business relations are intertwined, trustworthiness increases and leads to conditions for improved achievements.

In *Bowling Alone* (2000), Putnam delivers the picture of the deterioration of civic society in America. A decreasing number of people are engaged in civic associations, and this, argues Putnam, erodes the social capital. However, he received criticism for this analysis. Whether social capital is eroding or not in civic society is a matter of how it is measured, according to Lin (2001). They both agree that a strong and active civic society is important for the consolidation of democracy. Putnam argues, “Life is easier in a community blessed with a substantial stock of social capital.” (Putnam, 1995, p. 66) Networks foster norms and encourages social trust, facilitates coordination and communication, which allow dilemmas within collective action to be resolved. Interaction in networks can “…broaden the participants’ sense of self, developing the “I” into a “we”.” (Putnam, 1995, p. 66)

It is important to remember, however (as will be illustrated below), that it is possible to abuse norms, trust and values, and thus use them for other purposes than to develop democratic values and other positive aspects of societal development. Negative outcomes arise “where particular groups or sectional interests use or control access to social capital for narrow private rather than wider public interests” (Performance and Innovation Unit, 2002, p. 6). Social inclusion and mobility might be combated and communities divided rather than united, e.g. by extremist religious networks, and crime can be facilitated rather than reduced if criminal networks are developed.

**Trust**

Trust can be defined as “confidence or expectations that an alter will take ego’s interests into account in exchanges” (Lin, 2001, p. 147). Without trust, people do not expect to benefit from each other, and thus social capital cannot appear. Consequently, trust is one of the most crucial ingredients of social capital. How to place trust will be discussed with the help of Coleman (1990), and the concept of trust will be explored through Granovetter’s (1985) discussions about trust in business life. I have chosen this perspective because of the specific temptation to use fraud and thus abuse trust that may appear in the business (but also public) sphere due to large economic transactions and hierarchical power struggles. However, the discussion can also be applied to other situations.

**Placing trust**

Coleman states that placement of trust is a voluntary action and involves making a decision under a risk. Whether or not one chooses to place trust in another person can be compared with the considerations made by a rational actor who must decide whether to place a bet or not. Three elements are important: how much may be
lost, how much may be gained and the chance of winning (related to trust: if the trustee will keep the trust).

If the chance of winning, relative to the chance of losing, is greater than the amount that would be lost (if he loses), relative to the amount of that would be won (if he wins), then by placing the bet he has an expected gain; and if he is rational, he should place it. (Coleman, 1990, p. 99)

Quite often, the potential gains or losses are known, especially concerning financial issues, but what is difficult to estimate beforehand when deciding to place trust or not is the probability that the trustee (the person in which trust is placed) will keep the trust (Coleman, 1990).

It appears that people tend to put trust in friends at a slower pace than in a ‘confidence man’ (someone that by position are supposed to be trustworthy). It takes more time to learn to trust that to distrust, according to Coleman. “The process of getting to know another person well is ordinarily seen to include a process of developing trust in that other person.” (Coleman, 1990, p. 104) Trusting another person means that one must expose own weaknesses, which requires time, especially if one has many other close relationships. An exception is if a person is in desperate need of help and therefore has nothing to lose by putting trust in another person. Placing trust in a ‘confidence man’ is easier because the confidence man is skilled in manipulating a person’s perception of the chances of loss and gain, where the potential gain is large compared to the potential loss.

In most cases, particularly involving social or political trust, there is no direct liability for the trusted person to keep or break the trust he is given. If he has something to lose, there could be internalised moral constraints that keep him from breaking a trust, but most often he has something to gain by retaining the trust, since his actions will be communicated to others and therefore impact on future relationships, according to Coleman.

Not all relations are characterised by mutual trust. In asymmetric trust relations, where only one partner trusts the other, there is an incentive for the trustor to transform the relation into mutual trust. “If a relation involves mutual trust, both parties should be more likely to be trustworthy than is the trustee in an asymmetric trust relation.” (Coleman, 1990, p. 178) In mutual trust relations, there is an inbuilt sanctioning power in breaking trust. A way to convert the asymmetric relation into a symmetric one is by repaying obligation, argues Coleman. By exceeding the trustor’s expectations, he not only repays the obligation, but also creates an obligation on the trustor’s part, which in the future may create a more extensive placement of trust.

39. In economic trust it is more common that there are direct liabilities connected to the trust, e.g. a lender has the right to take possession of collateral for a loan if the borrower defaults to pay (Coleman, 1990, p. 108).
Trust in business life

Despite the self-interest and drive for profit in business life, it seems like business people are aware of interpersonal trust as an important matter. The question is why? Why do not those who seek self-interest do so by using force and fraud? Why is malfeasance relatively uncommon in economic business? Granovetter (1985) argues that it is the concrete personal relations, embedded in society, and networks of such relations that generate power for trust and that help to discourage malfeasance. However, economists often tend to separate social relations from the economy. Two other approaches are therefore most used as explanations for a socially and legally functioning business society. They will be briefly presented here:

The first is the undersocialised account, which means that malfeasance is avoided by clever institutional organisations that make it costly to use force and fraud. Such an organisation does not produce trust, but the outcome functions as a substitute for it. Consequently, this approach totally separates personal relations from economic business.

Secondly, the oversocialised account expresses that ‘generalised morality’ exists in society, as institutional arrangement alone cannot prevent force and fraud. In practice this means that trust is an automatic reflex among people in society, which also is valid in business.

Most people agree that there is some degree of generalised morality in society that can explain the absence of malfeasance, fraud and force. However, when it comes to larger amounts of money, this explanation does not suffice. Thus, Granovetter argues for his ‘embeddedness theory’ as the most appropriate explanation. Rather than generalised morality or institutional arrangements, personal relations are responsible for the production of trust in business life.

However, disorder is not absent as we all know. In spite of its beneficial impact, social relations cannot guarantee a world without disorder and malfeasance. This can partly be explained by the irregularity of social relations and their different appearance in different sectors.

Cooperation can be illustrated with the prisoners’ dilemma: As long as there is uncertainty about whether other actors are willing to cooperate or not, the short-term self-interest will steer the choice, resulting in non-cooperation. The prisoner can never know what others will do, as he is not communicating the different choices with the other prisoners. If trustful relations between actors instead imply that everyone will work towards the long-term and collectively most appropriate goal, cooperation will be sustained. Therefore:

Voluntary cooperation is easier in a community that has inherited a substantial stock of social capital, in the form of norms of reciprocity and networks of civic engagement. (Putnam, 1993, p. 167)
Granovetter argues that trust is taken for granted in intimate relations, within the family or with close friends. In economic life, circumstances are less predictable and fears can appear among strangers that create strained relations between people - one dare not trust others for for the sake of one's own safety. Therefore, situations like the prisoners’ dilemma can appear. In relations where you know on who you can count—where the fears for strangers are closed off, such dilemmas do not exist.

There are also negative aspects of trustworthy behaviours as they can lend themselves open to abuse. Crime and fraud is most efficiently executed in teams. “The more complete the trust, the greater the potential gain from malfeasance.” (Granovetter, 1985, p. 491) However, the structure of the network is important for the extent of disorder that emerges. If crosscutting ties between networks are lacking, but the team/network itself has prior relations, the disorderly result is larger, because the ones you trust already exist inside the network. Thus, it seems as the abusing of trust can be combated most efficiently when the social relations embedded in the society are open and cutting across different sectors. This will be further discussed below as the importance of ‘weak ties’ and ‘bridging’.

**Reciprocal norms**

According to Putnam (1993), social trust arises from two sources related to each other: norms of reciprocity and networks of civic engagement.

Thus, the first is *norms of reciprocity*. The Merriam-Webster online dictionary has several definitions of the noun ‘norm’ (http://www.m-w.com 2004-05-07). Three of them are found below:

- a principle of right action binding upon the members of a group and serving to guide, control, or regulate proper and acceptable behaviour
- a pattern or trait taken to be typical in the behaviour of a social group
- a widespread practice, procedure, or custom

According to Hydén (2002) a norm can be understood as an expression of the ‘normal’ or ‘accepted’ behaviour, as a rule for how people should behave, or finally, as a description or definition of how something is. From these various definitions we can state that those norms form the behaviours or customs within a group, but not necessarily outside of it. Coleman (1990) explains that social norms transfer the right to control an action from the actor to others. This is especially obvious when the action has consequences (externalities) for others. When these consequences are similar for several others, the norms arise because they lower transaction costs and facilitate cooperation. Reciprocity is the most important form of these norms and can be of two forms: *Balanced reciprocity* “… refers to a simultaneously exchange of items for equivalent value, as when office-mates exchange holiday gifts…” (Putnam, 1993, p. 172). *Generalised reciprocity* involves a continuous relationship, where the exchange is “… at any given time unrequited or imbalanced, but … involves
mutual expectations that a benefit granted now should be repaid in the future” (Putnam, 1993, p. 172). This latter form of reciprocity is, according to Putnam, a highly productive component of social capital. In the end, reciprocity benefits every participant.

Networks

The second source of social trust that Putnam (1993) describes is networks of civic engagement. Networks constitute the ‘clubs’ where social capital appears and develops. Knoke and Kuklinski define network as “…a specific type of relation linking a defined set of persons, objects, or events” (Knoke & Kuklinski, 1982 p. 12). The set of persons, objects, or events referred to can be called the actors, or nodes, and these possess attributes that make them identify as members of the same network of relations.

Westlund considers social capital as a type of infrastructure with nodes and links, and defines it in this respect as “social, non-institutionalized networks that are filled by the networks’ nodes/actors with norms, values, preferences and other social attributes and characteristics.” (Westlund, 2004b, p. 19) He regards social capital as an asset not only for civic society, but also for economic life in general and business life in particular. The nodes are individuals or organisations that establish links between each other and are governed by the nodes’ norms, preferences and attitudes. Different types of information can be distributed in the links, between the nodes. “Social capital’s impact on society depends on both its quality and quantity” (Westlund, 2004b, p. 20). This means that the number of links is not important alone. Of equal or even greater importance is the kind of information distributed (norms, preferences, attitudes). Common norms are not always positive. Sometimes, ‘strong’ social capital involves conformity and may create restrictions for individual freedom as well as for business initiatives.

Westlund (1999) explains that networks have different durability and potential for change, but they differ also in types and functions: they can be horizontal, vertical or a combination of the two. In network theory, a network is analysed through its nodes and links. The simplest form consists of a number of nodes with one and the same function, connected by links with one and the same function. However, in reality very few networks are this simple, but instead involve complex functions and relations between the nodes and links.

Nets and networks are metaphors for structured principles. A network is made up by a pattern with certain durability that consists of nodes and connecting links. The task of the net is to manage the flows of different kinds generated in the nodes. There is an overwhelming number of potential configurations and flowing directions in complex networks. (Gidlund, 1990, p. 121, my translation)
Links are filled with something, and it is the flows between the nodes, in the links, that have the potential to create social capital: If trust and reciprocal norms flow, the network holds a stock of social capital.

Hierarchical structures are vertical and are most pronounced in schemes of organisation where the connections upwards and downwards are most important and where units at the same level are assumed to lack contact with each other. Horizontal networks, conversely, lack hierarchies, but the complexity can be, and most often are, much wider: one node may lack horizontal connections in certain networks while at the same time have horizontal connections in other networks. A single individual may participate in both horizontal networks at various levels and in separate hierarchical networks (Westlund, 1999).

Expanding the size and number of existing networks is something to strive for if the aim is to increase the social capital in society.40 It is also important to develop links between networks, to facilitate the dispersal of knowledge and information. There are driving forces for networks to expand. In hierarchical networks this is division of labour by the nodes, as differences between nodes make them complement each other in the network. In horizontal networks, the driving force is more complicated. It is not about complementation between nodes or division of labour within the networks. The horizontal nodes must be homogeneous (on the same level in the hierarchy). However, if nodes are identical, there is no rational for a network expansion. One condition for interaction between nodes and expansion of the network is some form of exchange, but an exchange between identical nodes would only bring a cost of exchange, with no benefit. Therefore, horizontal networks presume that nodes are at a common level, but not identical. They share characteristics in some respects, but are heterogeneous in other.

The basis for exchange in a network is that certain nodes have a relative surplus and others a relative shortage, with respect to each flow element. As long as the aggregate returns exceeds the costs of the flows, exchange within the network will continue. (Westlund, 1999, p. 105)

Burt claims that the dense network, by which he refers to a horizontal network characterised by strong tie relations, is a “virtually worthless monitoring device” (Burt, 1992, p. 17), because the relations between people are so strong that each person knows what the other people know and thus all will discover the same opportunities at the same time. Therefore, he continues, the sparse network (heterogeneous and hierarchical) provides more information benefits as it reaches information in several separate areas of social activities.

40. However, the effect social capital has on society is dependent on both its quality and its quantity. The norms, preferences, attitudes, and thereby the information distributed in the links, are at least as important as the number of links. A ‘strong’ social capital can thus have either conserving or progressive effects depending on its qualitative traits (see Westlund, 2004a, p. 59).
Westlund, Forsberg and Höckertin (2002) discuss social capital and local development and stress that the wider the spatial region is, the less homogeneous social capital becomes. At each level, e.g. local, municipal, and regional, there are groups of individuals with internal social capital, which to a high degree is homogeneous. These groups have horizontal external links to each other with a lower degree of homogeneity: “...each group has more common norms than those that these groups have in common.” (Westlund et al., 2002, p. 2) But there are also vertical links between the groups and actors at the higher levels, and these become more heterogeneous as the spatial unit widens.

Knowledge about the social capital at one level does not necessarily say much about the social capital at other levels. This problem means that studies of social capital must be very concrete in the aspects and the level of the social capital that are being studied, or the levels between which the social capital is being studied (Westlund et al., 2002, p. 3)

Hence, just because a group of people have large social capital, it does not mean that the community in which they belong functions better than another. The social capital between groups, horizontally and vertically, must also develop. Similarly, just because one neighbourhood functions well due to its large stock of social capital does not mean that the whole city is permeated with social capital.

The authors see some determining factors for summarising functions of local social capital. First, how strong and how many links exist between different groups, and between groups and decision-makers, and how strong and how many links these actors (groups and decision-makers) have to organisations at higher levels. Second, the actors, on the basis of their norms and values, form the local social capital by creating these links and filling them with charges, either positive or negative. Positively charged links contain trust, confidence and common values.

Lack of positively charged links is a problem, but excessively strong links are also a problem if they are preserved in spite of changes in the environment. New networks should replace old, unproductive ones, while old productive networks should be preserved. The combination of strong long-term links and weak temporary links between the actors is needed for an optimal dynamic and a renewed social capital, as well as the need for balance between internal and external links (Westlund et al., 2002).

After all, it seems like all interactions are essentially networks, but it remains a useful concept to explain how to build social capital. As for my research topic, the nodes are the actors within a neighbourhood. Within the links between these nodes, information, attitudes and norms are distributed. Several networks exist in the neighbourhood, side by side and sometimes intertwined. Some are horizontal, other are vertical. To increase the stock of social capital, the links must be filled with trust and shared norms, both within and between networks. It is therefore
important to examine what kinds of exchanges can be made between the different actors.

**Strong and weak ties**

Theories of social capital make a distinction between strong and weak ties. *Strong ties* can be described as the links between actors that know each other well and share many characteristics, while *weak ties* are links between people that share some interests or characteristics, e.g. members of the same choir or football team, but lack an intense relationship. Granovetter (1973) argues that the strength of a tie is a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and reciprocal services characterising the tie. These aspects are independent, but highly intra-correlated. Thus, by interaction, a weak tie can transform into a strong one. Similarly, decreased intensity in the interaction between two actors can make a previously strong relationship weak.

Strong ties, like kinship or family relations, have thus a high degree of one or more of these aspects, while between individuals that are connected by weak ties, the degree of intimacy, time spent together, emotional intensity and reciprocity is lower. A network surrounding a person is made up of both strong and weak ties. Often, the number of weak ties in a network is larger than the strong ones as an individual usually has more acquaintances than close friends or relatives.

According to Granovetter, network models often deal with strong ties, and what goes on within small, well-defined groups. However, emphasising weak ties can improve the discussion about relations between groups. Putnam (1993) follows this line and stresses that interpersonal strong ties, like kinship, intimate friendship, families and close-knit ethnic minorities, are less important than weak ties in sustaining community cohesion and collective action.

Weak ties are more likely to link members of different small groups than are strong ones, which tend to be concentrated within particular groups. (Granovetter, 1973, p. 1376)

The stronger the tie between two persons (A and B), the larger is the number of individuals in a network (S) connected to both A and B through strong or weak ties, claims Granovetter. The overlap in friendship circles is thus largest when ties are strong, and least when they are absent. When ties are weak, the overlap is intermediate.

If there are strong ties between A and B and between A and C, some kind of tie will always exist between B and C (weak or strong). The tie cannot be absent in such circumstances (the forbidden triad), because via their same close friend, they automatically have a tie between themselves.
Using the concept of bridge may provide clarification. A bridge is "...a line in a network which provides the only path between two points" (Granovetter, 1973, p. 1364). Bridges are therefore of great significance in diffusion processes. Looking at the forbidden triad above, it is evident that between A and B there is more than one possible path: In addition to the direct tie between A and B, it is possible for A to reach B via C, since the strong tie between both A and B and between A and C have made clear that a tie exists also between B and C. Strong ties can thus not be bridges if a person has more than one strong tie within the network (which is likely), as several strong ties make it possible to reach the desired point in several ways. Thus, bridges are always weak ties, but all weak ties are not bridges.

In large networks, it is very unlikely that one tie is the only path between two points. However, we can still talk about bridges served locally. In such circumstances the bridge is not strictly a bridge, but it is the shortest route between two points and by that a more likely and efficient path.

The significance of weak ties, then, would be that those which are local bridges create more, and shorter, paths. Any given tie may, hypothetically, be removed from a network; the number of paths broken and the changes in average length resulting between arbitrary pairs of points (with some limitation on length of path considered) can then be computed. The contention here is that removal of the average weak tie would do more "damage" to transmission probabilities than would that of the average strong one. (Granovetter, 1973, pp. 1365-1366)

Thus, concerning diffusion of whatever is to be diffused, weak ties are of uttermost importance. Through weak ties it becomes possible to reach a larger number of people and traverse greater social distance than through strong ties only. If information, knowledge or influences are to be diffused outside of the close personal circle, weak ties are not only important, but also necessary.
There are different parts of a person’s network, and Granovetter distinguishes between a section of strong ties and weak ties that are not local bridges, and another (the ‘weak’ sector) that is constituted of the weak ties that are bridges to ‘the unknown’. With this distinction, it is possible to discuss the connection between micro and macro (between the individual and society), and between different segments of society.

In the “weak” sector … not only will ego’s contacts not be tied to one another, but they will be tied to individuals not tied to ego. Indirect contacts are thus typically reached in this sector; such ties are then of importance not only in ego’s manipulation of networks, but also in that they are the channels through which ideas, influences, or information socially distant from ego may reach him. (Granovetter, 1973, pp. 1370-1371)

Consequently, bridges are important to come closer to what in other cases is to be found apart from ego’s social sphere. This can be exemplified through employment opportunities, as it has shown to be more common to access employment via personal contacts than in other ways (see e.g. Granovetter, 1973; Performance and Innovation Unit, 2002). It is often someone on the marginal in ego’s contact network that can bridge ego to the job. It can also be intermediaries involved - contact’s contact. “…for some important purposes it may be sufficient to discuss, as I have, the egocentric network made up of ego, his contacts, and their contacts” (Granovetter, 1973, p. 1372). Sometimes intermediating can consist of several steps.

Granovetter calls advertisements or agencies, e.g. mediation of jobs, ‘formal intermediaries’. It seems as people threatened by unemployment and with small personal networks more often use formal intermediaries to access employment than people with a well-developed network, where bridges are used. Again, this exemplifies why large and widespread weak tie networks are so important and for many, at least instrumental, purposes are more important than strong ties.

Burt (1992) discusses the same phenomenon, but uses the term structural holes to explain the importance of loose networks and weak ties for individuals to benefit as much as possible on a network. A structural hole is thus a possible link between two nodes; someone you do not yet know, but that holds resources or positions that can be useful for you. Burt argues that the more structural holes in a network, the larger are the possibilities to benefit, since bridging structural holes gives access to more relations, but the cost for maintaining them is minimal. "Competitive advantage is a matter of access to holes." (Burt, 1992, p. 2) This also implies that large networks are more important than small, as they give more possibilities for structural holes to evolve.

Weak ties are thus important from the individual’s point of view, as it facilitates mobility and provides for new information and influences. However, it is also of great importance for the community organisation, since it plays a role in effecting social cohesion. Community organisation would be severely inhibited if the com-
munity consisted of small groups where the individuals only are tied to the others within the group, but to no one outside of it.

Related to this is the trust issue, and of specific importance here, the trust in the leaders of the community. Whether a person trusts a leader or not depends much on whether there exist intermediary contacts who can, from own knowledge, assure him that the leader is trustworthy. In addition, leaders have little motivation to be trustworthy or responsive towards people if they have no direct or indirect connection. Granovetter suggests, “the more local bridges in a community and the greater their degree, the more cohesive the community and the more capable of acting in concert” (Granovetter, 1973, p. 1376).

Fukuyama (2001) claims that social capital can be seen as having more ‘social bonds’ than other forms of capital, because of the possibility to use social capital for private interests only, and internal cohesion in strong tie networks, at the expense of others. Narrow radiuses of trust result in more harm than good. He argues that this has made few post-war observers able to see social capital as an asset, but rather as obstacles to development. Therefore the weak ties that can widen the radius of trust are most necessary in society.

**Bonding and bridging**

The distinction between ‘bonding’ and ‘bridging’ social capital is related to weak and strong ties (see e.g. Putnam, 2000). Bonding social capital connects people within similar groups and situations (homogeneous, e.g. family members or within ethnic groups - strong ties), while bridging social capital appears across different groups, e.g. ethnic, cultural or social (heterogeneous - weak ties). This latter term has already been discussed in the previous section. These two types of relating to social capital are relevant to different economic and social outcomes: in early childhood and frail old age, bonding social capital is most important to health, according to a British investigation (Performance and Innovation Unit, 2002). Bridging social capital, on the other hand, is most important in adult life, especially when seeking employment. In general, health outcomes seem to be most heavily affected by bonding social capital and the economic outcomes rest more heavily on bridging. Concerning the disadvantaged situation for ethnic minorities on the labour market, e.g. shown in my case study areas (see chapter 8 and 9), it is important to stress that:

...one of the potential barriers to labour market achievement identified by ethnic minorities is social connections. ... they lack the networks to enable them to advance their careers and that they are at a disadvantage compared with their white colleagues because access to professional social connections was not intrinsic in their upbringing... (Performance and Innovation Unit, 2002, p. 20)

It is important to have trustful relations with people in the same situation, as it gives feedback on the emotional level. But it is also important to strengthen the
trust between heterogeneous people with different perspectives as this can lead to exchange of values, and added resources. Bridging can be more difficult to obtain, because it requires additional effort to create networks with people where connections do not emerge naturally. But when networks and relations have been obtained, this can lead to great advantages for the ones involved.

DeFilippis, however, argues that ‘bridges’ do not automatically improve the situation for people affected: It does not “…make them rich or poor” (DeFilippis, 2001, p. 790). What is important, according to DeFilippis, is instead who controls the terms of the relation or connection. He stresses that it is the power relations that have to change, not the level of connections. Bridging capital is only needed if a community’s residents are poor and on the losing end of a set of power relations, DeFilippis argues.

An important point in DeFilippis’ argument is that the inherent structures in society are so strong that extending and improving relations alone does not sufficiently achieve real change in society. Power structures need to be identified and acknowledged so that they can be challenged consciously when needed. Sometimes, overly powerful strong bonds/links need to be destroyed to make room for new ones. Westlund et al. (2002) argue that sound social capital must involve a combination of strong long-term links and weak temporary links between the actors. Additional links need to be developed between nodes where we do not expect them to appear – between strong and weak actors on different hierarchical levels.

Besides bridging and bonding, there is also a third use of social capital, namely linking social capital, which relates to the links between different levels of power or social status in society. This dimension is a recent addition to the categorisation proposed by Woolcock (2001, referred in Performance and Innovation Unit, 2002).

Putnam (1993) does not believe that social capital derives from relations between people on different vertical levels, as such relations to a large extent are built on dependency, not mutual trust (see more below, p. 98). However, a challenge is to investigate possibilities to use this dimension, as it could lead to large benefits for the ones involved because of the different resources that can be exchanged in the links. Exploring new governance arrangements are crucial for this topic. One possible reason for the difficulty to linking social capital can be the inertia that often exists in the social structures. People and institutions behave as they are used to and follow rules and regulations that have been relevant for a long period of time. This makes it difficult to allow new actors with other habits into the system, and thus trustful relations are difficult to obtain, especially if the ‘new’ and ‘old’ actors are in different vertical levels. Bourdieu uses the concept of ‘habitus’ to explain this (Howe & Langdon, 2002).

But why would those with strong resources want to cooperate with those with weaker resources? What can they gain from this relationship? Raiffa (1982) argues that as long as the perspective is long-term, an actor – no matter how weak - always has some resources that make him or her important as a partner, even for
actors that are better off concerning access to resources. Thus, weak actors can also contribute with something that others can gain from. Raiffa serves an additional argument to further promote collaboration that includes weak actors: the risk of obstruction instead of collaboration. Excluding some actors from the partnership involves a risk that those actors will obstruct the planning and implementation processes from which they are excluded. However, the weaker the actor, the less is the risk that enough resources will be collected in order to obstruct other’s work.

One of the main challenges of my research is to find elements that compel strong actors to cooperate with each other and together with resource-weaker actors around a joint problem. Montin (1998) argues in accordance with Coleman (1990) and Putnam (1993) that social capital is created when relations between people change in a way that facilitates action. A group that experiences trustful relations achieve greater success through cooperation. When people have doubts concerning cooperation, it is easier to follow one’s own short-term interest. Effective cooperation can only be obtained when there is trust that other actors also choose to cooperate. Thus, cooperation might not get an immediate return, but may still be worth the effort in the long term, because it can create value and lead to a mutually beneficial situation.

Also, it is claimed that some voluntary organisations, e.g. those that involve more diverse memberships, like people from different nationalities or ethnicities, stimulate more positive forms of social capital with higher levels of generalised trust compared to those that consist of more homogeneous groups. One conclusion is:

...a general drive to increase bonding social capital ... might do as much harm as good in the absence of parallel attempts to increase bridging social capital...

(Performance and Innovation Unit, 2002, p. 54)

Thus, the tries to create bridges between different groups in society are crucial. What needs to be investigated is therefore which factors can facilitate growth of social capital in heterogeneous contexts. “There is considerable evidence that social and ethnic heterogeneity is associated with lower levels of social capital…” (Performance and Innovation Unit, 2002, p. 44). It also seems like the larger the residential mobility within neighbourhoods, the more negative the social capital is in that context (Performance and Innovation Unit, 2002). In this respect, Westlund’s (1999) argument that characteristics of the nodes must be homogeneous enough to find similarities, but heterogeneous enough to derive benefit from each other when building horizontal networks can be something to take into account: It is important to find at least one or two characteristics that the different groups share to be able to bridge social capital. But it is also important to stress the role of intermediaries.
Measuring social capital

There are difficulties in how to measure social capital and its effects. Westlund (2002, p. 11) however argues that although concepts are difficult to measure empirically, this is not a suitable argument against their use. Still, the unclear definitions of social capital exacerbate the problem of measuring it as we do not agree upon what to measure. According to Westlund we need to separate enterprise-related social capital and social capital related to civil society when we discuss its economic impact. In an enterprise, one of the problems, concerning measurement, is to know whether the investments in social capital really achieve their intended effects or not. Another is that the composition of the labour force (human capital) influences social capital: turnover changes the conditions for social capital both internally and externally with links outside of the enterprise. These unintended effects are even more difficult to measure than direct investments.

Measuring problems are also addressed in a British study (Performance and Innovation Unit, 2002). In order to promote the accumulation of social capital, they claim that it is crucial to have the possibility to measure social capital in various forms and types – at different levels (micro, meso and macro) and different stages in the life cycle. It is also important to be able to relate these to particular economic, social and other outcomes of concern for policy makers at different levels. Otherwise, it is argued, the nature and the scale of the problem cannot be assessed, the most appropriate solution cannot be identified and the effectiveness of interventions cannot be measured and evaluated.

Below is one example of how social capital can be measured, but not in terms of its economic outcome. Rather, this example measure levels of social capital. However, it does not claim to be an absolute measurement.

Pettersson (1997) discusses how different categories of residents value and evaluate their housing, and to do that, he uses social capital as one of several factors. The starting point is that social capital consists of social networks, social trust and reciprocity. Social networks are measured by active membership in associations or movements. The consulted persons are thereafter divided into three groups depending on their level of engagement. Social trust is investigated by asking whether they trust others. Reciprocity is measured by asking how they face the matter of making claims of social benefits that they lack the right to, and if the person considers fraudulent tax evasion if there is a possibility. Social trust and reciprocity are weighed against each other, and a low level of social capital is shown if the person consulted does not trust others and considers tax evasion and claims social benefits. The level of engagement in social networks is added to the result from reciprocity and social trust and when combined, different levels of social capital can be measured (Pettersson, 1997).

There are other ways to grasp the level of social capital that can give interesting results, but we need to be aware that the outcome always depends on the questions
asked or the methods used. In this study, the ambition is not to measure social capital, but to discuss its potential when combating social inequalities. Measuring social capital would have demanded a completely different approach, not least concerning the case study work.

**Social capital in civic life**

According to Coleman (1988) the actors constituting social capital can be ‘purposive organisations’ (corporate actors) or persons. Most work on social capital focuses on one of these two sides. My challenge here is to consider social capital from a wider perspective and therefore discuss social capital both from the ‘Putnamian’ perspective of social capital in civic life and later discuss social capital in the business world. My point is that the two perspectives can be intertwined through collaboration that cross the border between civic and business life as will be shown more explicitly in the analytical chapter.

Putnam has became well known for his use of the concept social capital. By investigating Italian regions (*Making Democracy Work*, 1993), he came to the conclusion that the functioning of a civic community to a large extent is dependent on the amount of social capital within the society. He found the regions in north Italy to be more successful than in the south, much because of the local population’s active participation in associations and their interest in societal issues. Putnam has received much attention for his use of the concept and his important input to the discussion. However, Putnam’s Italian study refers to a specific context, and according to Mayer (2003) the result he found there should not be generalised to other places, which is often the case. Westlund (2004b) claims that Italy is a special case for historical reasons, and the strong correspondence between ‘civility’ and economic development has not been confirmed in other countries. Still, Putnam’s result is interesting and useful in many aspects and some of his findings are presented here.

He outlines four traits needed to promote a flourishing civic community. The first characteristic is **civic engagement**: public participation in public affairs. Stepping back from the individual self-interest and instead working for the collective good is positive for the development of civic virtue. But he also stresses that citizens are not required to be altruistic:

> The dichotomy between self-interest and altruism can easily be overdrawn, for no moral, and no successful society can renounce the powerful motivation of self-interest. (Putnam, 1993, p. 88)

It is therefore important to regard the public as something more than a place to pursue personal interests.
The second ingredient is political equality; in the respect that citizenship in the civic community should involve equality for all concerning rights and responsibilities.

Such a community is bound together by horizontal relations of reciprocity and cooperation, not by vertical relations of authority and dependency: (Putnam, 1993, p. 88)

Thirdly, Putnam presents solidarity, trust, and tolerance as important for the civic community. It is not a conflict-free society that Putnam wishes to see, but rather that concepts such as tolerance for different opinions should be key words in discussions. Again, as in the discussion concerning governance, the importance of providing space for others’ perspectives is stressed (see e.g. Sjöström, 1985; Healey, 1997). Interpersonal relations filled with trust are the most important moral need to maintain a civic community.

Putnam finally stresses social structures of cooperation (associations) where norms and values are embedded and reinforced.

Civil associations contribute to the effectiveness and stability of democratic government, it is argued, both because of their “internal” effects on individual members and because of their “external” effects on the wider polity. (Putnam, 1993, p. 89)

Skills of cooperation and a sense of shared responsibility for the collective are, according to Putnam, the result of participation in such social structures. Putnam argues also that attitudes tend to moderate as a result of interaction within a group that is crosscutting, i.e. involving members from different fields.

To test his theory, Putnam developed a Civic Community Index, where newspaper readership, preference voting, referendum turnout and participation in sports and cultural associations were the variables. He suggested that newspaper readers are better informed than non-readers and by that better equipped to participate in civic activities, and also that the reading marks an interest in community affairs. Similarly, the ones that vote in elections are more interested and thus better equipped for participation in society in general. A parallel pattern can be observed also for those participating in associations. Putnam argues that the four indicators are highly correlated.

Honesty, truth, and law-abidingness are prominent in most philosophical accounts of civic virtue. Citizens in the civic community, it is said, deal fairly with one another, and expect fair dealing in return. They expect their government to follow high standards, and they willingly obey the rules that they have imposed on themselves. … In a less civic community, by contrast, life is riskier, citizens are warier, and the laws, made by higher-ups, are made to be broken. (Putnam, 1993, p. 111)
Collective life in civic communities becomes easier when people are expecting others to follow the same rules of behaviour. Cooperation is built on trust. Horizontal bonds of collective reciprocity are working efficiently in such communities, while where solidarity and self-discipline is missing, hierarchy and force are the only alternatives to anarchy, according to Putnam.

All societies are characterised by formal and informal networks of interpersonal communication. Some of them are horizontal, bringing together actors of similar status, and others are vertical, linking asymmetric relations, unequal actors. Putnam argues that network of civic engagement (choirs, bowling teams etc) represent intense horizontal interaction, and that these are essential for social capital. "The denser such network in a community, the more likely that its citizens will be able to cooperate for mutual benefit." (Putnam 1993, p. 173) Vertical networks, Putnam argues, cannot sustain social trust and cooperation, no matter how dense it is or how important it is to its participants (see Putnam, p. 174). Vertical exchange is always asymmetric even though it involves reciprocal obligations. This means that vertical flows of information are not as reliable as horizontal, as the vertical relation is characterised by dependence instead of mutuality.

Mayer (2003) argues that the ‘Putnamian’ view of the concept neglects some important features. "Putnam makes it difficult to identify networks and relationships that do not enhance democracy, and diverts attention from those forms of sociability that have anti-democratic or oppressive effects." (Mayer, 2003, p. 112) She uses the example of civic engagement in form of urban activism and movements, which on the one hand are shaped by trust, shared norms and cooperation, but on the other articulate conflict and use disruptive actions that challenge relations of trust and reciprocity with other groups. Such groups are rarely the focus of social capital theorists, she claims. Failing to consider these groups signals that the conception of state-civil society relations connected to the social capital is one-sided and normative. Some movements seize neglected and repressed demands and are not afraid of conflict with state power, which shows that society does not always cooperate as harmoniously as many advocates of social capital would suggest, according to Mayer.

She also argues that “the ‘social capital’ approach has shown its economic usefulness across time and space” (Mayer, 2003, p. 122). However, the current economic-political configuration is most relevant and should not be ignored. Here it is important to emphasise that state and market can do much to enhance social capital in society – a matter that seems to be rarely discussed. Rather, civil society is used to increase economic growth and democracy by its development of social capital.

The deprioritising of the role of the state is unfortunate, because the ‘productivity’ of civic engagement in terms of enhancing the vitality of civil and political society depends in large measure on the responsiveness of (local) government. The production of a vibrant civil and political society requires both: civil society and the state. Just as the intensity of ‘social capital’ varies across nations and re-
gions, state institutions vary in terms of institutional capacity as well as in terms of responsiveness to civil society. (Mayer, 2003, p. 122)

In the chapter 3 I explained that the traditional responsibilities of the state to a large extent have been contracted out to local levels society and more non-state actors are included in public services. This also means that competitiveness is heightened in society more than before, which effects social capital and civic engagement. Mayer argues that the social capital narrative needs to reflect its own embeddedness in order to play a more useful role within the analysis of urban change as well as within the politics of urban change.

**Social capital in business life**

Putnam uses social capital to explore civic society. He makes the connection that social capital in civic society is positive not only for democracy but also for economic growth. However, he does not develop this latter aspect and does not discuss social capital as a resource for arenas in life, such as the business sector. Critics argue that Putnam has not used the full potential of the concept (see e.g. De Filippis, 2001). He does, however, remark that as other kinds of public good, social capital tends be undervalued by private actors, and thus most often is produced as a by-product of other social activities, it is not invested in from the start because the benefits of trustworthiness is underestimated. This is an acknowledgment that needs to be scrutinised to see if there is more potential within the concept of social capital than what is commonly thought. Yet, Mayer (2003) argues that the social capital concept is popular in many areas and disciplines just because it impacts on economic performance even though it emphasises non-economic factors, and therefore appears attractive to many.

Even if social capital is mostly discussed in terms of civil society, it does not mean that it has not been applied to the corporative sector. Not least within the discipline of business administration, research about business networks, values and norms have been conducted, even though other terminologies have been used and it not generally has been associated with social capital theories (Westlund, 2004b).

Social capital has both differences and similarities with other forms of capital of importance for the business sector. An important difference from human and physical capital is that new social capital is not necessarily more valuable than the old. Instead, it is more effective if a wide range of networks and knowledge are combined. The older ones function as stabilisers, while the new ones work as factors of change. “As the economy changes, social capital must be renewed in order to preserve its productive function (quality), i.e., it has to be topped up by new vintages while simultaneously preserving “the best” of the old.” (Westlund, 2004b, p. 22) This notion is also important to have in mind concerning personal relations to develop in civil life.
Westlund argues that in principle three types of actors can create the social capital related to enterprises:

- the enterprises themselves and their organisation
- the politically governed sector
- the civil society and its organisations

When creating networks that can be used for social capital, the enterprises establish links with and between these three types of actors. Social capital can thus be internal, formed by all actors in the enterprise, both management and employees. It appears when the links between the actors are created and filled with norms, attitudes, traditions etc., expressed as company spirit, methods for using tacit knowledge, conflict resolution etc within the company. Social capital in enterprises can also be external, and there are at least three forms: social capital related to production, environment, and market. In the first case, the links concern the relations between the firm and its suppliers, product users, and partners in cooperation and development. The environment-related social capital adds a spatial aspect: “A firm’s costs for, among other thing, knowledge and information are influenced by social capital through the degree of trust and the climate of cooperation prevailing both in individual workplaces and between forms and actors in a region.” (Westlund, 2004b, p. 32) It can thus involve links to politically governed bodies, to the citizens of the civil society as well as non-technical-economic links to other firms. In the third case, the market related social capital, the trademarks or customer relations in general make up the important links. “By creating relationships with customers in diverse ways (advertising, personal contacts, servicing contacts, etc.) a firm attempts to sustain competitive from the network it has established.” (Westlund, 2004b, p. 35) See table 4:1.

What is unique for our time is that social, non-formalised links between a firm and e.g. its suppliers can appear. Previously, in the industrial era, these relations were strictly formalised. With a more spontaneous and not so formalised relationship, the flows of information and knowledge between companies may increase (Pukuyama, 2001). There seems to be close connections between civil society and business life for the time being, which means that differences in civil societies will be reflected in the social capital of business life. This will be elaborated on further in the next chapter, which discusses value-creating strategies. Here, we can detect a potential to see how social capital of the business world and civil life are intertwined.

41. However, it is complicated to regard trademark as a social capital. If so, it is a private good, used as a property of the firm to use and dispose of as it wishes. If using the definition of social capital as something that cannot be owned by an individual (or company), it would be more correct to say that a trademark is “…based on a firm’s social capital, but that it is transformed, institutionalised and commercialized…” (Westlund, 2004b, p. 36).
ned and how the relations between e.g. a company and its customers impact on both sides simultaneously.

**Table 4.3. Social capital of the enterprise**

<table>
<thead>
<tr>
<th>Social capital internal to the enterprise</th>
<th>The enterprise’s external social capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Links/relations filled with attitudes, norms, traditions etc. that are expressed in the form of: - Company spirit - Climate of cooperation - Methods for using tacit knowledge, codifying knowledge, product development, conflict resolution, etc.</td>
<td>Production-related social capital:</td>
</tr>
<tr>
<td></td>
<td>Links/relations to suppliers, product users, partners in cooperation and development</td>
</tr>
</tbody>
</table>

*Source: Westlund, 2004b, p. 28.*

More and more companies are becoming aware of the positive aspects of larger social capital within the company. Therefore, measures to increase social relations between employees are developed. But it is also commonly known that it is important to establish good relations with other companies. The Corporate Social Responsibility (CSR) approach emphasises social capital as an important ingredient in business life.

Long-term and trustful relations among the work forces make work smoother and collaboration between organisations or companies can come along easier if the relations are mutually filled with respect and trust and if norms and values are shared. A good atmosphere at work can also lead to increased satisfaction among the employees and a will to work harder. This leads to efficient work and in the end to a larger profit for business makers. According to Kairos Futures (2002), future employees will place even stronger demands on their employers to be socially responsible.

Fukuyama (2001) claims that in the economic sphere, social capital reduces transaction costs associated with formal coordination mechanisms (contracts, hierarchies, bureaucratic rules etc.). It is “...important to the efficient functioning of modern economies...” (Fukuyama, 2001, p. 7).

At the same time as non-formalised links between a firm and e.g. its suppliers are becoming more common and replacing the previous strictly formalised ones,
another trend is appearing: With modernisation of society, the formal interactions have, on many occasions, replaced the informal norms. But, the more complex the co-ordination mechanisms are in modern society, the more necessary becomes the need for informal rules and norms that make cooperation easier.

The fact of the matter is that co-ordination based on informal norms remains an important part of modern economies, and arguably becomes more important as the nature of economic activity becomes more complex and technologically sophisticated. (Fukuyama, 2001, p. 10)

It also needs to be said that even though traditional societies depended upon informal norms, the norms mainly involved people in specific segments and the collaboration and interaction between these segments were small. In modern societies the segments overlap more and permit an individual to be a member of several groups. This increases the opportunities for weak ties to develop.

**The interplay between civil society and business life**

I have discussed social capital in civil society and in business life. I have also stated that the social capital of these two arenas is intertwined. However, the form of the interplay is not yet explored. Of course, most people are active both in civil life and in business life, which must have impact on the norms and values existing in both arenas. Still, different principles steer the different arenas. According to Westlund “…beyond the basic norms that are shared by the whole society, there are fundamental differences between the values of civil society and business life”. (Westlund, 2004b, pp. 93-94) Thus, we cannot only speak of a positive ‘spillover’ from civil society into the economy. What is more relevant in today’s society is the market perspective, where people in addition to the price-aspect choose products after considerations about social preferences, which is influenced by information from civil society. “…this influence is strongly connected to globalization, based on changes in values and preferences, and is on the one hand expressed in changes in consumption and citizens’ activities and on the other in companies’ product innovations and design.” (Westlund, 2004b, p. 95)

Putnam (1993) focuses on the regional perspective and how the regional development impacts on the economic development. He emphasises the homogeneity in civil life as reducing transaction costs and therefore has a positive impact on the economy. Florida (2002, referred in Westlund, 2004b) agrees to the ‘spillover’ perspective. However, he stresses the diversity of networks and values, as they lead to tolerance and creativity. Westlund interprets this as the two different perspectives relate to two different types of societies: Putnam’s view refers to the industrial society, while Florida’s refer to the emerging ‘knowledge society’.
In the emerging knowledge society, it is not the civic engagement, number of organizations and stable norms, values and network that Putnam has focused upon that contribute to economic development. Instead it seems to be a civil society characterized by tolerance and diverse norms, values and networks. (Westlund, 2004b, p. 96)

Still, despite emerging diversity of the norms and values in society that have positive impact on economic development and business life, the definition of social capital as networks with shared norms and values is relevant. However, as diversity increases, and with it the need for tolerance, we cannot expect to build social capital that consists of total consensus in terms of values and norms if it shall have relevance for economic development, but there is a need to share at least the most basic norms of society to make it function. This is related to strong and weak ties: The more shared values and norms, the tighter the network, the stronger the ties, and as already stated – even if strong ties are most important for individuals’ well-being, weak ties are more important concerning the development of democracy, economic growth etc.

I will now proceed by presenting a theory of social capital, developed by Lin (2001), as a starting point for the discussion of value creating processes. It is a theory in which many of the above critics of social capital are treated. Lin discusses the asymmetry and inequality in vertical social relations, but still argues that such links are relevant to gain additional resources as an outcome of social capital.

A theory of social capital

Lin (2001) has developed a theory of social capital with the focus on how access and use of resources embedded in social networks can benefit the individual’s actions. Resources are seen as valued goods in society, a possession of which maintains and promotes an individual’s self-interest for survival and preservation. According to Lin, resources correspond to the dimensions of wealth, power and reputation for most societies.

He argues that resources are at the core of all capital theories, and especially social capital. When social capital is used as an investment in social relations with an expected return in the market place, it should be defined as follows: “…resources embedded in a social structure that are accessed and/or mobilized in purposive actions” (Lin, 2001, p. 29). I do not agree with this definition. I would rather stick to defining social capital as the trustful and reciprocal social relations (network, trust and norms) and thus not consider all the resources that possibly can be embedded within such a network. However, I agree that embedded resources are crucial for using social capital, and to analyse the outcome of social capital. Therefore, I will still use Lin’s theory as a foundation for my further theoretical investigation.
According to Lin, three critical components present themselves for analysis: 1. the resources, 2. being embedded in a social structure, and 3. action. A theory of social capital should therefore (Lin, 2001, p. 29):

- explain how resources take on values and how the valued resources are distributed in the society (structural embeddedness of resources),
- show how individual actors, through interactions and social networks, become differently accessible to such structurally embedded resources (opportunity structure), and
- explain how access to such social resources can be mobilised for gains (process of activation)

The theory is framed in a set of assumptions about the macro-, meso-, and micro-structures of society (see Lin, 2001, pp. 56-59).

Assumptions for the macrostructure:

1. An image of the social structure: Positions in society are ranked according to class, status, and authority. The structure is of pyramidal shape, where access to and control over social capital is greater the higher up in the hierarchy a person or organisation is.
2. There tends to be a correspondence between hierarchical positioning across resource dimensions. If an individual has a high position in one dimension (wealth, power, or reputation), he also tends to occupy a high position in other dimensions. If this is not the case, exchange of resources is not only possible, but also expected.42
3. The hierarchical structure tends to be pyramidal. Not only is the access and control greater higher up in the hierarchy (see 1 above), the upper levels also have fewer occupants than the lower, meaning that high access and control are possessed by a few.

Assumptions for the meso- and microstructure:

1. Social interactions are more likely to take place among individuals at similar or adjacent hierarchical levels (the principle of ‘homophilous relations’). There are two primary driving forces for most individual’s actions:
   a) Maintaining valued resources. The homophily principle means that social interactions tend to take place among individuals with similar lifestyles and socio-economic characteristics. This in turn means that interactions tend to occur among actors with the same social positions in the hierarchy, and therefore with the same type and amount of resources. This suggests that such interactions mainly maintain the valued resources, not adding new ones.

b) **Gaining** valued resources. *Heterophilous* relations, on the other hand, are relations between people with dissimilar resources and positions. These are less likely to occur, because the differences between the actors demand effort to make interactions appear, but offer the opportunity to gain additional valued resources (or possibly lose them). 43

2. *The theory must take into account the consistency or tension between action and interaction.* ‘Homophilous interaction’ is normative, and a normative match between effort and return. It promotes *expressive action*, because it requires recognition by others with an expressive response – to acknowledge the property rights or sharing sentiment (even if it can be instrumental in the sense that the ego has a goal to solicit sentiment and support) ‘Heterophilous interaction’ offers potential mismatch between abnormal effort and expected returns. *Instrumental action* is promoted by the motive to gain additional resources, and therefore seeks dissimilarities. It hopes to trigger actions and reaction from others leading to greater allocation of resources for the individual. Instrumental action involves risk taking because it is possible to lose resources. It involves a greater mental and physical threat to ego’s existence to lose resources than not acquiring additional ones, and therefore expressive action is expected to take precedence over instrumental. The theory has a special focus on instrumental action.

Thus, a theory linking individuals to structure must first distinguish the two classes of action: instrumental actions and expressive actions. Instrumental actions are those actions taken for the purpose of achieving certain goals. The distinctive feature of this class of actions is that the means and ends are separate and distinct. A typical example is the search for a job or a person. Expressive actions are taken for their own sake; the actions are both means and ends, and are integrated and inseparable. Confiding one’s feelings is a typical example. The Social Capital Theory varies in its propositions relative to instrumental and expressive actions. (Lin, 2001, p. 58)

Hereby, I have explained that there are two primary motives for action (see table 4.2 below):

1. Protect existing valued resources (already at the individual’s disposal)
2. Gain additional valued resources (not yet at the individual’s disposal)

Resources are embedded in the collective. The *social structure* of the collective involves *positions* with different amounts of valued resources that should be distinguished from resources possessed by individual actors. The resources in the social structure are attached to the position within the structure and are hierarchically relative to *authority*. The more the relative authority among its positions differs, the

43. This can be compared with Putnam’s (1993) discussion about vertical relations. Putnam makes the notion that such relations are too asymmetric to be filled with trust and reciprocity, and thus cannot give social capital.
more hierarchical the structure is. There are rules and procedures guiding how positions ought to act and interact relative to use and manipulation of valued resources, leading to uniform actions and interactions among social positions to uphold the value of resources within the collective. The occupants of the positions, the agents, are expected to act in accordance with the rules and regulations. Thus, according to Lin, the positional resources are stronger and often more important (related to wealth, power and reputation) than the personal resources.

In chapter 3 I introduced ‘habitus’, as developed by Bourdieu. This concept is relevant also when it comes to this discussion of the upholding of positions in the structure. There is inertia in the social structure due to habits as well as to rules and regulations that guide the relations and the development of new relations. Therefore it can be difficult for new actors to gain access, especially for those groups with low status. Healey (1997) emphasises the transforming of existing unequal power relations and states that it is important to consciously break such organisations.

Table 4.2: Predictions of effort and return for purposive actions

<table>
<thead>
<tr>
<th>Resources of interaction partners</th>
<th>Motivation for action</th>
<th>Maintaining resources (expressive)</th>
<th>Gaining resources (instrumental)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Similarity (homophilous)</td>
<td>Low effort/high return</td>
<td>High effort/low return</td>
<td></td>
</tr>
<tr>
<td>Dissimilarity (heterophilous)</td>
<td>Low effort/low return</td>
<td>High effort/low return</td>
<td></td>
</tr>
</tbody>
</table>

Maintaining resources in homophilous relations involves low effort and high return. To gain additional resources relations must be heterophilous and it takes great effort to establish such relations (Lin 2001, p. 48).

As shown in table 4.2, social interactions between individuals with similarities, and at similar levels in the hierarchy involve little effort, but can still result in high return, which gives us a reason to believe that such interactions are more likely to occur than the more heterogeneous ones. This is congruent with Putnam’s view. Non-formal social structures are characterised by fluidity between resources, positions, and rules. They may develop naturally or be constructed around a specific interest or focus. Resources are embedded in the positions of the social structure, and the more individuals interact, the more likely they share sentiments and resources. Interaction is based primarily in shared emotion (expressive action). Thus, the return from people with similar resources is high in form of sentiments, and it does not take much effort to build such a relation. But gaining additional value is not very likely in interaction with equals. According to Lin, the resources are so similar that advantages of the bonds between the individuals are low, which is stressed also by Westlund (1999) who claims that some differences need to exist to make an exchange between nodes worthwhile. To gain additional valued resources
from social interaction, one needs to interact in a heterogeneous context, with people on different levels of the hierarchy, despite the greater effort and risk-taking involved. “…instrumental action requires a greater degree of agency to overcome the normative homophilous pattern of interaction” (Lin, 2001, p. 51). Lin argues that the positional resources are stronger for advancement and linking, and therefore important to develop to be able to gain added value. “It’s not just what you know, but who you know” (Lin, 2001, p. 41).

However, Lin’s conclusions have to be related to Putnam’s findings. Putnam (1993) points out that trustful relations built on reciprocity are not probable in vertical interaction, but Lin (2001) stresses the importance to construct such interaction to gain additional resources through the social capital. He emphasises the larger effort compared to homogeneous and horizontal interaction, but he argues that it is likely to give better return, and therefore should be possible to obtain. The quotation below stresses the difficulty of changing the mechanisms within the social structure:

In hierarchical structures, positions are linked in a chain of authoritative command, where higher and more powerful positions not only dictate the behaviours of occupants of less powerful positions by instruction and socializing them as to how to interpret rules and procedures, but also dispose of these lower positions, discharge occupants, and reallocate embedded resources, as dictated by explicit rules and procedures or interpretations of the former by occupants in higher positions. (Lin, 2001, p. 35)

Most of us are used to the ‘textbook picture’ of how a traditional society is arranged as a pyramid with a few powerful and rich people at the top and masses of peasants and workers at the bottom. Even if this is a simplified illustration of society, it is useful in understanding Lin’s theory. It is likely that the individuals with positions high up in the pyramid have high positions in several resource dimensions, and therefore have control and information about the location of the resources embedded in the structure. The lateral positions within the hierarchy are those with the same amount of authority over resources. Relations between those people mean opportunities for information exchanges that facilitate better control. “Horizontal linkages become especially relevant when collective action is geared to massing or combining available resources in the structure.” (Lin, 2001, p. 36) About the difficulties connected to heterogeneity, Lin states:

Furthermore, homophilous interactions demand effort, as the interacting partners, aware of the inequality in differential command over resources that can be brought to bear need to assess each other’s willingness to engage in exchange. The resource-poorer partner needs to be concerned about alter’s intention or ability to appropriate resources from them. And the resource-richer partner needs to consider whether alter’s can reciprocate with resources meaningful to their already rich repertoire of resources. Thus, both partners in a homophilous interaction have to make a greater effort in forging the interaction than those in
a homophilous interaction. Heterophilous interactions therefore are relatively less likely to occur. (Lin, 2001, p. 47)

What then motivates heterogeneous interaction? Finding and engaging others with dissimilar resources represent extraordinary interaction requiring greater effort. But it is also important to note that heterophilous interaction not only is the reverse of homophilous interaction: “The payoff may come from interacting with another alter who is not only different but also has better resources” (Lin, 2001, p. 50) – and thus, occupies a higher position in the hierarchy. To complicate it further, “…heterophilous interactions have become better returns if the partner occupies a higher, not lower, hierarchical position relative to ego” (Lin, 2001, p. 50). The payoff for alter in an asymmetric system thus poses a problem (if alter’s position is higher than ego’s). What favour could ego return to alter? I will come back to that problem. This also makes clear that when a person’s positions in the hierarchy moves towards the upper parts, the homophily principle rather than the heterophilous principle becomes more effective.

To access resources in the social structure, Lin presents six proposals. I provide examples for each proposal, which are taken from the civil society as well as from the business world:

- **Advantage of structural position (the ‘strength of positions proposition’):** those in better social positions will have the advantage in accessing and mobilising social ties with better resources. “The haves will have more” (Lin, 2001, p. 65) Example: chairman of the board or director of a large company.
- **The advantages of social ties (the ‘strength of strong tie proposition’):** consistency with expressive action, built on trust, sentiment, reinforcement of existing resources. Also structural advantage if the resources of the intermediary are slightly better. Example: Member of a religious association; and (the ‘strength of weak tie proposition’): if individuals need different information, then they may be more likely to find it in different social circles than their own – the weaker the tie, the more likely to gain access to better social capital for instrumental action. This allows access to wider resource heterogeneity (both better and worse resources). Example: member of an evening-class/course in cooking.
- **The advantage of network locations (the ‘strength of location proposition’):** bridge between individual actors in social networks, making possible access to both networks. Example: Leader of two courses with different members.
- **The interaction between network locations and structural positions (the ‘location by position proposition’):** a position close to a ‘bridge’ in the network gives better access to social capital, because it links to those in relatively higher positions. Example: Colleague to someone with good contacts in another company.
- **The interaction of structural positions and ties/locations (the ‘structural contingency proposition’):** the effects of networking to social capital are constrained for positions at the top and the bottom of a hierarchy. If situated in the middle,
advantages of both extensive upper reaches and opportunities to achieve such access. Example: Head of a municipal division (superior over some, but subordinate of others).

I will not discuss each of these proposals in detail, but they illustrate how important the right position in the structure is, and how different positions can be useful for different purposes.

![Figure 4.2: Structural constraint on networking effects](image)

*Illustration of an agent's position in the social structure:* a) shows a position on a low hierarchical level. The access to resources is limited. In b), the position is on a higher level, and the agent can thus reach more resources (both upwards and downwards), embedded within the organisation. However, the access upwards are more constrained than downwards, according to Lin, which means that an occupant at the highest level has more access and control downwards than the occupant of the lowest level has upwards in the hierarchy. Pyramid c) shows a position on a high hierarchical level, where the agent has access to a large amount of resources and also controls the social structure (adapted from Lin, 2001, p. 74).

But, it is not only about having a position and thereby having access to its resources; it is also about using the position and developing the right contacts to build more social capital, and thus reach more personal and positional resources.

Lin’s theory of social capital can be applied when actions need to evoke other actors as intermediaries. Using the example of job seeking, a contact becomes a requirement only when the applicant does not know the employer directly. This can be applied to most areas, both everyday life and in formal occasions. Contacts and networks are crucial for obtaining actions of importance. The access to and use of better social capital will lead to more successful action. The better position the intermediary stands, the more successful the outcome of the social capital will be. Heterogeneity in the types, levels and amounts of resources provided through social ties constitutes an important criterion for better access to social capital (‘the social capital proposition’ for the return of social capital).

This can be related to Burt’s (1992) theory of structural holes. An intermediary can bridge ego to alter access to the resources ego needs. Therefore, argues Burt, networks with a large number of structural holes (weak ties with opportunities to bridge new contacts) are of more positive character than strong, closed networks. To be noted: This is only valid when the motive of interaction is instrumental, and thus social capital is *used* for action.
I would like to exemplify the role of the intermediary by using my need for a car. I have no knowledge about cars. Neither do I know where to go to buy one. Still, I am eager to have a car and therefore I ask my brother who is both competent and has a broad contact-net of potential sellers. By using my brother’s contacts, it is possible for me to acquire the car I need, and he thus serves as a mediator that bridges a structural hole in my network. In addition, I gain access to my brother’s resources in form of knowledge, which helps me from getting cheated in the often dishonest car-business.

![Diagram of social capital]

**Figure 4.3. Relative effects of social capital**
Illustration of the relative effect that intermediaries have in building social capital. Bridges to the social structure is depending on the position of the agent (A) respectively the position of the intermediary (I). When the agents are on similar level, the position of the intermediary can be crucial for the possibilities to get access to more resources (Lin 2001, p. 61).

Letting other people know what resources one has access to through the social network can be sufficient to promote one’s social standing. Both direct and indirect ties can lead to access of resources, sometimes in a chain of multiple actors. In general, the positional resources are much more useful than personal resources, because they evoke the power, wealth and reputation of the organisation itself, not only the resources embedded within the organisation. Since the organisation is included in a network of organisations, the social capital extends beyond the limits of the organisation where the individual is involved.

Building on Weber’s three dimensions of ‘power’ (classes, status groups, and parties), Lin has developed a table over dimensions of valued resources.

**Table 4.3. Dimensions of valued resources (for characterising structural positions and individuals)**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Social</th>
<th>Economic</th>
<th>Political</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positional</td>
<td>Status (prestige)</td>
<td>Class</td>
<td>Authority</td>
</tr>
<tr>
<td>Individual</td>
<td>Reputation</td>
<td>Wealth</td>
<td>Power</td>
</tr>
</tbody>
</table>

*Source: Lin 2001, p. 37.*
People and organisations can have more or less of these valued resources, and often strive to gain more.

Positional resources are stronger and therefore of great importance when we discuss ways to include marginalised groups and individuals to the mainstream society. There tends to be a correspondence across the valued resources: occupants with a high position in one dimension also tend to occupy a high position in other dimensions. People in vulnerable areas tend to have a low degree in all dimensions and on both positional and individual level. This observation makes it relevant to challenge Putnam and determine whether vertical networks can be effective for people with poor resources to access more resources through social capital built up in these networks, and to see if also other actors can gain from a value-creation that have positive impact on those with poor resources. Table 4.3 will return in re-worked forms several times in chapters 9 and 10 when this issue is explored.

**Social capital and inequality**

It is widely known that social resources are unevenly distributed across social groups in a community. It is also obvious that inequalities in different sorts of capital bring about social inequality, i.e. concerning social standing or quality of life. I will in this section, with help from Lin, discuss the mechanisms leading to such inequality and also explore how inequalities can be overcome.

Capital inequality, it is argued, may result from two processes:

1) **Capital deficit:** “refers to the consequence of a process by which differential investments or opportunities result in a relative shortage (in quantity or quality) of capital for one group compared with another” (Lin, 2001, p. 100). An example of this is workplace which invests more resources (e.g. in-service training) on one employee over another. It can also be a matter of differential opportunities, meaning that the prevailing social structure and institution provide different opportunities for e.g. males and females or different cultural groups, in developing social capital.

2) **Return deficit:** “Consequences of a process by which a given quality or quantity of social resources receive differential return or outcome for members of different social groups.” (Lin, 2001, p. 100) An example of this type of deficit can be if a Swede and a Somali, with similar social resources receive differential return in status attainment (positions or earnings etc.). Another classic example is males contra females. Thus, even when males and females or ethnic groups have equal quantity or quality of capital, they have different status outcomes on e.g. the labour market, as it differentially rewards them. Lin has three explanations for this:
- One of the groups may not use or mobilise the appropriate capital
- Appropriate social ties are mobilised but for some reason (real or imagined) these ties are reluctant to invest their capital on one/several groups
- There are differential responses from the labour market’s structure — respond differently to different groups (discrimination)

I will now focus on the discussion of unequal relations and how transactions can occur in spite of asymmetry. As already mentioned, Raia (1982) states that all actors have something to contribute within a relation, they simply require time to manifest. This statement is important, but the discussion needs complementary evidence.

Exchange is constituted by a relationship between actors and leads to resource transaction. It is hence an economic process. However, it is important to stress that transaction of resources also has social elements. Lin refers the relational aspect as social exchange, and the transactional aspect as economic exchange.

To further stress the significance of relationships in exchanges, it can be acknowledged that anthropologists have long paid attention to the relational aspects and strongly argued that many of these patterns are not based on economic or rational calculation. Some scholars argue that relationships are necessary and significant, and not only because all behaviours are rational: “Social attractions and attachments are primitive survival instincts rather than the result of a calculation of gains and losses in alternatives.” (Lin, 2001, p. 147) Still, others treat relations as transition costs or calculations in an imperfect market.

Another argument ends up somewhere in between and claims that rationality applies to social exchanges, but also maintains that other rational principles than profit-seeking exist. Human beings also take into account others’ interests in interaction and exchanges, apart from their own vested interest. This can be stressed by the notion that social approval, esteem, liking, attraction etc. can be motives for exchange. Or by stating that human beings need trust, because confidence or expectation that alter will take ego’s interest into account in a calculation.

What Lin argues is that an “exchange is seen as a process engaging two actors whose actions are based on calculations of gains and losses and on alternative choices in relationships and transactions.” (Lin, 2001, p.149) He further claims that the calculations are based on self-interest. When collective interests enter the calculation, it is only if such interests are embedded in the self-interest. Thus, according to Lin, other collective interests that exclude self-interests do not drive calculations and choices.

It is important to bear in mind the alternative ways of dealing with relationships in exchanges as presented above. However, Lin is not suggesting that transactional rationality (calculations of transactional gains and costs in exchanges) is the only rationality of importance. He also stresses the relational rationality, which is the
calculation of relational gains and costs, and not least when discussing instrumental actions and collaboration it is important to bear the rationality in mind.

Healey (1997) argues that few people today regard humans as only being the 'economic man'. Rather, the social side is considered as the most important, where rational choices not merely are made from an economically profitable perspective. Still, we regard (which is commonly accepted) companies as economic 'atoms', where maximising profit is attained through steering and leading the company forward. However, as said above, a company may also have a social objective, and thus relational exchange can also be important also.

Baker (2000) claims that the purpose of building networks is to contribute to others, and that using social capital means putting networks into action in service to others. This alternative is superior because it invokes one of the most powerful principles in human life, namely reciprocity. Reciprocity is the engine of networks: We are helped because we help others. This explains why building social capital works, he argues: “When you use your networks to contribute to others, others contribute to you.” (Baker, 2000, p. 134)

Helping another person simply because it's the right thing to do, without expecting repayment from the person, invests in the fund of social capital, and paradoxically generates reciprocity for you far beyond that available from calculated tit-for-tat exchanges. (Baker, 2000, p. 139)

Baker's and Lin's arguments are on two slightly different sides of reality, which is illustrated in their different views of rational motives for action. However, both perspectives argue that investments in social relations will give return even though they have different views of what motivates the investments.

The pay-off, or rewards that sustain or interrupt relationships or transactions in the social structure are, according to Lin economic standing and social standing, where the economic standing concerns accumulation and distribution of wealth while social standing is based on accumulation and distribution of reputation. Commodities and their symbolic value representations, such as money, indicate the economic standing, and social standing is indicated by the extent of recognition in social networks. These two rewards are complementary but can be seen as independent motives for exchanges. Recognition is suggested as an important process for individual actors overcoming costs to unequal exchanges (Lin, 2001). It thus involves pay-offs for the actors with higher positions.

In transactional rationality, gains and losses can be counted easily. But in relational rationality, this matter is not as clear, and can be compared with the difficulty to measure social capital. However, just as with transactional rationality, Lin argues that the balance of credits and debts will be achieved in the long run in repeated transactions. Still, balanced transactions are not required. The critical element in maintaining relationships between partners is social credits and social debts. If a relationship persists but is asymmetric (one actor gives favours to another
repeatedly), why would the creditor (the one who gives the favours) want to maintain the relationship? One answer is that the creditor can ask the debtor to re-pay everything, perhaps with a high rate of interest. Another answer is that as long as the debtor owes the creditor something, he/she is expected to take certain actions to reduce the relational cost for the creditor, that is, the debtor should “propagate to others through his or her social ties his or her indebtedness to the creditor - social recognition of creditor-debt transactions, or social credit given to the creditor” (Lin, 2001, p. 152). This leads to greater visibility of the creditor to a larger social network, and thus improves reputation and social standing. This discussion can be directly applied to the discussion of placement of trust (Coleman, 1990; see also above pp. 82-83).

What is said here is that asymmetric relationships in a social structure are possible to maintain, because the debts and credits are not necessarily of the same character. An economic debt gives the debtor a higher economic standing while the creditor gains a higher social standing and improved reputation.

Before entering next part of this study, a discussion about how social capital and collaboration can promote social integration will be given as a summary of this chapter.

**Social capital and collaboration for social integration**

DeFilipps (2001, p. 793) argues:

> To have any value as a term, social capital must retain a connection to economic capital, and it must therefore be premised on the ability of certain people to realize it at the expense of others. While economics is not a zero-sum game, it [social capital] is also not simply a set of win-win relationships.

He says that it is in the interest of those who gain from the social capital in a network (e.g. by gaining employment or possibilities to maintain cultural values), and realise and appropriate the social capital, to keep that network as closed as possible. According to him, that is exactly what the ethnic enclaves demonstrate (his findings based on American cities).

Rather than assuming that social networks and relationships are win-win endeavours and that low-income people and areas are socially disconnected, we need to construct social network that are truly win-win relationships for people in low-income areas, while building on already existing networks and relationships. (DeFilipps, 2001, p. 801)

DeFilipps points out that there might be risks when using social capital for community development. First of all, it is not certain that everyone involved will bene-
fit. This notion returns us to the previous discussion – why would people want to ‘bargain’ with someone who lacks resources? As explained in the previous section, Lin (2001) discusses this in terms of reputation. Vertical networking is most often proposed from below – from the actor with lower position, since that actor is the one who most clearly will gain from the relationship. By forming such a relation, however, the actor in the higher position can build a positive reputation and recognition and thus also gain by networking, even if the returns are not direct economic profit. Secondly, while constructing a network of importance for reaching new resources, why open it to others? It would be tempting to exclude groups so that the ones already involved can gain more. Westlund (2002, 2004b) stresses the importance of having both new and old links in a functional network.

Mayer (2003) is also critical to the win-win approach. She argues that the concept to a large extent is attractive because of its ‘social’ vocabulary, but is still used for economic purposes. The ‘poor’ or the ‘excluded’ themselves are the ones that have to increase their stock of social capital by becoming more competitive, hard working and disciplined. The structures of society are seldom appropriate to tackle the causes of the inequality and marginalisation of these groups, but rather focus on their own capacities. Thus, the goal of the excluded groups can become both to raise social and political issues and dissolve them into economic perspectives. According to Mayer “…the distinctive capacities of community problem-solving and governance abilities of communities would need to be complemented by a supportive legal and governmental environment.” (Mayer, 2003, p. 127)

People tend to look to their own short-term interest before entering a more ‘risky’ long-term cooperation that might lead to win-win endeavours. To promote a more long-term perspective and thereby obtaining win-win solutions, the issue of ‘trust’ must become the focus. So, how can we inform people about the importance of cooperation that can result in value-creation for everyone, and how can trust be developed and strengthened? DeFilippis (2001) argues that we need to build on already existing networks. But still, we need to come further. The already existing networks do not seem to be enough. How can Lin’s mediating perspective be of help? Can positions be bridged when a mediator comes in? Lin talks about intermediaries as triggering actions to create social capital. Can intermediaries be the ‘missing link’ when Putnam doubts the possibility to create trustful and reciprocal vertical networks? The mediator must be someone who is trusted on all levels, be involved and link different actors to a common network. But there is also a need for others (e.g. the state or organisations) to take responsibility to develop appropriate forums for extending the capital that already exists (Mayer, 2003). Again, these questions need more space than what is available here. Hence, I choose to return to them in chapter 10.

Woolcock (1998) discusses social capital from the premise that there are both embedded and autonomous social relations, and these must be understood and treated on both micro and macro levels. Thus, there are four dimensions of the
concept, and all four need to be present for optimal developmental outcomes. The autonomous relations are looked upon as linkages while the embedded dimension is regarded as aspects of integration:

...for development to proceed in poor communities, the initial benefits of intensive intra-community integration, such as they are, must give way over time to extensive extra-community linkages: too much or too little of either dimension at any given moment undermines economic advancement. (Woolcock, 1998, p. 175)

This indicates that social capital can be used for purposes that impacts negatively on society and public life. If, on the micro level, integration is low, but linkages remain high, it will result in ‘anomie’, meaning that individuals have the opportunity and freedom to participate in a wide range of activities, but lack the stable base where they can get support and develop identity. If, on the other hand, integration is high, but linkages are low, the result will be ‘amoral familism’, which means that there is a lack of linkages across civil society, but a high degree of support within the own group (compare strong ties). This will increase transaction costs, and thus undermine all sorts of economic exchange. This is the problem we see in many of the vulnerable neighbourhoods, and also one of the major problems in my case study areas. On the macro level, there are similar outcomes if the autonomous and embedded dimensions of social capital are not used together. The outcome on macro level can take form of anarchy, inefficiency or corruption, according to Woolcock.

To summarize, we need to be aware that social capital clearly has negative aspects as stressed in several occasions throughout this chapter. However, it is still possible to develop the positive sides of social capital and use it for positive purposes:

...a community’s stock of social capital in the form of integration can be the basis for launching development initiatives, but it must be complemented over time by the construction of new forms of social capital, i.e. linkages to non-community members. (Woolcock, 1998, p. 175)

This is more or less reinforces the importance with weak tie networks (see e.g. Granovetter, 1974; Putnam, 1993), structural holes (Burt, 1992) or heterophilous relations (Lin, 2001). Different theorists have the same focus and have reached a similar conclusion, only they use different terminologies. What is possible with Woolcock’s theory (1998) though is that he not only stresses the embedded resources (integration), but more than other theorists regards the autonomous relations (strong ties) as an equally important ingredient for people to achieve a high quality of life. This can also be regarded having good potential for further integration and inclusion.
Discussing social capital with the primary sources from Putnam and Lin have made it possible to distinguish three levels of interaction where social capital can develop:

- First, the *homogeneous* networks (‘strong ties’), characterised by expressive actions, where there are limited possibilities to gain additional values or resources. Such networks are important for the protection and sharing of sentiments and for the safety, confirmation and well being for the ones involved. This kind of interaction is horizontal in its shape.
- Secondly, we have the *heterogeneous* networks (‘weak ties’), still horizontal, but where people with different backgrounds, interests, or from different places, cross the borders of the primary circle of friends, relatives or compatriots. In those networks, it is more likely to ‘take advantage’ of each other’s differences, such as experiences, skills, or contacts, and use it for one’s own benefit.
- Thirdly, interaction on the *vertical* level involves another dimension - the positions. Resources embedded in the social structures are more likely to be reached by people on higher positions in the hierarchy. Therefore, if trustful relations can be built that include actors from different levels, instrumental actions can be taken and resources or values can be shared that they previously could not access. This is thus the most important kind of interaction to create value from (particularly when discussing social inclusion), but also seem to be least likely to appear, and Putnam expresses doubts about the possibility of developing social capital in such interactions. Still, vertical relations can be a potential for social capital to develop, but as such the long-term perspective becomes crucial – otherwise the ones with the higher positions cannot see the reason for engaging in such networks, because they know what they can contribute with, but not what they gain in return.

Bourdieu’s concept of ‘habitus’ can be useful when discussing social capital and value-creation in the focus of people with weak resources and possibilities. Schematically, habitus is a durable set of dispositions that are possible to transfer from one situation to another. These dispositions, e.g. motivations, skills, ambitions and aspirations, persuade agents to act and react in certain ways. According to Howe and Langdon (2002), habitus is linked with systematic inequalities in society, patterned by social standing. This concludes that:

Those in subordinate positions are often ill-equipped with the dispositions that will allow them to successfully enter into life-improving patterns of action.  
(Howe and Langdon, 2002, p. 215)

This also means that the habitus of those in subordinate positions will equip them with the desires, skills, knowledge etc that will further reinforce and reproduce their inferior status. This explains at least partly why some interests have advantage over others in the planning process or in other societal processes, but also why
trustful and mutual relations between different vertical levels in the hierarchy are
difficult to obtain. It is not necessarily conscious:

The winners in the development process do not conspire to exclude members of
subordinate groups. On the contrary anyone can participate. However, privi-
leged access and influence are reproduced through the subtle workers of unack-
nowledged cultural biases of which agents remain mostly unaware. (Howe and
Langdon, 2002, p. 218)

Again, state initiatives as argued by Mayer (2003) need to be provided in order to
create preconditions so that it is possible for these groups to develop social capital.
Also Woolcock (1998) notices this and claims that ‘bottom-up’ approaches some-
times need to be preceded by ‘top-down’ initiatives.

The obstacles to governance presented in a previous section are also important to
keep in mind, as they exemplify inertia in the social system. Allen and Cars (2000)
discusses sector-thinking, organisational barriers that ‘slice up’ the issues at stake,
and political barriers (see above, pp. 67-68).

Several of the governance theorists stress the importance of trustful relations in
cooperation, and we can thus make connections between the two concepts of col-
laboration and social capital: governance arrangements are networks in which links
need to be filled with trust and reciprocity to be effective. This implies that effec-
tive governance arrangements lead to increased social capital in society. Or, to put
it conversely, to build effective governance arrangements, the knowledge of how to
build social capital is crucial. However, this makes governance arrangements that
are supposed to involve differences difficult to handle and make effective. The
conditions to create trust in vertical networks must be addressed. Difficulties
mainly derive from the inertia in bureaucracy and institutions as well as individual
habits.

Social structures that facilitate social capital are identified by Coleman (1988). He
argues that all social relations and social structures facilitate some forms of social
capital, but there are some kinds of structures that are more important in facilitat-
ing certain forms of social capital. These are ‘closure of social networks’ and ‘ap-
propriate social organisation’. Having a partially open network is important for the
ability to develop effective social norms, but also for the trustworthiness that allows
obligations and expectations. An appropriate organisation would be an organisa-
tion that came into existence for one purpose, but constitutes social capital that
makes it possible to be used also for other purposes. This can be translated into how
governance arrangements should be constructed to reach social capital to use for
promoting virtuous circles in vulnerable neighbourhoods.

To end this section, I would like to point out some conclusions from social capi-
tal theorists and raise some questions that appear when relating them to govern-
ance and creation of value. These conclusions and the following question will be
analysed in-depth in chapter 10.
1. Social capital is dependent on trust and reciprocity
2. Homogenous relations easily emerge and are built on trust (strong ties)
3. To combat segregation, weak ties need to be developed (heterogeneous relations)
4. To create value, positions must vary (vertical relations)
5. But, can vertical relations be built on trust?

The first three points make clear what most social capital authors agree upon. The two latter, however, are statements that may be argued. According to Putnam, vertical relations are asymmetric and involve unequal dependency. Therefore, trust is difficult to obtain, and thus social capital do not develop in such relations. Still, to reach sufficient resources that can be used for positive instrumental purposes, the relations need to differ not only horizontally but also vertically. Thus, a challenge is to explore whether it can be possible to create trust and social capital in governance arrangements, involving actors on different positions that will create value for all involved.
PART TWO

Theories Applied – Examples from two Neighbourhoods
A Qualitative Approach

In the introduction, I briefly presented how the study has taken shape and introduced the case studies. This chapter relates the theories to the empirical part of the study and provides a more detailed description of how I have carried out the case studies. I begin with a discussion about qualitative research.

Qualitative research

Research is always about creating knowledge, and can be done with different approaches and methods. My research concerns people and their lives, which is a continuous process, and in such situations it is impossible to produce universal ‘truths’ and solutions. Instead, the result is a contribution to the understanding of a complex reality—not the complete reality, but a part of it, providing a narrative about people in a specific context.

According to Asplund (1970), the problem with sociology is that we often are content to analyse problems with data as if they did not mean anything, while the important thing is to find a meaning (even if that meaning is different for different people). This statement was made long time ago, but it is still an important task in research such as this to deal with subjectivity, phenomenological meaning. "How people behave, feel, think, can only be understood if you get to know their world and what they are trying to do in it. "Objectivity’ can ignore data important for an adequate understanding” (Gillham, 2000, pp. 11-12). This does not mean that one should dismiss objectivity, but the primary aim is to investigate the elements that lie behind the more 'objective' evidence. Often, qualitative methods are suitable for this type of research: “Qualitative methods are essentially descriptive and inferential in character” (Gillham, 2000, p. 10). However, Gillham argues that description and inference also are relevant in other methods. The difference is therefore more about the focus, which in qualitative methods primarily is evidence that helps to gain an understanding of the underlying meaning, e.g. people’s feelings, perceptions, experiences etc. This can lead to an understanding of what needs to be done to change things.
Having said this, my research can be labelled as ‘qualitative’. However, we need to be aware of the dichotomy between quantitative and qualitative research is not always fruitful. Silverman (2000) argues that any research involves a variety of approaches, and our decisions about which level of precision (quantitative versus qualitative data) should depend on the nature of what we are trying to describe, our purposes and on the resources available, rather than on a specific methodological paradigm.

Qualitative research is an inquiry process of understanding based on distinct methodological traditions of inquiry that explores a social or human problem. The researcher builds a complex, holistic picture, analyzes words, reports detailed views of informants, and conducts the study in a natural setting. (Creswell, 1998, p. 15)

**Introducing the case studies**

Problems such as social exclusion, segregation and deprivation of neighbourhoods are commonly recognised across Europe and other parts of the world. Within a recently completed EU-project, NEHOM (Neighbourhood Housing Models), which constituted of eight partner countries, case studies were carried out with the aim to provide ‘best practices’ of innovative initiatives to combat social exclusion, increase social cohesion, and improve the quality of life for people in vulnerable neighbourhoods. The problems shared among countries make the transferability aspect crucial and one of the project’s most important outcomes has been to investigate how experiences from different countries can be understood and used in different locations. The case studies involved in-depth interviews with actors such as residents living in the particular neighbourhood and professionals with knowledge and experience about the neighbourhood (in appendix 1, the NEHOM-project is described in more detail).

Sweden contributed to the NEHOM-project by providing three case studies, of which two are used in this thesis as examples of how strategies to upgrade marginalised neighbourhoods can be formed. I chose to include these two case studies in my thesis because I found them suitable for analysis according to value-creation. Both case studies are initiatives carried out by the public housing company, MKB Fastighets AB, in Malmö. In the late 1980s, MKB Fastighets AB (MKB) was in a poor situation both economically and in terms of reputation. It needed both a better

44. A summary of the project’s objectives and expected impacts can be found on http://www.nhh.no/geo/NEHOM/index.html (2004-12-15). See also Cars, Martinson & Normann (2001) for the Swedish cases.

45. The third case study, not used in this thesis, was an initiative called the Lunda Nova Business Centre, carried out in Stockholm Tensta.
image and improved finances to prevent bankruptcy. As part of its reorganisation, the company identified ways to strengthen their position on the housing market by providing their residents with increased input into their housing situation. The objective was long-term improvement for the company and their neighbourhoods. Both cases are to some degree unique, but more importantly they are examples of how social issues are handled outside of the traditional social authorities.

The case studies are located in neighbourhoods that can be labelled as both ‘multicultural’ and ‘vulnerable’. Socioeconomic problems such as unemployment, social benefit dependency, low education level etc. are present. In addition, there are few native Swedes living in the neighbourhoods.

In the neighbourhood of Holma, MKB introduced self-maintenance to residents, meaning that residents were offered to take responsibility for maintenance work within the estate in exchange for a reduced rent. The second initiative was carried out in Örtagården, a part of the neighbourhood Rosengård. Unemployment was identified as one of the most serious problems and MKB has used initiatives to increase employment possibilities for residents by launching what I call the job initiative. A ‘House of entrepreneurs’, a private employment agency for residents called the ‘Job emergency ward’, and a ‘Commission office’, constitutes the job initiative. By increasing employment, social inclusion has been improved because many of the unemployed in Örtagården belong to groups (primarily ethnic minorities) which experience difficulty gaining access to the labour market and mainstream society.

Another reason for choosing these particular case studies is the attention they have had outside of the neighbourhoods and also outside of Malmö. The self-maintenance agreement in Holma was threatened by taxes, and accordingly debated in media and become well known among the political parties. It has often been mentioned in political documents as an outstanding example of how to stem negative development patterns in declining neighbourhoods. Örtagården’s job initiative has also been discussed widely in the media, drawing diverse opinions. These heated discussions indicate that it is a controversial initiative and worth further investigation.

Theories connection to the empirical material

Flyvbjerg (2001) emphasises case studies as the ‘power of example’ in research. Examples are powerful because the researcher comes close to the people and the phenomenon studied. The closeness is important since it provides a less rigid view of reality, but also because it involves a learning process for the researcher in developing skills needed to perform desirable research. The foci are on foundational questions of importance in life. Narrative can be a technique for explaining reality
and is a technique that allows other explanations—the narrative depends on the perspective, the context and the meaning for those involved.

The use of examples implies dialogue with people outside of academia, and according to Flyvbjerg this is the heart of social science. This conclusion poses a challenge and a possibility. Among other things, it helps us to see and reflect on important questions; it makes sure that the result reaches the parties concerned in an effective communication; it takes us beyond 'so-what research': People care about the result and the researcher’s skill increases with the knowledge that others will inspect the result.

Like Flyvbjerg, I regard the case studies in this thesis to be powerful examples of the strategies and approaches I have set out to analyse. My ambition is of course to do the best I can in telling the story revealed in each case study with regard to the material available. However, my primary objective is not to provide detailed knowledge about the case studies. My goal is to use the case studies as tools to analyse my theoretical approach.

My intention is that such a theoretical discussion can be relevant not only for the specific cases, but also for a wider audience as a contribution to the general discussion about social inclusion and integration. Social capital coupled with a governance approach can add to knowledge about value-creation at different levels.

The case studies are unique and their results do not serve as the general solutions for all kinds of situations, but should be seen in their specific contexts. One of the common critiques of case study research is that one cannot generalise on the basis of an individual case, and therefore the case study cannot contribute to scientific development. Yet, formal generalisation as a source of scientific development is often overvalued, while the power of the good example is underestimated, argues Flyvbjerg (2001). According to Yin (1994), it is possible to generalise from single, qualitative case studies by relating to the theory. He calls this ‘analytical generalising’ as opposed to ‘statistical generalisation’. The contribution from case studies is thus not to generalise from one case to another, but to generalise from empirical results to theory. Using an analytical model, made up of theories, assumes that generalisability is present in any case, despite a small, and not randomly assembled sample of data (Silverman, 2000).

**Case study methodology**

“...case studies can be based on any mix of quantitative and qualitative evidence” (Yin, 1994, p. 14). However, it is often possible to determine if the main approach is either qualitative or quantitative. Having confirmed my own research method as qualitative, I will continue with discussing and defining what a case study is, focusing on the qualitative approach.
The case represents a unit of analysis. It can be an individual or a group of people, an institution or a community, or almost anything. Huberman and Miles (1994) define the unit of analysis more abstractly as a phenomenon of some sort that is embedded in a specific context. In my case studies, the unit of analysis is two initiatives that aim to increase the stability of the neighbourhoods where they are carried out. Huberman and Miles also mean that it is important to make a distinction between the case, which is the focus of the study and its context/borders that can be settings, concepts, etc. The focus (unit of analysis) must be central and clearly defined throughout the study, while the context might change along the way.

Gillham’s (2000) attempt to define case study is as follows (p. 1):

- A unit of human activity embedded in the real world;
- Which can only be studied or understood in context;
- Which exists in the here and now;
- That merges in with its context so that precise boundaries are difficult to draw.

The context is important for the case study, both the close, local context that gives the phenomenon its meaning, and the larger, global context that makes the phenomenon appreciated for its general and conceptual significance. In the close context, the parties concerned can get their voices heard, which is particularly important if the aim is that the result will lead to change (Flyvbjerg, 2001). The neighbourhoods and the actors living, working and acting within these neighbourhoods make up the context in my study together with Malmö municipality where the neighbourhoods are located.

Gillham argues that the researcher is the research instrument in a ‘real-world research’. He talks about research integrity, meaning that a good quality research has to be challenged. The researcher has to ask, what can I expect to find? He/she has to attempt to see past prejudices. Challenging one’s own work is an added difficulty, but I find it to be a very attractive way to look at research. Looking for discrepancies in the material studied is also important for the reliability and validity of the research. “Objectivity’ in the absolute sense may be an impossibility but that doesn’t mean that you immerse yourself in an uncritical subjectivity.” (Gillham, 2000, p. 28)

It is easy to fall into the ‘validity trap’ when dealing with qualitative case studies, mainly because of difficulties of conveying an objective picture of reality. The researcher has his/her own preconceptions, but the reader has also a conceptual uniqueness that can lead to a certain interpretation. “To reduce the likelihood of misinterpretation, we employ various procedures, including redundancy of data gathering and procedural challenges to explanations.” (Stake, 1998, p. 97) This employing of various procedures is called triangulation - to use several different sources of evidence, or sub-methods as Gillham (2000) also calls it. Sub-methods can be interviews, literature studies or studies of other documents/archives, obser-
vation, surveys etc., all which have their own strengths and weaknesses. Triangulation is crucial to guarantee validity to the research (see e.g. Yin, 1994). If the sub-methods agree, we can be quite certain that the picture is true. However, it is more likely that the set of data does not agree. If that happens, it is important to explain why they do not agree, or question the adequacy of the methods used.

Triangulation has been generally considered as a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretation. But, acknowledging that no observations or interpretations are perfectly repeatable, triangulation serves also to clarify meaning by identifying different ways the phenomenon is being seen. (Stake, 1998, p. 97)

Interviews are the primary source of data in my study, but I also use previous research and documents as well as statistics to complement the interviews when studying the character and problems of the neighbourhood.

The work procedure

The study has involved different stages. In this section the order of the work and the different strategies used to carry out the work are described as well as the problems and possibilities that this working procedure has implied.

Problems and possibilities

My work as a researcher started when I got involved in the NEHOM project. This involvement implied that I was to carry out three already chosen case studies meeting the goals of the NEHOM project. While working on the NEHOM-project, my interest in the meaning of the initiatives for the residents and the other actors involved increased. If the results of the initiative’s work were as positive as it seemed, why would not all companies want to copy MKB’s organisation and business strategy? As part of the project, however, I had to stick to the description of work given and follow the questions that were to be analysed within that specific project. Returning to my own thesis work, I realised that the case studies could be used as good sources to further investigate my own questions. I decided to keep two of them as the empirical material in my doctorate thesis. This means that the theories outlined in the previous part of this study were chosen after the empirical study was carried out. However, I chose the theories with the case studies in mind, and my doctorate research topic is similar to the NEHOM project’s, which means that a large part of the empirical material from the case studies suits both the project and my own research.

Still, the fact that the case studies were carried out primarily for another purpose than my thesis, and thus without the awareness of the theories, implies that I partly asked other questions than I would have otherwise. This explains why some facts
useful for the thesis work initially were missing in the empirical material, requiring the need to go back to search for other answers. According to Yin (1994) this is not the optimal order to carry out case study research. He advocates the deductive method, which means that the theory is developed and the empirical material collected thereafter as a way to test the theories.

As opposed to Yin, Gillham (2000) argues that a fundamental characteristic for a qualitative case study is that theories (or explanations) are chosen after starting ‘in the field’, so that the researcher gains an understanding of the context before deciding which way to analyse it. He states that theorising should be inductive: “making sense of what you found after you’ve found it” (Gillham, 2000, p. 7). Gillham’s notion justifies my order of work. Still, I have found it to be a somewhat backward procedure. But despite that, the NEHOM project was a helpful start to collect knowledge in this interesting and engaging problem field. It has also been interesting to realise that the problems are universal and that approaches to solve them are both numerous and very different, and it is important to determine effective strategies and to develop these.

The missing information due to the fact that the interviews were conducted before the development of my research focus have I provided by carrying out complementary interviews with key persons in a late phase of the study, as well as keeping in touch with the main actors of the case study initiatives to remain updated about what is going on in the two neighbourhoods and within the organisation of MKB and the initiatives. The working procedure has thus meant that I have gone back and forth between theories and case study work (sometimes called abductive method, see e.g. Alvesson & Sköldberg, 1994). However, I have not been able to carry out complementary interviews with residents.

Issues that I would have given more attention to during the interviews if I was to carry them out today are how residents experience the relations between themselves and with MKB and other professional actors in the neighbourhood and vice versa. I did not pose direct questions in terms of how they experienced the components of social capital, e.g. if trust and reciprocity have increased since the initiatives’ existence, and whether the social networks in which these components develop have grown. It is possible to make assumptions from the material I got during the interviews in 2001 since there were still enough discussions related to theses issues. The reason for not conducting complementary resident interviews is partly due to lack of time. Another reason is that I would have wanted to go back to the same people I interviewed in 2001, but it was difficult since I did not have all the necessary personal information about the respondents. MKB helped me with the selection of interviewees, and due to confidentiality, personal information could not be provided to me.

There are considerable methodological difficulties connected to this type of research, not least concerning how to measure results. Quantitative research can provide facts in terms of e.g. figures showing change. However, quantitative meth-
ods often fail to provide an understanding of why and how change occurred. Qualitative approaches on the other hand often lack the ability to provide concrete answers to how much or how large the impact of a certain initiative has been. As mentioned, the qualitative approach should rather be seen as a story where the people involved (in this study I refer mainly to the interviewees) are offered the chance to describe their situation and their view of the problem and the impact of the initiatives. These views are often difficult to generalise, but serve as examples of reality, and out of these stories a pattern of similarities often can be discerned. It is a small sample of people interviewed, and in such cases the validity can be discussed. But even if generalisations drawn from the case studies can be questioned in terms of validity, the validity of each interviewee’s statement cannot be questioned.

The discussion about generalisation and validity is connected to the discussion of objectivity. Kvale (1996) argues that objectivity does not always need to be referred to as being able to replicate, but can also mean that it is reflected in the nature of the object observed, that is letting the object speak and being fair to the object studied. “The objectivity of a method then depends on the object studied, and it involves a theoretical understanding of the content matter investigated.” (Kvale, 1996, p. 65)

In this study, I use concepts that need to be treated carefully, like ‘integration’, ‘segregation’ and ‘immigrants’. Such concepts risk contributing to stereotyping already established categories where the point of intersection is the contract between for instance ‘Swede’ and ‘immigrant’. This is difficult to avoid, since concepts and naming are needed to capture the social processes that favour, segregate or discriminate groups. However, it is important to strive to use a varied set of terms that others can take a stand for or against (Kocke, 2003).

There are also difficulties connected to research in a so-called ‘vulnerable neighbourhood’. A severe risk is to reinforce the negative label and stigma already in place. Several interviewees have asked me about the use of these investigations—they have not seen any change despite a large amount of research already carried out, and for obvious reasons are tired of people from ‘outside’ who try to become experts about their living environments. I find this to be a very difficult, but extremely important challenge to take into account. It makes the presentation of the result to people outside the academia a crucial aspect.

One of the case study areas, Rosengård, is particularly struggling with its reputation. It is well known all over Sweden to be one of the most vulnerable and problem-filled areas in the country, and it is often portrayed in media as an ‘evil’ example of the million homes program estates. In addition, it is often used as case study area for researchers. Being under the spotlight for negative reasons is of course tiring for everyone involved, which was apparent when I booked interviews there. Many of the people I intended to interview were sceptical and questioned my purpose, asking why people from Stockholm are so interested in life in Rosengård, Malmö.
The large concentration of residents with non-Swedish background in both case study areas implies specific problems when carrying out interview studies. As will be described below, I experienced a couple of occasions when it was impossible to communicate and complete interviews.

It is also important to say that, as always when it concerns interviews of this kind, I have only the interviewees’ own statements to follow. I have to believe that what they tell me is true (if there is no obvious reason for them not telling the truth), but I have no guarantees. Every interview is constructed by the interplay between the interviewer and the interviewee, and all stories have their own inner logic and result from the perspectives and conceptions of the world that the persons involved carry. Thus, they cannot be totally objective.

Things have changed during the time when the case studies were carried out in 2001 and the present (2004), which may have changed the life situation for people and the context for the study, and which may involve changed views and experiences from the interviewees. The complementary interviews I carried out after the NEHOM project was completed disclosed changes in the case study areas compared to the previous interviews that were conducted. Fortunately, those changes have not involved any specific problem for my analysis, as they were mainly organisational changes within the public administration and the initiatives.

According to Yin (1994), the interviewees should read and comment/revise the result if the case study is to be valid. In my case studies this has partly been done. The actors responsible for the initiatives have continuously commented on my work, which has lead to changes in the reports. In addition, as a part of the NEHOM project the case studies have been presented in open seminars, where everyone interested could come and discuss the results. After these seminars the reports have been further revised, taking suggestions and critics into account. This is a way to use the benefits of the dialogue, stressed by Flyvbjerg (2001).

**Interviews**

According to Kvale (1996), interviews are essential to obtain knowledge about the social world – meaning scientific knowledge. He claims that the strength of the interview as a method is that it captures a multitude of views and thus makes it possible to picture a manifold and controversial world.

Each case study involved interviews with residents and also with professionals with knowledge about the initiatives. To manage the interviews, I used interview guides. A joint interview guide was developed for all the partner countries in the NEHOM project, but to suit each national context, changes were made for each respective partner. (The Swedish versions are presented in appendix 2.)

The interviews lasted on average for one hour. I wanted to get information about the respondents’ experience of the impact of the initiatives—both how they had impacted them individually and in a larger perspective. To achieve that, the
most appropriate form was the ‘semi-structured interview’, which means that the purpose is to obtain descriptions of the life world of the interviewee with respect to interpreting the meaning of the described phenomena (Kvale, 1996).

According to the guidelines from the NEHOM-project, the resident-interviews were meant to target different groups of the population, both people personally involved or affected by the initiative and those not involved. As the ethnic composition of residents in the case study areas is very diverse, this meant interviewing a wide range of different people from various ethnic backgrounds. A range of ages among the interviewees was also desirable.

It is important to bear in mind that there are always people on the margins of society that are so isolated that their voices are rarely heard. Even if it was my purpose to reach these people, it is difficult to know how to find them, especially as they often are (in my case study neighbourhoods) newly arrived immigrants with very little knowledge in the Swedish language.

Patton (1990) presents a range of different sampling strategies. Within what he calls ‘purposeful categories’, my sample of interviewees closely resembles ‘random purposeful sampling’, where the interviewees are randomly picked among a specified group with defined characteristics: A strength with this strategy is that it…

“Adds credibility to sample when potential purposeful sample is larger than one can handle. Reduces judgement within a purposeful category. (Not for generalizations or representativeness.)” (Patton, 1990, p. 183)

The interviews with residents were made feasible with the help from employees at MKB and their co-operation partners. As I interviewed both residents involved in the initiatives and residents not involved, the staff with close contacts to involved residents gave me names and phone numbers so that I could arrange the interviews. In one of the initiatives they had to arrange the interviews for me in order to ensure privacy. The fact that MKB suggested interviewees may have biased the objectivity as one can assume that MKB wanted me to meet residents that were positive about MKB and their initiatives. However, in addition to the residents I came in contact with through MKB, the first residents to be interviewed introduced me to other people. I also asked people I met in the neighbourhood if they were willing to be interviewed. However, that only led to two in-depth interviews, but I got the possibility to ask a number of people shorter questions that helped me develop a picture of how residents experience the neighbourhood and the initiative.

In Holma, eleven individual residents were interviewed, six women and five men. Five were personally involved in the initiative at the time of the interview, three had previously been involved, and three had not been involved, but knew about the initiative. The interviewees varied in age from 35 to 80 years, nine of the eleven individual interviewees were native Swedes, one was Danish and one was Syrian. The three previously involved residents were all retired at this stage, and lived in the ‘Senior Citizens’ House’. Most interviews were carried out in the interviewees’ homes, but I met the Syrian woman and a Swedish middle-aged woman
in the 'People's house' [Folkehus]. The interview with the Danish man was carried out partly at the residents' association where he was involved, and partly during walks around the neighbourhood, because he wanted to show me the neighbourhood and the self-maintainers' work. One of the retired men had his wife at home, and she complemented the interview from time to time.

A problem with the resident interviews in Holma was that the share of immigrants interviewed did not correspond with the share of immigrants living in the neighbourhood as too many interviewees had a Swedish origin. This is partly due to the fact that the percentage of native Swedes are larger in the initiative, which is my focus, than in the total population of Holma. Thus the distribution of involved residents does not correspond to the ethnic mix of the population. However, the percentage of interviewed Swedes still does not correspond to the ethnic composition in the initiative, but must also be explained by ‘wrong’ sample.

In addition to the individual interviews, I interviewed a group of twelve residents who were all involved in the initiative. In this group the ethnic groups varied to a larger extent—a majority was born outside of Sweden. This interview was conducted in a room of one of the residents’ associations in Holma and lasted for two hours.

In Örtagården, 15 residents were interviewed individually, five men and ten women. The ethnic variation among the interviewees was much larger in Örtagården than in Holma—only three were native Swedes, and two from Iraq, three from Bosnia and Herzegovina, two from Lebanon, two from Somalia, one from Syria, one from Kosovo-Albania, and one from Denmark. The age ranged from 35 to 70, but since most interviews were held in people’s homes, other family members participated in the conversation in a couple of occasions. In two interviews, children of the interviewees acted as an interpreter when the interviewee did not have adequate skills in Swedish. Some of the interviews with people involved in the initiative were carried through in JEW’s localities. One interview was held over telephone, since it was difficult to find a time to meet while I was in Malmö. Five of the interviewees were not involved in the initiative, four were involved in the JEW, four in the CO and two in the House of entrepreneurs. The interviews with two Somalia women were difficult to carry through and garner information from because of significant communication problems related language barriers since they did not speak Swedish or English.

I also held a group discussion with 10 unemployed residents not involved in the initiative. The group consisted of both native Swedes and immigrants, but the majority here was non-Swedish. This discussion was held in the localities of another labour market project, the local centre for work and education [lokalt arbets- och utvecklingscentra], AUC, initiated by the city district, the PEA and the Regional insurance Office.

In Örtagården it was difficult to find residents who were not involved in the initiative and who were willing to take part in the interviews as they felt they had
nothing to say about the issue. Some people did not know about the initiative. This means that the initiative is not as well known as it may seem when reading the result from the majority of the interviews, and it also indicates weariness about researchers searching for interview ‘victims’.

The professionals interviewed were actors that had knowledge of or had experienced impact of the specific initiatives. Thus, they varied depending on the type of initiative, for example staff at the housing companies, social service employees, employment office staff, city district professionals, child minders and teachers. I came in contact with them by determining what types of occupations or workplaces would be most interesting from the investigation’s point of view. I then contacted the workplace and was directed to the most appropriate person. In some cases the sample was given through ‘snowball’ or ‘chain’ sampling, which means that the interviewees were identified through people who knew people (Patton, 1990).

According to Knocke (2003), a problem connected to interviews is that there is always a risk that the design of the questions steers the interviewee’s answers in a certain direction. This can be the case, even if the researcher endeavours to formulate the questions as neutrally as possible. This becomes even more evident in sensitive subjects or where the interviewee is supposed to be accurate politically. I found that to be true for the interviews with professionals. It is difficult to know how much of the opinions expressed are private and how much are professional—what they say because they are expected to say it.

Concerning the interviews with the actors responsible for the initiatives, there is always a risk for bias, because it is difficult to ‘step outside’ one’s own work and be completely objective. Keeping this in mind, and considering additional sources, such as residents’ views, newspapers and previous research make it possible to remain a critical view.

Seven professionals were interviewed in the case study of Holma. Three were staff at MKB; two house managers and also the director of properties. These interviews were carried out in MKB’s localities in Holma. I also interviewed a child minder at one of Holma’s many childcare centres. The three other interviews with professionals were made via telephone due to a case of illness and lack of time on the specific days I spent in Malmö. Telephone interviews were thus held with a youth recreation leader, the headmaster of the school in Holma, and a social welfare secretary at Hyllie city district.

In Örtaård, nine professionals, of which four were involved in the initiative were interviewed: the director of development at MKB, two of the staff at Personalservice AB and the managing director of Malmö Enterprise Centre [Malmö NäringslivsCenter], MNC. These interviews were carried out in the offices of the respective partner. I also conducted interviews with two staff members of the labour market project mentioned above (AUG), a social welfare secretary, an employee at Rosengården city district office and a staff at the PEA in central Malmö.
All the interviews described above were carried out within the NEHOM project in April, May and September 2001. In addition to that, I have had complementary conversations via telephone and e-mail with MKB’s director of properties in Holma and the director of development at MKB on several occasions. I have also received updated figures and statistics from the different initiative partners.

During the spring of 2004, some complementary interviews with professionals were carried out to answering some of the remaining questions around the impact of the initiatives. In Holma, a city district officer, and police officer were interviewed. I also had a second interview with the headmaster of the school in Holma—this time face to face instead of over the telephone. Concerning Örhtagården, I interviewed two staff members at the PEA, of which one was located in Rosengård, and one central in Malmö with a special focus on integration. Finally, one police officer and a staff member at the city district, dealing with labour market issues, were interviewed.

The interviews conducted in this later stage of my thesis work were strictly focused to my research. This was possible because I was no longer tied to the NEHOM interview guide, but instead created my own questions based on what I needed to know for my own study, and also because of my improved experience with interview techniques.

A detailed list of characteristics of all interviewees is presented in appendix 3. All residents were promised confidentiality. The professionals have not asked for the same treatment, but I have decided not to list their names.

Document studies

As noted above, case study researchers (e.g. Yin, 1994; Stake, 1998) emphasise triangulation of data, which means that different sources of data should be used to complement each other. In addition to the interviews, I have studied previous research and documents related to the case study initiatives as well as collected statistical material.

Both case study neighbourhoods have been the focus for research previous to mine, one of them, Rosengård, is one of the most investigated and debated neighbourhoods in Sweden. The specific initiatives I have studied have also formerly been target for research. A part of my work has been to take the documentation from previous research into account. The former assessments about the neighbourhoods and the initiatives have thus been added to my own empiric material. There have also been a large number of public debates and newspaper articles concerning the initiatives.
Statistics
To be able to provide a picture as complete as possible, I have also found it important to provide certain statistics. Statistics on income level, age and household composition, share of benefit receivers, unemployed and immigrants are examples of important variables that can give information about the neighbourhood and its standing, problems and possibilities, and thus serve as a tool to create well developed measures to combat the problems and build on the possibilities.

In the NEHOM project statistics were essential to manage comparisons across the different cases. Each country provided data on population size in age groups, types of tenures in the neighbourhood, household composition, turn-over rate, unemployment rate, social benefit dependency, share of people with foreign background, etc.

The data collection is based on the significant amount of statistics officially available both on the national level (from Statistics Sweden [Statistiska Centralbyrå], SCB) and on the local level, from the Malmö statistical office. The figures are updated each year, but backlogs exist, which means that it is not possible to get data of immediate interest.

The statistical figures included in the NEHOM report were collected on two different occasions - one before or at the beginning of the initiatives’ existence, and one as recent as possible - to determine if the impact of the initiatives could be readily measured. For the thesis, I have collected more recent statistics and on some occasions left out the older data.

The emphasis of the case study work
It is important to emphasise that the primary purpose of the case studies in this thesis is not to analyse or evaluate whether the initiatives are positive or not. I treat the initiatives as a relevant potential for development in vulnerable neighbourhoods. By doing so, I put more effort on what aspects of the initiatives can be used for further improvements in the case study areas and other areas as well. Thus, I extract aspects from the case studies that can be useful in the analysis, even though the initiatives most certainly have not had large and solely positive effects on all individuals. I search for how new ways of thinking and acting can help us identify solutions for serious problems in society. One way can be to be inspired by the parts of the case studies that have proven to have positive impact in that sense.

46. There are often problems with delivering statistics from different countries to be used for comparisons, because the way of measuring variables varies between countries, and sometimes even cities. This difficulty has been articulated within the multi-country NEHOM project, but has not been much of an obstacle in my own research work targeting merely the Swedish cases.
The purpose of case study work is to tell a story, and explore and discuss this specific story’s possibilities to be generalised in some aspects. The theoretical part is of great significance as it poses a possibility to discuss the cases as powerful examples from the perspective of value-creating processes. Thus, it is possible to make analytical generalisations where the theoretical contribution can be generalised.
6 A Contextual Overview

Before describing the specific case study neighbourhoods, this chapter will provide a contextual overview by 1) giving a presentation of Malmö, where the cases are located; 2) describing the history, reorganisation and present situation of MKB Fastighets AB, who is the initiative-taker of the cases; and finally 3) discussing the characteristics of vulnerable neighbourhoods in Sweden.

Malmö – a city with many faces

Figure 6.1. Maps of Malmö
The first map shows Malmö’s location in Sweden, and the second the municipality of Malmö with its ten city districts marked (with permission from Kartena AB and Malmö stadsbyggnadkontor).
Malmö - Sweden’s third largest city - is located on the west coast of the southern region of the country with a close proximity to the European continent, a location that defines the city and affects its atmosphere.

**Turbulence in the industrial city**

...few Swedish cities are in reality more suitable to illustrate the transformation from an industrial- to a knowledge society than Malmö. (Billing, 2000, p. 10, my translation)

Since the start of Sweden’s industrialisation, Malmö has been dependent upon manufacturing industries and most of all on the shipbuilding industry; the crane from ‘Kockums’, a large shipbuilding company, used to be one of the most well-known symbols of the city.

Structural changes in society over the last few decades, combined with more effective industries have decreased the importance and size of the industrial sector. Still, Malmö managed to keep its strong identity as an industrial city well into the final decades of the 20th century. However, when Kockums closed down 1986 and Saab together with several other industries left Malmö in 1991, the situation in Sweden’s third city became even graver. Despite a large expansion of the public sector during the 1960-1970s, this too experienced economic hardships, leading the municipality of Malmö to introduce an employment freeze in the early 1980s. This caused a dramatic rise of the unemployment rate in both the manufacturing and non-manufacturing industries (Billing & Stigendal, 1994).

The population itself also experienced significant changes. During the 1970s and 1980s the population declined, but in the 1990s it increased from 230,000 to 255,000. Most remarkable when discussing Malmö’s population is the ethnic constellation. A large and rapid immigration took place in the 1990s and culminated in 1994. Slightly more than 90 percent of the 1990s’ migration surplus was foreign citizens. Malmö is today considered an ‘immigrant city’ (Billing, 2000). The largest immigrant groups (2000) are from Yugoslavia, Poland, Bosnia and Herzegovina and Denmark (Malmö statistical office, 2003).

Between 34,000 and 38,000 people lacked employment in 1998, which led to a high level of benefit dependency. Unemployment especially affected immigrant groups. The geographical concentration of immigrant groups leads to serious ‘locking-in effects’. Long-term unemployment affects both physical and mental health, and in concentrated form leads to marginalisation because of lack of entrance not only to labour market but also other important societal arenas (Billing, 2000).

---

47. Some of the benefit dependent people gain more money by receiving support and benefits than by working. This increases the incentives for people not to work, but to receive social benefits and is called ‘locking in effects’.
According to Billing, the attraction of Malmö for immigrants has several explanations. It can be partly explained due to its close proximity to the continent, partly due to the relatively easy access to flats (at least in comparison to Stockholm), and finally, partly because of the closeness to relatives and friends (the cumulative effects of the settlement pattern): The reception of refugees generates the future immigration of relatives.

**A stable political majority lost its dominance**

During the 1950s and 1960s, Malmö was seen as the leading growth city in the country, a model for the creation of the welfare state. The social democrats had been in power for a long period of time, and there was an unusual lack of conflict between the different parties. However, in 1985, the social democrats lost power after 67 years of uninterrupted political ruling, and between 1985 and 1994, the political majority changed every fourth year, which led to a less stable situation both economically and otherwise. Malmö’s public institutions were privatised at a rapid pace. The number of municipal public employees decreased by 25 percent in a period of three years in the beginning of the 1990s (Billing, 2000).

Despite many differences between the political parties since 1985, there was political consensus concerning a new emphasis on the importance of culture in Malmö as a replacement for the dwindled industrial sector. In a joint effort, money was ventured, and in the first half of the 1990s, Malmö was established as a ‘city of culture’, according to Billing.

In 1991, the decision to build the bridge between Copenhagen and Malmö rekindled hope for Malmö’s future. Also other infrastructural investments were planned, e.g. the city tunnel railroad, the outer city ring, and development of access roads (Billing, 2000).

Billing claims that these developments have not attracted new traditional industries, but a number of small knowledge based entrepreneurs, which is consistent with Malmö’s vision to develop Malmö not only as a ‘city of culture’, but also as a ‘city of knowledge’. Previously, in the industrial epoch, education was not emphasized by Malmö’s politicians and citizens, as industry was a very deeply rooted part of Malmö’s identity, and the traces from this ‘social heritage’ can be seen in the education level of Malmö’s population: Only one out of four has university degree in Malmö, compared to one out of three in Stockholm and Gothenburg.

**New optimism**

The challenge for Malmö’s politicians was therefore to increase the education level. The establishment of a university college in the city was approved by the social democrats (the political majority) in 1996. In addition, the economic support for adult education increased (Billing, 2000).
By the end of the 1990s, Malmö possessed great potential for economic growth. Knowledge based companies established themselves here, and the number of new entrepreneurs was doubled. There were also cooperation over the Sound [Öresund] and the Danish investments in Sweden were to a large extent rerouted to the Malmö region. The general opinion that entrepreneurs and others share is a great confidence in the future of Malmö.

The threatening atmosphere of defeatism that spread in the traces of unemployment crises, the extension of segregation, and municipality’s turbulent politics, transformed during only a couple of years to optimism for development and a belief in the future. (Billing, 2000, p. 47, my translation)

In 1996, Malmö was divided into ten city districts in order to strengthen democracy, improve municipal services, increase the efficiency, and to decrease the gap between politicians and inhabitants.

With the development of knowledge-based industry came the rise of a new urban middle class, and with them the increased need for social experiences, since demand for entertainment and different kinds of services rises with new lifestyles. In Malmö, both in the document ‘Vision 2015’ and other planning documents, culture and other entertainment branches have been given much attention, which hopes to strengthen Malmö as a city of new establishments and contributes to future optimism (Billing, 2000).

Today, Malmö is marketing itself as a ‘city of experiences’ and a ‘tourist city’, where ‘diversity’ makes one of the characteristics (http://www.malmo.se 2003-02-21). In a ‘city of experience’, it is important to use the creative production, to bring about unique products instead of mass production. In and around Malmö, several environments with emphasis on culture and consumption are planned and created. Thus, the ‘experience city’ is about the growth of a new economic dynamic that also is connected to thorough physical restructuring processes in the cityscape.

Segregation and polarisation in Malmö

Malmö’s economic and social development was seen as a model during the first decades of the post war period. It was one of Sweden’s leading industrial cities; the tax level was lower than average, and there was a stable mutual understanding between the political left and right in the city council. Malmö was called the ‘mecca of socialism’ (Stigendal, 1999).

Despite this, gaps in society emerged. In the mid-1960s, researchers started using the term segregation to explain the situation. During the 1970s and 1980s, the segregation in Malmö was aggravated with the simultaneous closing-down of companies and the overall decline of the industrial society (Stigendal, 1999).

Stigendal describes that to counteract increasing gaps, the municipality raised the tax level, which put large strains on the once positive relationship between the
political parties. Several shifts in the political majority during the 1990s together with massive unemployment radically changed the city of Malmö. Simultaneously with the massive increase of unemployment, immigration increased to record level (1994). Today, more than one-fourth of Malmö residents have a foreign background.

In the late 1950s and during the 1960s, Rosengård, together with other neighbourhoods constructed during the Million Homes Programme, was planned as an answer to the overcrowded housing of workers and overall poor housing standards. Many of the immigrated workers, primarily from countries in Southern or Eastern Europe, were concentrated in these areas.

One aspect when discussing segregation and marginalised and vulnerable groups is to look at social benefits and the concentration of benefit receivers. It is not the only factor, but one of the most important in investigating deprivation and segregation. No other municipality in Sweden has such a large share of benefit receivers as Malmö. In 1988, it was double compared to the Swedish average (Salonen, 1988). The picture today is more or less the same: In 1997, the share of benefit receivers in Malmö was 18 percent, while the national average was 8.5 percent (Malmö statistical office 2003).

The high proportion of social benefit receivers and the significant presence of social problems in general in Malmö (e.g. segregation) can partly be explained as phenomenon of large cities. Still, if we compare Malmö with Sweden’s two largest cities, Gothenburg and Stockholm, the difference is significant and has been widening since 1993. Malmö has double the percentage of benefit receivers as compared to other large cities in Sweden. One explanation is Malmö’s very high unemployment rate during the 1980s and the large amount of long-term benefit dependant people. The families that managed well often moved outside of the Malmö city borders, to adjacent neighbourhoods with detached houses in the surrounding municipalities, while those with fewer resources were directed to suburban areas in the periphery of Malmö municipality. The polarisation between rich and poor neighbourhoods within Malmö has also increased, and the eastern district is the poorest and attracts mostly new benefit dependant people (Salonen, 1988).

Malmö began offering support to refugees before other Swedish cities, e.g. due to the geographic closeness to Eastern Europe. The proportion of reception of refugees was until 1985 a contributing factor to Malmö’s particularly large number of social allowances, but it is no longer a factor that can explain the situation of socioeconomic segregation. Today, unemployment selectively affects certain groups that lack close ties to the labour market and that have not been able to qualify for

48. Rosengård is a Malmö neighbourhood that has become well known for its vulnerability. It was built during the Million Homes Programme and suffers from a very high unemployment rate, benefit dependency and the population is to a large extent constituted by different immigrant groups.
49. In Örtågården, a part of Rosengård, the share was 61 percent.
unemployment benefits. According to Salonen, these groups have no other option than to depend upon social allowances. What is intriguing is that many immigrants used to live in smaller towns when they were new in Sweden, but moved to Malmö because they thought it would be easier to get a job in a larger city, only to discover the opposite (information from interviews with residents in the case study areas, 2001). A sombre picture is given in following quote:

In a vicious spiral, Malmö is on its way to turn into an immigrant ghetto, a disconsolate place where more than every second adult is unemployed and where the children, because of the absence of Swedish friends, are excluded from the possibility to grow into the Swedish society (Sydsvenska Dagbladet 1992, referred in Johnsdotter, 1997, p. 4)

Knowledge- and experience cities provide increased possibilities for people with varying educational backgrounds to access employment in the labour market of the ‘new economy’. However, there is a risk that the social and ethnic segregation is deepened – that low skilled workers serve people higher up in the social hierarchy (see the discussion around Sassen’s (1991) theory in chapter 2). One scenario, presented by Billing (2000) could be that Malmö becomes divided between an affluent part (western and central parts) and a marginalised part (eastern and south outer city) with an ethnified underclass satisfying the needs of the well offs in the knowledge economy. During the 1990s, the Central government of Sweden did prioritise initiatives in Malmö to combat the city’s comparatively large segregation problems, but serious problems still remain.

Malmö has many neighbourhoods outside of the city centre that struggle with a high concentration of problems. The large amount of unemployed people (not least of non-Swedish background) and benefit receivers is making traces in the geographic composition of the city. Some neighbourhoods have and have had greater difficulties than others to position themselves as attractive places to live. My two case study neighbourhoods are such examples.

The housing companies have a special role to play when it comes to making and maintaining their neighbourhoods and estates attractive. In Malmö, the municipal housing company, MKB Fastighets AB, owns properties in several of the least attractive areas and in the following section their strategies to tackle their role and the problems they have to deal with as a housing company is described.
MKB Fastighets AB

The public housing company in Malmö, MKB Fastighets AB, was founded in 1946.\textsuperscript{50} It is owned by the municipality of Malmö and with its 30 percent market share of the rental stock (20,500 flats and 1200 premises), it is Malmö’s largest housing company (http://www.mkbfastighet.se 2003-03-17).

Many public housing companies have been reorganised as a consequence of difficulties to obtain successful and sustainable results while working in problem estates. Many of the most problematic neighbourhoods are owned and maintained by the public rental sector. This is at least partly due to the municipal responsibility to guarantee housing to its residents.

The new approach of the Swedish government to break the vicious spirals of decline in vulnerable neighbourhoods was also important as a starting point for reorganisation in the beginning of the 1990s, when the residents’ trust in the housing companies often was very poor. Today, the previous hierarchical structures often have been replaced by organisations where several tiers have been removed. In many of the companies, a ‘house-manager organisation’ has developed. This change has led to a closer contact between employees and residents (Alfredsson & Cars, 1996). This section discusses how the MKB has survived and developed through changed societal conditions.

A well functioning housing market is an absolute condition for the positive development of Malmö. MKB is the only public housing company, and therefore acts to set the tone for the entire housing market in Malmö. The company’s leading market position also means that it has a position of power that entails responsibility, especially within the area of social problems. A large part of MKB’s housing stock is situated in the most vulnerable areas, which makes the social problems in these areas as a much problem for MKB as for the municipality (MKB, 2002).

Negative developments in many of MKB’s most vulnerable estates during the 1980s made a radical change in the company’s organisation inevitable. The residents did not feel satisfied and the vacancy rates were high. Also, a new housing policy changed the presumptions on the housing market in 1990. The renewal of MKB’s organisation was a part of a common long-term restructuring instead of previous ‘one-time-character’ approaches. Three main areas were stressed (Andersson, Alfredsson & Cars, 1998):

- **Neat and clean**: the physical environment was to be improved.
- **Service**: Both MKB’s service and public and commercial services in the neighbourhoods needed to be improved.

\textsuperscript{50} It was called Malmö Kommunala Bostadsföretag [Malmö Municipal Housing company] at that time, but has changed name since, as an indication of their increased independence from Malmö municipality.
Safety and security: People were afraid of violence and threats, and they lacked neighbourhood contacts.

Since social problems and discontent are problems for both Malmö municipality and MKB, it also means that each change in a positive direction is positive for both the municipality and for MKB, which further increased the motivation for MKB to engage in a radical renewal (MKB, 2002).

To be able to fulfil the changes, MKB had to establish relations to the residents. Influenced by the increased impact of market economical discussions and solutions of the 1980s (see the discussion of New Public Management in chapter 3), MKB as well as many other companies started to consider their residents ‘customers’. Every customer has its own needs, aspirations and resources. MKB also took on a ‘listening approach’ towards their residents. Several director posts at the middle levels were abolished (see organisation schemes in appendix 4), and a system with ‘house managers’ was introduced to create better conditions for contacts between MKB and their customers. The house managers have a strong local anchoring, and provide an important link for the spreading of information and knowledge between MKB and the residents. The role of the house managers has become increasingly important, since they must have a comprehensive responsibility to the neighbourhoods. As can be seen in the schemes (appendix 4), the residents/customers are placed at the top of the organisation after the reorganisation.

The reorganisation, however, did not receive positive feedback from MKB employees. Many were afraid that their post would be abolished due to the more effective reorganisation. It also meant new kinds of work for many, which called for other, often social, skills that some employees regarded as difficult or not important for a housing company. However, the leadership in this matter was strong, and they were convinced that this reorganisation was a step in the right direction. The diverse opinions about the new situation, has now been resolved and most of the MKB staffs regard the working situation today as much more stimulating and positive.

The realisation of how resolved social problems can provide gains for the company is the background to the many social projects that MKB has initiated over the last few years. The objective with these projects is to combat exclusion, increase integration and create trustful relations between citizens, the housing company and authorities. Working in vulnerable and segregated neighbourhoods has given MKB specific knowledge about the difficult situations and also ideas about what needs to be done to stimulate change. Most often, the solution needs to be unconventional – to fall beside the society’s traditional frameworks when tackling these issues. “...experience has taught us that today’s increased social problems call for new ways of attacking the problems.” (MKB, 2002, p. 11, my translation) Therefore it is important for MKB to bring the public sector together with the competence that can be found in the private and voluntary sectors. “It is all about getting pro-
jects going that are profitable for the company in a long-term perspective, but at the same time generate positive external effects and thereby create a win-win-situation.” (MKB, 2002, p. 11, my translation)

Being a municipal housing company has previously implied an obligation to provide housing for all (i.e. especially households with limited economic resources or social problems). The obligations associated with being a municipal housing company have changed and decreased during this period, which has made MKB become more selective when choosing residents and not simply accepting everyone as they once did. Today, the formal responsibility for providing housing is divided between municipal and private housing companies, even though the ‘tradition’ of the municipal companies’ responsibility still remains intact. Social problems are still present, but the new approach of MKB is supportive and understanding; instead of evictions, they offer guidance and help when problems appear.

In MKB's annual report for 2002, a dialogue between the managing director of MKB, Lars Birve, and Håkan Hydén, professor in sociology of law, is presented, concerning the development of the welfare state and how the role of housing companies change in that perspective.

Hydén argues that the reason for having a welfare state is that there has been a need to separate the public interest and the self-interest, where the state takes care of the public interest when the self-interest does not manage to produce needed services. But now it has become clear that steering society from the top is both expensive and inefficient, a problem which demands new solutions. Today the roles have become blurred. We can see self-interest both among the residents and the housing company to stimulate and support activities that previously have belonged to the sphere of public interests. For a housing company today, it is not enough to maintain houses. The maintenance must be extended to the people that live in the houses.

Birve responds in the written dialogue that MKB look at social engagement from the viewpoint of business economics. The investments in social commitments strengthen the customers and thereby contribute to the strengthening of the value of the properties.

According to Hydén MKB can, as a stable and experienced actor, be a guarantee for preserving some of the functions of the welfare state, as there is an obvious risk that our welfare society cannot afford to put all the social responsibility in the hands of the national and state level authorities. He continues to note that in the industrial society, the society became specialised, where each instance felt responsibility for that specific sector, i.e. housing companies were specialists of housing, and the social authorities were responsible for social problems. Today, that model is not working as the role of the social authorities has decreased, but not been replaced by any special actor with responsibility for society as a whole, he argues. Other actors than the national state also have to give their contribution in societal matters. It is a difficult situation for a company like MKB as its will is not to become a new public
agency, but still sees the need for a social engagement. Many residents that have poor contacts with public authorities, such as the employment office or the regional social insurance office, regard MKB - via the house managers - as a bridge to mainstream society, in some cases the only bridge identified, according to Birve.

Today, MKB has articulated five objectives (http://www.mkbfastighet.se 2003-03-17):

- **MKB’s overall task**: MKB shall be a leading actor on the housing market in Malmö with the aim to provide attractive housing.
- **MKB’s economy**: MKB shall have a strong capital base, accounting for at least 30 percent solidity.
- **MKB’s customers**: MKB’s customers shall be satisfied with their housing situation and their neighbourhoods. MKB’s customers shall stay for a long period. MKB’s customers shall be able to feel safe and have desirable relations with their neighbours.
- **MKB’s maintenance**: MKB’s neighbourhoods shall be neat and clean and have nice outdoor milieu.
- **MKB’s employees**: MKB’s employees shall act businesslike and be proud of their work and role in the company.

These objectives correlate with the directives from the owner, Malmö municipality. During the last few years, the local councillor [kommunfullmäktige] has made the directives clearer so that they are more appropriately in accordance with how the company has been run the latest years. The directives e.g. states that MKB shall be a leading actor on the housing market in Malmö and offer a broad selection of rental housing that gives the residents options, e.g. concerning standard, location and price. MKB shall also strive for keeping the rents down, and, in the framework for a responsible economy, actively work towards the production of new houses. Finally, MKB shall take its part in social responsibility (MKB, 2003).

MKB is working to strengthen and develop networks and cooperation with other actors in Malmö. They have realised that they are dependant on the surrounding world and therefore need good relations to actors in the world around them. MKB also sees as an important task to confirm people in their different roles and settings. Therefore, cooperation with schools and other institutions is critical. Additionally, the company also works with groups of companies with the long-term aim to guide the private sector into cooperation with the public (MKBdp, 2003).

**Problems and measures in neighbourhoods**

The least attractive neighbourhoods in the city are usually categorised as ‘vulnerable’. The low attractiveness is connected partly to the composition of population and partly to the physical and social living environment characteristic for the
neighbourhoods. Factors such as high turnover rate, physical deprivation, low level of occupation, high benefit dependency, health problems, isolation, and a high concentration of immigrants are often mentioned in relation to vulnerable areas, but terms such as insecurity, criminality, marginalisation, and segregation are also named (Integrationsverket, 2002).

In Sweden, many of the less attractive areas in the outskirts of the cities have continuously been the focus for targets and measures to improve the situation since the 1970s and onward. Still, the problematic situation has increased in the 1990s, much due to the large unemployment in the first half of the 1990s. Even though the unemployment rate decreased, it left traces, and the socioeconomic most vulnerable groups had a difficult time recovering. Segregation became more visible as those groups were concentrated to the least attractive areas (Integrationsverket, 2002).

Integrationsverket reports that this situation has led to an increased interest from politicians during the 1990s. The Metropolitan Commission [Storstadsutredningen] in their final report establishes that segregation has increased in the larger Swedish cities during the 1980s. The least attractive neighbourhoods are overrepresented by immigrants, unemployed and benefit dependant people, with a higher share of single households, early retired persons and a large number of people reported sick (SOU 1997:118). According to the Metropolitan Committee [Storstadskommittén], this trend has continued also in the 1990s. When the employment level is decreasing (as it did in the beginning and mid-1990s) the size of social benefit receivers increases correspondingly.

Unemployment among foreign citizens has during the whole period of 1985-1996 more than doubled compared to the total population, and the unemployment has increased continuously. In 1996, it was 22.4 percent among foreign citizens and 8.1 in the total population (SOU 1997:118). However, many immigrants do not belong to the labour force (as they are not registered at the PEA). Therefore, a more accurate picture of the situation is provided when looking at the number of people employed in the working population (16-64 years) of different immigrant groups compared to the Swedish citizens. In 1994, Swedish citizens had employment rate 72 percent, while the corresponding figure for non-European immigrant was 29 percent. (Non-Nordic immigrants: 36 percent, and Nordic immigrants: 62 percent.) Thus, the hidden unemployment among immigrants, especially non-Europeans, is significantly high (SOU 1997:118).

In SOU 1997:118, a categorisation between neighbourhoods is made, deriving from the level of income in the different areas. Eight different categories are used, from extremely low-income area to extremely high-income areas. According to comparisons made between 1985 and 1993, the segregation between very and extremely

---

51. The categories used are: extremely high-income areas; very high-income areas; high-income areas; over average income areas; under average income areas; low-income areas; very low-income areas; and extremely low-income areas (SOU 1997:118).
low income areas and all other areas became more visible, while in the other remaining areas it has been a levelling out. As mentioned, the study was done in the three metropolitan areas of Sweden, but since my case studies are located in Malmö, only the Malmö region will be discussed here. The region of Malmö has been divided into 71 neighbourhoods for the study, of which three are categorised as extremely low-income areas and ten as very low-income areas. According to this categorisation, one of the case study areas chosen for this study, Örtagården\(^2\) belongs to the extremely low-income areas and Holma to very low-income areas. In a recent report from the Liberal Party [Folkpartiet] (2004), it is stated that there are 136 neighbourhoods characterised by social exclusion in Sweden.\(^\) An index of social exclusion is developed, built on employment, school results and participation in elections. The number 100 in the index means that everyone (16-64 years) work, all pupils in ninth grade have complete final grades and everyone entitled to vote go to elections. The 136 neighbourhoods are ranked from lowest to highest index. South Rosengård (in which Örtagården is located) takes the first place (index 32) and Holma the 19\(^\)\(\text{th}\) (index 48). In the case study description (see following chapters), the specific situation of these neighbourhoods will be discussed.

In SOU 1997:118 it is argued that all types of segregation (social, economic, ethnic and demographic) coincide. Percentage of factors like social benefit receivers and people born outside of Sweden are high in the lower income areas, as well as health problems. For example, in 1993 the share of social benefit receivers in neighbourhoods with extremely low incomes was 29.9 percent, while in the extremely high-income areas it was 1.2 percent (SOU 1997:118).\(^\) Thus, the categorisation related to income groups is also to a large degree valid for social and ethnic segregation.

According to Malmö municipality, integration is defined as that everyone that feels excluded becomes a participant in society (Malmö kommun, 2003, p. 8). In the plan to promote integration and diversity in Malmö city, it is further described that integration presupposes communication and mutual understanding between people, and knowledge about each other’s cultures, views, and norms (Malmö kommun, 1999). All people living in Malmö should have the same opportunities to apply for and gain employment or other meaningful occupation. The program also argues that people’s engagement in the labour market is a vital element for successful integration.

\(^{2}\) In SOU 1997:118, the neighbourhood is limited to the southern part of Rosengård, but Örtagården is included in this area.

\(^{3}\) To make this mapping possible, Statistics Sweden (SCB) has provided statistics.

\(^{4}\) The whole spread for 1993: extrememly high-income areas: 1.2 %; very high-income areas: 2.6 %; high-income areas: 4.3 %; above average income areas: 6.3 %; under average income areas: 8.6 %; low-income areas: 11 %; very low-income areas: 18.3 %; extremely low-income areas: 29.9 % (SOU 1997:118, p. 40).
In a document of goals and budget for integration- and labour market measures in Malmö 2004, some objectives that will lead the municipal work to combat social inequalities are stated. They primarily target labour market approaches (especially for immigrants and disabled people), decreased level of benefit dependency education, and efficient introduction and better knowledge of Swedish language for immigrants (Malmö, 2003).

In the action plan for the city of Malmö (Malmö kommun, 1999, p. 5), a comprehensive vision for Malmö is presented:

- We want a city where all people are attached similar value and diversity is regarded as a resource. All Malmö residents shall have the same rights and responsibilities, but also same possibilities regardless of ethnic and cultural origin, religion and social standing. All shall from their own qualifications be able to participate and contribute to the positive development of society. The multitude makes up a dimension that is enriching.

- We want a city without fear for strangers, discrimination, hostility towards foreigners and racism. The keyword in the meetings between people shall be respect. We must see the differences between us as natural, but also recognise the things we have in common. To be able to do that, more meetings between people from varying backgrounds, cultures and religions in working life as well as in neighbourhoods need to occur, but also in the everyday life (within cultures, associations and other social arenas).

- To work as members in the same society, it is important to have a joint language, joint norms of rights and joint meeting places. It is necessary that we can communicate and understand each other. We have to emphasise the importance of the Swedish language and at the same time respect those with another mother tongue. The laws and constitutions of the country give us large room to live and thing in different ways. We have to show each other mutual respect and tolerance.

A whole range of measures targeting vulnerable neighbourhoods have been taken, and a substantial amount of money has been allocated to break the negative development of specifically problematic neighbourhoods. Both small initiatives and larger projects have been visible in these neighbourhoods, but at least one large publicly funded project is in progress more or less all the time. When the funding or time period for one such has ended, it is replaced by another similar project, sometimes with a slightly changed focus depending on the moment and what is considered to be the most serious problem.

The most well-known measure, recently completed, is the Metropolitan Policy [Storstadssatsningen]. This large project is funded by the national state, but in order to access state funding, the municipality or other collaborating partners have to contribute the same amount of money. The purpose of the Metropolitan Policy is to improve the living conditions in the cities’ most vulnerable neighbourhoods and
thus break the segregation process, as it is seen as the root to many of the social and economic problems in these areas, such as high unemployment and benefit dependency. Another problem that is dealt with in the Metropolitan Policy is the under-use of resources in the vulnerable neighbourhood. The ambition is to create opportunities for people to develop their skills (http://www.malmo.se 2004-03-04). The project targets vulnerable neighbourhoods in seven municipalities in the three metropolitan regions. In Malmö, several initiatives are taking place in four of the city districts, including Hyllie and Rosengård (the city districts in which the case studies are located)."  

In Hyllie the specific projects are different activities for children in schools, local development, and measures for work and occupation. In Rosengård, the focus is on entrepreneurship, pre-school activities and crime prevention (Storstadsdelegationen, 2001).

It is important to be aware of the range of issues and the considerable amount of money that is available to combat social problems in neighbourhoods. However, there are also other initiatives taking place, sometimes hand in hand with the larger state funded ones, and sometimes independently from other measures. The following two chapters focus on what MKB has done to deal with such problems in their neighbourhoods Holma and Örtagården (Rosengård).

55. The other two city districts involved are Fosie and Sia Innerstaden (http://www.malmo.se 2004-03-04).
7 From Isolation to Networking

The neighbourhood of Holma

Figure 7.1. Map over Malmö, pointing out Holma

With permission from Malmö Stadbyggnadkontor.

The neighbourhood of Holma is situated in the southern outskirt of Malmö, about four kilometres from the city centre, within a city district called Hyllie. It is a neighbourhood consisting of multi-family houses, three- and eight stories high, of which the municipal housing company, MKB Fastighets AB (MKB), owns approximately 1000 flats. The remaining 500 flats in the neighbourhood are co-ops and are concentrated in the northern part of Holma. There is no administrative border between these two areas, but a mental division exists, where Holma mainly represents MKB’s houses and the part consisting of co-ops is called Fosiedal. It is MKB’s part of Holma that comprises the case study area.
Larger enterprises and service functions are located outside of Holma. The residents are directed to other city districts to do errands e.g. at the bank or pharmacy. The service that do exist are a couple of smaller retail shops, a kebab restaurant, a second hand store, a ‘house of activities’ (a place for the associations’ activities, including a café and a youth recreation centre), a few nurseries, a pre-school and a school with junior and intermediate levels. There is also ‘people’s house’ [Folkehus] where different activities take place, e.g. courses, dance and music events. Communications and public transport are adequate and provide easy access to other parts of the city. The surroundings offer open green spaces and the neighbourhood is known as suitable for children not only due to its ample play space, but also because car traffic is restricted from residential areas.

Figure 7.2. Holma from the eastern side.

In January 2002, Holma had 3,609 inhabitants, of which 2,844 lived in MKB’s stock. The neighbourhood of Holma was built during the ‘Million Homes Programme’, and shares many of the characteristics typical for the large-scale areas built at that time, both concerning physical assets and the composition of the population (see tables in appendix 5). The average income is low in Holma compared to the rest of Malmö. In 2000, the annual average income in Holma was 144,000 SEK compared to 189,400 SEK average income in Malmö (see table 1, appendix 5).

The low income can partly be explained by significant unemployment. Between 1989 and 1999, the unemployment rate in Holma increased from 3 to 10 percent.

56. In the following section, all statistical facts derive from Malmö statistical office’s area-based fact sheets if nothing else is stated.
Unemployment peaked in the mid 1990s and has decreased since then, both in Malmö and Holma. In March 2003 it was 7 percent, while it in Malmö was 5 percent (see table 2 in appendix 5).

Correlated to the high unemployment rate is the social benefit dependency: A much higher share of the population receives social allowances in Holma than in Malmö as a whole. In 1997, almost every second household received social allowances: 45 percent compared to Malmö’s 18 percent. In Sweden the average was 8.5 percent (see table 3 in appendix 5). However, this has improved since then: In 2002, 416 out of 1472 households (28 percent) received social allowances. Still, it is a much higher figure than Malmö’s average of slightly less than 11 percent.

Many people are outside of the labour market, but not officially registered as unemployed. Therefore, the employment rate is a more accurate indicator of the situation in Holma compared to Malmö and Sweden. As can be seen in table 4 (appendix 5), the employment rate has decreased at all measured areas, but has recovered in recent years some of the losses experienced throughout the 1990s. The difference between Malmö’s average and Holma’s appears to be diminishing, even if it remains sizeable. 39 percent of men and 37 of women were employed in 2001, while the figure for Malmö was 65 respective 64 percent. In MKB’s stock, the difference is even greater: In 2003, 64 percent of all MKB residents were employed, versus 33 percent of Holma residents (MKB statistics, 2004).

Malmö has a high percentage of people with a foreign background in comparison to other large cities. This is especially pronounced in Holma as table 5 shows (appendix 5). Additionally, there is substantial proportion of residents born in Sweden but have parents who were born in another country: In January 2003 this figure was 18 percent while in Malmö it was 8 percent. In MKB’s stock, 39 percent had a foreign background in 1993, compared to Holma where 82 percent of MKB’s residents had a foreign background. 57

Since it is generally more difficult for people with a foreign background to access employment in Sweden, this is one explanation of the high unemployment rate in Holma. Of the residents born outside of Sweden, only 22 percent had employment in 2000, compared to the total employment rate of 32.6 percent among residents in MKB’s stock in Holma (MKB statistics, 2003). In the mid-1990s, the number of immigrants peaked in Malmö and has decreased since. However, this dramatic decrease in immigration does not apply to the case study neighbourhood: Among MKB’s residents in Holma, 72 percent of the residents were born in another country in December 1999, compared to 48 percent in 1993 and 1997. However, the figure has decreased since 1999, and was 56 percent in 2003. Of the MKB residents

57. Foreign background here means born in another country or at least one parent born abroad (MKB statistics, 2003).
58. Depending on factors such as poor education, differences in education, but also on the effects of racism on the labour market (see discussion about immigrants in chapter 2).
born in another country, 6 percent are from other Nordic countries, 39 percent from other European countries, and 55 percent from countries outside of Europe (MKB statistics, 2003). The largest immigrant groups are from Yugoslavia, Afghanistan, Lebanon, Poland and Iraq. Refugees make up a significant proportion of newly arrived immigrants.

Table 7:1. Ethnic minorities in Holma 2003 (1st and 2nd generations, the five largest minority groups)

<table>
<thead>
<tr>
<th>Origin (ethnic minority)</th>
<th>Born outside of Sweden</th>
<th>Born in Sweden</th>
<th>Total</th>
<th>Amount of total pop</th>
<th>Amount of ethnic min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yugoslavia</td>
<td>426</td>
<td>162</td>
<td>588</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>183</td>
<td>28</td>
<td>211</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Iraq</td>
<td>166</td>
<td>65</td>
<td>231</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Lebanon</td>
<td>146</td>
<td>144</td>
<td>290</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>Poland</td>
<td>144</td>
<td>30</td>
<td>174</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>All ethnic min in Holma</td>
<td>1840</td>
<td>675</td>
<td>2515</td>
<td>68%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office*

The high percentage of residents with a foreign background also has an impact on household structure and age profile since refugee families that have recently immigrated are on average larger than the average Swedish family. Populations from outside of Europe consist of 44 percent of children (0-17 years), compared to the Nordic population, where the share of children aged 0-17 years is 14 percent (MKB statistics, 2001). In figure 7:3, the age profile of Holma is compared with Malmö and all of Sweden. As can be seen, there are not only more children, but also fewer elderly (see also table 6, appendix 5).

A high percentage of children leads to a high occupancy rate. The flats usually merely consist of two or three rooms plus a kitchen, which implies a problem for large families in need of more space as well as for single households in need of small flats. The occupancy rate per flat in Holma is higher than Malmö as a whole. In 2000, it was 2.27 persons per flat, compared to 1.98 in Malmö (see table 7 in appendix 5).
There has been a stabilisation of social conditions in recent years, illustrated by figures for annual moves. In 1991, the turnover rate for moves out of the area was 25 percent. In 1998, the corresponding figure was 15 percent, and decreased to 11 percent in 2002. According to MKB, the turnover rate for MKB’s residents in Holma was 35 percent in 1990, and today is 0.9 percent. Similarly, the vacancies have decreased from 35 percent to 0.1 percent today (MKB statistics, 2004). The diminishing vacancies in Holma can be partially explained by the housing shortage in Malmö, following the trend in other large cities (see table 8, appendix 5).

Today, one of the eight storey houses is specially designed for the elderly and only admits residents 55 years old and older. It is called the ‘Senior Citizens’ House’. Before MBK renovated and transformed this house in 1993, it consisted of flats for refugees awaiting asylum in Sweden. It housed people of various cultural origins, with various social and economic needs, resulting in significant conflicts and criminal activities. Today the house comprises, apart from flats, communal areas for the residents, such as kitchen, coffee room, living room and a garden where the residents spend time together when the weather allows. The house is accessible for people with disabilities so they too can participate in activities offered (MBDp, 2001).

Holma is located close to the bridge that connects Malmö with Copenhagen. The bridge opened in 1999, and it is probable that it will have a positive effect on the neighbourhood because new businesses and housing areas most likely will appear in the immediate surroundings – some of these projects have already begun. The advantages of being close to these new developments and the continent makes

---

59. The three first groupings for Sweden are differing from Holma and Malmö. Instead of 0-5, the grouping is 0-4, instead of 6-15, it is 5-14, and instead of 16-24, it is 15-24 (SCB).
the location of Holma attractive, and plans for future developments are envisioned (MKBdp, 2001).

**Actors and relations**

After MKB’s reorganisation (see chapter 6), the philosophy of the company is to regard the residents as customers – cooperating actors for MKB’s are engagement in neighbourhood issues. Previously, the residents were merely passive consumers, dependent on the service provision from the company, whereas they now have another, more active role to play. It is important to stress that the residents, from MKB’s point of view, are equal cooperating partners in the work towards an improved neighbourhood. The company not only listens to the residents, but also takes into account their views in planning and decision-making. As a consequence, interviews have concluded that the relation between residents and MKB has improved significantly since the reorganisation in the beginning of the 1990s (also stressed by Cars & Karlsson, 1997).

Within the neighbourhood of Holma and in the wider city district, many actors are involved. There is a school, several childcare centres for children, day care centres for elderly, voluntary organisations, retail shops, social services, health care centres and a variety of other services. The majority are not actively involved in the self-maintenance initiative studied here, as the initiative is clearly limited to the maintenance of the neighbourhood. However, even if they are not engaged themselves, interviews show that they are mostly positive to the existence of self-maintenance, and some can also see positive side effects that impact on their own organisations, e.g. the social services and the school. In addition to the actors presented above, there are three local residents’ associations (hyresgästföreningar), and these are closely involved in the initiative and through this have close cooperation with MKB.

Interviews with various professionals in Holma illustrates that collaboration between the different actors in the city district where Holma is located functions appropriately. There is no evidence that reveals conflicts or problems between different actors. The cooperation between public authorities and MKB are working adequately, according to the interviewees. One concrete example of this is the cooperation between MKB and the school in the project ‘Sorting Garbage’. Classes in the school ‘adopt’ recycling stations that they oversee and report to MKB. For this work, they receive economic support for a school activity, such as a field trip. The municipality appreciates MKB’s social engagement in Holma, and there is an expressed desire to create greater collaboration and networks between different actors. At the moment, MKB is working intensely to increase cooperation between

---

60. MKB has constructed several recycling stations in Holma, where residents sort and throw their garbage (see figure 7+).
MKB and other municipal agencies. They are also making attempts to engage private businesses to cooperate with the public sector (MKBdp, 2003).

Figure 7.4. Recycling station

The police force that works in the neighbourhood also emphasises their good relationship with MKB in Holma. The fact that MKB is the only property owner facilitates communication, and MKB and the police often reverse roles, according to a police officer (interview, 2004). The policeman relayed how residents often report strange activities to their house manager at MKB. MKB in their turn report this to the police, which mean that they can act quickly to solve the problem.

Many different foreign populations live side by side in Holma. As stated above, the majority of the population has non-Swedish origins, which can lead to conflicts when differences exist concerning issues e.g. about how to lead the everyday life, or if conflicts are inherited from the home countries. Several interviewees stated than conflicts between different immigrant groups are more common than between immigrants and Swedes.

The number of associations where residents are active is large in Holma. This indicates that the networking between residents is flourishing. Although this is true to some extent, many of the associations are ethnic or cultural, which indicates that networking to a certain degree takes place between people from similar circumstances rather than from different backgrounds.
Problems in the neighbourhood

The social and economic problems have been and remain visible in Holma. During the economic regression in the 1990s, single parents (especially mothers), households with foreign backgrounds, and youths were the groups most affected, making them the most vulnerable groups in the Swedish society, running high risks of marginalisation (Hjort & Salonen, 2000). The proportions of these three groups are higher in Holma than on average in Malmö, reinforcing the picture of a neighbourhood with poor resources (see especially tables 5 and 6, appendix 5).

Interviews with residents and professionals in Holma also reveal that the situation has been and, at least to some extent, still is serious, but that it has improved. Throughout the 1980s and the beginning of the 1990s, the situation in Holma was characterised by deprivation and deterioration. People felt unsafe and did not want to spend more time than necessary outside of the buildings. The neighbourhood was characterised by anonymity; vandalism and crime reached high levels. MKB’s director of properties in Holma illustrates this with the statistics that on average two windows were smashed every day during the worst period (MKBdp, 2001, 2004), and in 1993, MKB’s costs for damage was 3 million SEK (MKB statistics). In the early 1990s, annual moves from MKB’s stock in Holma were doubled compared to the average for MKB’s total housing stock and the amount of vacant flats was three to four times higher than the city average. The outside surroundings were in poor condition, with poor availability of public and commercial services. These poor conditions made many households choose other neighbourhoods, leaving Holma’s population with less resources and a concentration of social and economical problems. This has decreased Holma’s attractiveness and contributed to a poor reputation, which has in turn created poor self-esteem for the residents and led to an area that has been neglected by local authorities. Holma was marginalised and segregated and the civic participation was low. In the mid-1980’s, the deprivation in Holma reached its peak: In 1983, the share of households receiving social allowance was 25 percent, compared to Malmö’s average of 9 percent, and the vandalism reached high levels.

In additional interviews with professionals, carried out in the spring of 2004, several people mentioned how Holma during the last year once again had gone through a period of vandalism and crimes, which increased the insecurity of residents. However, both the police and the headmaster of the school in Holma acknowledged that the climate had become calmer again, but that the situation is very fragile, primarily because of the large proportion of young people in the neighbourhood (Hr, 2004; Hpo, 2004). MKB’s director of properties in Holma also claims that the untidiness comes and goes in waves (2004). When there are so many young people that have very little to do in the neighbourhood, it is easy that a kind of subculture develops, and the older children become poor role models for the young kids that at an early age are trained to do criminal activities, according to
the police officer. In addition, the police officer reports that the large concentration of foreign youths with identification problems that commit crimes or make noise in the neighbourhood adds to the racism and discrimination of some ethnic groups, which in turn increases the segregation and social exclusion of these groups. However, the criminal behaviour amongst youngsters is a problem all over Malmö and is thus not a specific problem for Holma, according to MKB’s director of properties (2004). In addition, he claims that Holma residents do not commit crimes in their own neighbourhood. However, the police have noted a considerable number of criminal youngsters residing in Holma, and also committing their crimes there, even though he agrees that this also tends to come and go in waves (Hpo, 2004).

Several of the interviewed professionals stressed the problem of children that stay out late on their own. The parents do not seem to realise how exposed the kids are to different kinds of violence or how influenced they are by the behaviour of older children. Rather, the parents think that their children are just as well behaved on the streets as they are at home. This makes the youth crimes in Holma a problem difficult to solve according to the police officer.

The self-maintenance initiative

The situation in Holma was problematic in the late 1980s, and MKB recognised the need to initiate change. However, before they did anything to improve the neighbourhood, they interviewed residents to see how they experienced the situation in Holma and what they wanted to change. Three areas were identified as the most important in order to improve the conditions in the neighbourhood (Cars & Karlsson, 1997; Liedholm & Lindberg, 1998):

- clean, attractive and non-vandalised environments
- improved performance in provision of services, e.g. in terms of treatment of MKB
- improved security and social relations

Thus, they demanded another type of communication between the company and the residents as well as between the different residents. Surprisingly, these aspects were not what MKB had perceived as the largest problems, but from that moment the needs identified by the residents became prioritised and can be seen as the starting points of the renewal.

In the reorganisation (described in chapter 6), MKB introduced a house manager system as a way for MKB-staff to have closer contact with their residents. One of the main focuses in the new organisation was to employ a ‘listening approach’ towards the residents’ needs and wishes. The residents should be seen as ‘customers’ and have a central role in creating necessary changes in the neighbourhood. By having responsibility for a certain area, the house manager becomes known and recognised by the people living in that area. This facilitates contact with the com-
pany and it also helps the residents to feel safe, knowing who to turn to when problems arise. Being a house manager also demands social skills, as they have to meet a lot of different people and solve a variety of problems coming up.

In connection to the reorganisation, MKB also carried out a physical upgrading, where they removed much of the vegetation that made the area dark and feel unsafe, and repainted many of the houses. They also changed the ‘asylum house’ to a ‘Senior Citizens’ House’ (see details earlier in this chapter), and planted flowers and other decorations within the estate. The decorations were also meant to bring people together to interact. MKB inferred that the insecurity that many of the residents experienced was due to the anonymity in Holma: the neighbours did not know who lived next door. In the beginning, the flowerpots were vandalised, but MKB kept replacing them, and eventually most of the vandalism disappeared and the flowers were left in peace.

![Decorated entrance in Holma](image)

*Figure 7.5. Decorated entrance in Holma*

*Photo: Lina Martinson, 2014*

The next step in MKB’s development of Holma was to introduce *self-maintenance*, in 1993. The residents can, if they wish, participate in the maintenance of their housing estate by doing things that traditionally are the housing company’s duties, e.g. cleaning the stairs, weeding, or cleaning up the garden. At first the residents thought that this was just a way for MKB to pass their responsibilities on work to neighbourhood residents, and this type of work did not interest them. People did not believe in the project and MKB had to work hard to rebuild confidence amongst residents, which was lost years ago. Wisened by their past mistakes, MKB realised that they needed to move slowly in order to succeed. After a few months and many information meetings, a few residents were willing to try the self-maintenance in their neighbourhood. To increase motivation among the residents
to participate, the involved residents received a rent-reduction as compensation for their work. MKB was also very careful with how they treated the residents and areas or situations that the residents cited as problems at the meetings were taken care of immediately. This was a means for the company to rebuild the trust that they had lost several years ago. As time passed, the troop of self-maintainers became larger, partly as a result from MKB’s advertising for it and partly because of the initial group of self-maintainers, who acted as promoters of it. Residents realised that it could be a way to have more money in their pockets, and many signed up. Over the years, approximately 10-15 percent of the households have been engaged (MKBdp, 2001, 2004), and today the exact figure is 117 of approximately 2600 residents (MKB statistics, 2004).

The self-maintenance initiative is regulated by a general agreement between MKB and the local resident’s association of Southern Skåne. This is supplemented by a local agreement for each self-maintenance area. The local agreement can if needed, be complemented by an individual agreement that regulates the individual self-maintainers’ contributions (MKB, 2000).

![Self-maintainers in action](image)

**Figure 7.6. Self-maintainers in action**

*Photo: Lina Martinson, 2001.*

After MKB’s reorganisation, responsibility, decision-making and budget were placed on a low level in the MKB hierarchy. This put radically new demands on the MKB employees, and was not met with entirely positive responses. As the reor-

---

61. Skåne is the county to which Malmö belongs.
ganisation also made the company more efficient, several employees were dismissed: The staff decreased from 500 to 240 employees (to some extent hiring of consultants compensated this decrease). Holma was divided into 12 main estate maintenance districts with four house managers. The house managers are responsible for the contact with the self-maintainers and are also the main contact for other residents. Each house manager has his or her own system to organise the self-maintenance. Some of them sign individual contracts with residents, e.g. for cleaning the stairs in one or more houses. In such cases, the individual agreement mentioned above is established. Others have the main contact with one representative for a team of self-maintainers, and use the local agreement only. Today (2004) there are four maintenance teams with approximately 20 residents in each, while the rest of the self-maintainers have individual contracts (MKB statistics, 2004).

In addition to the individual compensation of self-maintainers, some money is allocated to the residents’ collective for investments in the neighbourhood, in a so-called investment fund or development fund. The compensation to the collective is depending on the size of maintenance unit. If the unit includes 50 flats, the compensation is 17,000 SEK per six months, 100 flats receive 30,000 SEK and 200 flats 40,000 SEK each half-year (MKB, 2000). The residents decide themselves what flowers they want to plant or what tools they need to buy. Larger investments or changes have to be discussed with MKB. An ongoing discussion deals with extending the authority of self-maintainers. In the future it may be possible for the self-maintainers in Holma to e.g. take responsibility for painting houses (MKBdp, 2003).

From the start, the initiative has been controversial in how it compensated the involved. This led to debates and discussions about whether the compensation should be regarded as taxable income or not. Earned money usually includes employer’s contribution and taxes. The residents in Holma who participated in the self-maintenance indirectly earned money (they received rent reduction) and therefore the taxation authorities and the unions thought that it should be regarded as taxable income. MKB and others feared that the motivation for self-maintenance would decrease if they had to pay taxes, and the positive economic effects for MKB could be turned into costs, which would certainly stop the project. Delegates from different political parties participated in the discussion and the Social Democrats as well as the Conservatives [Moderaterna] saw the self-maintenance as an excellent example of long-term improvement of vulnerable neighbourhoods. The taxation was seen as a punishment. Here follows a comment from the Social Democrats:

Holma is a proof of how a negative spiral of decline in a neighbourhood can be stemmed and turned into positive social development. It is not an exaggeration to say that the self-maintenance project in Holma is the most exiting experiment within the area of resident democracy in Sweden today. The system of self-maintenance is now threatened because the rent reduction that the residents get as a compensation for their work, made in the account of the host, is delayed
with social fees and therefore has to be taxed. This must not stop the project. The positive experiences of this initiative have to be realised and the obstacles removed. (Motion 1996/97: Bo 211, my translation.)

Another example from the Green party:

Holma in Malmö is a shining example of positive self-management. Let us use this experience – and let us not accept a punishment of the achievements in the form of taxation. If we do, how will people ever want to take the socially needed – and for the society economically advantageous – responsibility. (Motion 1996/97: Bo 208, my translation.)

However, after many discussions and negotiations MKB was penalised with a fee of seven million SEK payable to the state in 1997 for the absent tax incomes for the first three years of the self-management’s history. But the initiative could continue, with some minor adjustments.

Before 1997, the compensation for the self-maintenance was paid per worked hour, resulting in quite a sizeable income for some of the households. Today, after the changes due to the taxation debacle, everyone involved gets 100-330 SEK per month, depending on their contribution to maintenance, but all members in a maintenance team receive the same sum. The payment is made every six months, on the 1st of July and on the 1st of December (MKB, 2000).62 The change in payment schedule and structure was a demand from the government if the involved would be spared from paying taxes for the maintenance-compensation. Another demand was that every household/resident was welcome to join the maintenance if they wanted to. However, MKB had that as a condition from the start. The ‘salary’ is paid every six months. Since many of the residents involved in the initiative are receiving social assistance, the wage is not shown as reduced rent, because that would reduce their social benefit and therefore most likely decrease motivation for participation.

Most of the residents are in favour of the new system; they believe that they received too much money before and that people signed up to do more tasks than they could manage. The purpose became making money rather than doing something for the neighbourhood. According to interviewed residents, it is the other way around today: most of the people involved put down more work than they are paid for because they get so much out of keeping their environment clean and beautiful. The wage is a secondary matter - a bonus - to many of them.

One benefit of the taxation debacle was that it drew attention to Holma and the self-maintenance initiative. The self-maintenance was regarded as a new and effective way to combat problems in disadvantaged areas, and since people got to know Holma through discussions about taxation rules, they also became interested in the

62. The payment has been the same since the changes (MKBbdp, 2004).
initiative. Groups of people have since gone to Malmö to study MKB and their self-maintenance initiative, and many housing companies have used the example of Holma as inspiration for developing their own self-management initiative.

The self-maintenance initiative has been running for several years now. It is seen as a process that will continue developing in accordance with demands and wishes from the residents (MKB, 2000).

Lecturing is no working. The project must be developed together with the residents if it is going to work. (MKBhm2, 2001)

Has self-maintenance created value?

Residents
In interviews with both residents involved and not involved in the self-maintenance, Holma was described as a littered and very dark neighbourhood with overgrown shrubs everywhere before the improvements. Several of the interviewees were afraid of going out after dusk, because of crimes and troubles that were common elements of everyday life. Holma together with a couple of other neighbourhoods in the outskirts of the city had the worst reputation in Malmö. One former self-maintainer says that when he moved to Holma, he used to tell people that he lived in Fosiedal (the co-op neighbourhood in Holma) because it had a better reputation. Another respondent acknowledges that she knew of people who used to get off the bus a couple of stops before Holma and walk the last part of the way, because they were ashamed of revealing where they lived. Nowadays the area is clean, tidy and people feel safe, according to the interviews. Many interviewed residents praised the magnificent display of flowers in springtime and summer, and according to them, the change from a dark, littered and unsafe neighbourhood to a valued place to live is due both to the self-maintenance and the physical renewal carried out by MKB.

The difference is impossible to describe! You cannot believe it is the same neighbourhood! (HH: Swedish woman, self-maintainer)

A beautiful milieu encourages responsibility, and this responsibility in Holma creates pride over the work done by the neighbourhood residents and over the neighbourhood as a whole: some of the interviewees explain that it also has improved their self-esteem as they have been given a ‘place’ and an important task to oversee. One older man says that he even has stopped smoking to be able to do more self-maintenance work (H1). Others explain it as a nice feeling of satisfaction, doing something they like and perceive as meaningful. According to the interviewees, responsibility results in less disorder and vandalism, which also affects the
image of the neighbourhood outside of Holma. Whether or not the reputation of Holma really has changed among other Malmö residents, the people interviewed are fond of living in Holma and none of them wish to move.

Many voices from the self-maintainers claim that the satisfaction of doing something favourable for the neighbourhood is very important, whether it is weeding in the garden, cleaning up stairs or picking up garbage from the ground. One man describes how he wants the estate to look nice when people wake up, so he often cleans up and sweeps outside the entrance early in the mornings or late at nights (H5).

The self-maintenance has helped to raise the status of the neighbourhood. All of the changes are not due to the self-maintenance, but interviews show that the initiative has made people feel comfortable with their surroundings. If they like working with flowers and land, they can do so, and if they like exercising, they can walk around the estate to pick up garbage, and there are several other tasks depending on residents’ interest.

You can do what you want - no one tells you what to do. (H1: Older Swedish man, self-maintainer)

There has also been an impact invisible to the human eye, but apparent to those living in Holma: the changed atmosphere, increased fellowship and social cohesion. By spending time outside of the flats, people living in the same estate have learned to recognise each other, which according to several self-maintainers provides a feeling of security. The self-maintenance also gives rise to further social contacts outside of working together. It is common that residents drink coffee together while working, and in some estates they arrange barbeque evenings and other activities. In one of the estates the spirit of togetherness seemed to be especially strong; interviewees from this estate described joint dinners and how they organise travel tours together. These people regard the neighbours as ‘closest friends’. From the interviews the fellowship appeared as a highly positive effect of the self-maintenance.

I have got the chance to know so many different people that I never would have met if it weren’t for the self-maintenance. (H1: Older Swedish man, self-maintainer)

However, the interviews illustrate that the situation is very different in various parts of the neighbourhood. In some areas, the sense of togetherness does not exist at all, while it in other parts is significant.

Knowing the neighbours increases social control. This contributes to a valued feeling of safety in the neighbourhood, which presents itself in diverse ways. For example, one person acknowledges that there is always someone who can look after the flat when a neighbour is away.
Yet, the social control can also have negative effects. In Holma this is primarily related to the relationship between the residents involved in the initiative and those who are not. A risk is that the not involved residents view the self-maintainers as ‘police’ in the neighbourhood, because the self-maintainers are very aware of how the neighbours behave and act outdoors. However, in the interviews, only the involved residents mention this as a problem, which indicates that it mostly an undesired role, but because they sometimes regard people not involved as less responsible for the neighbourhood, they realise that a risk exists for earning such a role. It is yet important to remember that the small number of interviews has not managed to represent everyone’s feelings and opinions about the issue. Still, it is an interesting issue to discuss. The roles of responsibility seem to be clearly defined between MKB and the self-maintainers. However, there has been no agreement between the residents not involved and the ones involved and what rights and responsibilities they have to each other.

The differing feelings of responsibility among residents can sometimes create conflict. One example, described by a female self-maintainer is when children step into the flowerbeds and parents do not intervene (H4). However, the respondents did not often mention conflicts of this kind. What seems to be more of a problem is that if the child stepping into the flowerbed (to use the same example as above) is of non-Swedish origin, the conflict is often misunderstood as racism, not as a matter of keeping the neighbourhood tidy, which several of the Swedish self-maintainers articulate as a problem since they do not regard themselves as racists.

A commonly held view is that some ethnic cultures are less concerned with the shared outer milieu than Swedes in general, and several interviewees express that it is difficult to engage residents from certain countries into the self-maintenance project. If this is true or based on prejudices is difficult to confirm. Relative to the total population in Holma, people with non-Swedish background are underrepresented in the self-maintenance initiative.61 This adds to the division between Swedes and immigrants and conflicts about maintenance can easily be converted into a cultural problem as the example above shows. It can also be a matter of under representation by specific ethnic groups. No such statistics are available, but my interpretation of the interviews is that the difficulty to engage ethnic minorities is not related all ethnicities. More immigrants from all different cultural groups that are represented in Holma would make the initiative more dynamic and would be necessary for bridging gaps and difficulties between cultures.

Unfortunately, the majority of the interviewed self-maintainers in this study were of Swedish origin, which means that the emerging picture does not represent

61. The number of people with foreign background in Holma is 82 percent (MKB statistics, 2003), while the figure in the self-maintenance initiative is estimated to approximately 60 percent. The estimation is made by counting names that sound non-Swedish and is thus not a totally reliable source of information, but other statistics are not available.
all different views, but rather shows the experience of the Swedish population in Holma. Furthermore, due to the small sample of interviewees, the ones with foreign background may not represent everyone from the same country in all respects.

Language problems can be one reason for the low level of engagement among some immigrant groups, especially who have recently arrived in Sweden. Differences in culture and unfamiliarity with the possibilities to participate in the society can also be reasons for the comparatively small number of immigrants that are engaged. One interviewee from the city district (Hdc, 2004) claims that MKB makes less of an effort to engage these groups. MKB’s director of properties in Holma, however, does not agree with this statement (2004). A couple of Swedish respondents, both involved and not involved in self-maintenance, argue that ‘immigrants’ make the neighbourhood look filthy as they use their balconies and other spaces to store trash. Whether this is true for a certain group of immigrants or just another prejudice towards immigrants is difficult to judge. Most interviewees, both involved and not involved, both Swedes and other ethnicities, agree that the concentration of people with foreign background is large and that this poses some difficulties not least concerning integration. Therefore, getting a strong number of ethnic minorities involved in the initiative is important and a serious problem to address, argues one self-maintainer (H3).

Many networks have developed in Holma lately, partly as an effect of the improved atmosphere and as new relationships formed within the self-maintenance groups, argue both interviewed residents, MKB staff and other professionals in Holma, e.g. the headmaster of the school and the social welfare officer. But, before the initiative there were also considerable engagements in social and cultural associations. In 2001, around 30 different types of associations were more or less active in Holma (Hyllie city district, 2001): three local residents’ associations are located in the area, a large number for a small neighbourhood like Holma. There are two associations for retired persons (PRO), and most of the residents in the Senior Citizens’ House are members of one of them. There is also a fishing club and several associations for different cultural or ethnic groups. Several of the interviewed residents were active in associations, such as the residents’ association, the fishing club and PRO. They also regarded the self-maintenance as a kind of association, an activity with the same kind of structure with the objective to encourage social contact and become engaged in the neighbourhood. None of the interviewed self-maintainers with foreign background mentioned that they were involved in an ethnic or cultural association, but the small number of respondents in this category is not enough to conclude that such engagement is lower among this group.

‘Let all of Holma live’ is an umbrella organisation for all the associations in Holma. Most of the interviewees engaged in associations think that good possibilities exist for taking part in the development of Holma. The self-maintenance itself and MKB’s intention to take into consideration the residents’ demands and wishes are also reasons for this positive view. Still, one interviewee believes that MKB
values the opinions and suggestions of the self-maintainers over those of other the residents.

From the interviews, no pattern can be detected that the self-maintainers are more or less active in associations than the residents not involved in the initiative. Still, the associations can be seen as a potential arena for recruitment of new self-maintainers, and therefore contacts with all different associations could be useful if more groups, especially of different origins, are to be reached.

A Swedish woman not involved in the self-maintenance mentions that the joint activities in the neighbourhood and within the estate she lives have decreased with the increased pace of immigration (H11). According to this interviewee, the more immigrants that relocate to Holma, the less togetherness the estate is able to mobilise, mainly because the immigrants have so many different backgrounds. Sometimes the differences in cultures are too substantial to cross, the interviewee argues. However, as most of the interviewed residents describe the positive atmosphere and the improved relationships and activities, this may be a problem only in some of the estates.

Added to the obvious results from the initiative - the upgraded physical milieu and a reduced rent for the ones involved – interviews also reveal that residents have gained from the initiative in several other aspects:

- Their power over the development of Holma’s outer milieu has increased, which means that their power in relation to MKB is greater than before.
- Many of the involved residents have gained at the individual level such as pride and raised self-esteem.
- They have also acquired social values such as improved cohesion and fellow-ship, which can have application on integrative aspects into society.
- The cohesion and fellowship also give ‘spin-off effects’ for those residents not involved in the initiative.

On the other hand there are problems connected to the initiative, even though they seem to be minor: there is a risk that the engaged residents act as ‘police’ in the neighbourhood, a role that can irritate others. In addition, there is a division between Swedes and some of the ethnic groups, as well as between different ethnic groups that the initiative has not managed to resolve. There is also a difficulty in engaging young people, which several of the interviewed mention as a problem. They see a risk of teenagers forming gangs and causing trouble when there are no alternative leisure activities available. In the interviews, it also became clear that the self-maintenance initiative is positive, but still has not managed to reach the most vulnerable groups - a comparatively large percentage of the self-initiative group is comprised of Swedish natives, despite the large concentration of residents with other ethnic origins. Finally, it was voiced that MKB listens more to the residents actively involved in self-maintenance than to the other residents, which can create
an imbalance of power between residents, and may further the division between involved and not involved people.

MKB
A housing company incurs high costs when flats are exposed to heavy wear and vandalism and when residents frequently move in and out of the neighbourhood, which was the reality in Holma in the 1980s and beginning of the 1990s. A stable neighbourhood would therefore benefit not only the residents, but also the housing company. To MKB, the aim was thus to obtain increased stability in the neighbourhood, but also to create a process of confirmation: to develop living conditions that included features that are not provided by traditional housing. From a long-term perspective this could increase stability and attractiveness. The company wanted a neighbourhood with a good atmosphere and where residents could feel comfortable.

Starting with the reorganisation and the new ‘listening approach’, and following it up with the self-maintenance initiative, the trust between MKB (as an organisation but also many individual staff members) and their residents has improved, according to interviews and literature (Cars & Karlsson, 1997). In the resident-interviews, MKB is assessed as a favourable housing company that takes wishes and needs seriously. It is also said that MKB has improved as a housing company over recent years. However, one resident mentioned that MKB does not always keep its promises (H7). If this is a view held by many is difficult to assess because of the limited number of interviews conducted.

Figure 7.7. Garden in Holma
The effects of the initiative have been more extensive than MKB could have projected according to interviews with MKB staff, both house-managers and the director of properties in Holma. Many of the effects cited could never have been brought into the neighbourhood through ordinary maintenance, regardless of the size of the invested effort. These are values added to the maintenance, created by the fact that the residents have carried out the work together. The socialising and its side effects cannot be substituted by perfect maintenance services carried out by a housing company or entrepreneur. According to MKB’s director of properties, the self-maintenance is considered the one single initiative that has had most impact on Holma ever, and it is the most effective initiative they have ever undertaken (MKBdöp, 2001, 2003). The isolation among residents was obvious before; nowadays it is not a primary problem. Holma has developed into a fairly stable neighbourhood. Many residents take an active interest in the area and they have opportunities to influence development. However, two interviewed house-managers mention that isolation still is an urgent problem for many residents, as the initiative has no managed to engage all groups. This is most obvious for some of the ethnic minorities that have recently arrived as refugees.

Crime and vandalism have almost disappeared from Holma. According to the director of properties, the window smashing has disappeared, as has the previously common scrawl. This, combined with the fact that there are no longer vacant flats in Holma has resulted in decreased costs for the housing company. The turnover rate is one of the lowest in MKB’s housing stock, according to MKB staff: 0.1 percent compared to 35 percent in 1990 (MKBdöp, 2004). However, there is a housing shortage in Malmö today, so the initiative is not the only explanatory factor of this development. In MKB’s total stock, the level of vacancy is 0.2 percent (MKB statistics, 2004). The house managers interviewed argued that it may have been more difficult to launch the initiative in a time of prosperity. MKB initiated the self-maintenance during a period of high unemployment and many residents had nothing to do or no one to spend their time with. Still, the unemployment level remains higher today than the Malmö average: 7 percent are registered as unemployed in Holma in 2003, while in Malmö the figure is 5 percent. By considering the level of employed instead the figures are more conspicuous: 64 percent of MKB’s total residents in Malmö are employed, while only 33 percent of the residents in Holma has a job. The police as well as other interviewees (2004) stress that the situation in Holma is fragile, since there have been several periods of high criminality and gangs are developing amongst youngsters. This is however a problem throughout Malmö, argues Holma’s director of properties (2004).

Despite the sums paid to the self-maintainers and the existence of investment funds, no additional cost for MKB is created by the initiative, according to the director of properties (2001, 2004). The quality of the maintenance has improved significantly since the self-maintenance started, because the residents extend far more effort in keeping the neighbourhood in shape than MKB’s own staff had the
time to do (not because they have to, but because they want to, according to MKBdp, 2001). The company has been able to cut two posts due to the self-maintenance and therefore save money.

According to an investigation carried out by a consultant company in Gothenburg in 1997 (referred to by MKBdp, 2001, 2004), the costs for maintenance in Holma decreased with 29 million SEK in one year after the initiative started.64 Two thirds of this decrease was savings for the society in general, while one third was savings for MKB. According to statistics from MKB, the cost for damage was approximately three million SEK in 1993, while today is marginal and close to zero. The director of properties estimates that the initiative in total has cost MKB ten million SEK — in other words the expenses was recovered already after the first year according to the consultants’ investigation. However, the figures must be treated carefully, partly because they are estimations, and partly because they depend on what was included in the cost. Included in these ten millions is two and a half million paid to residents in reduced rents, and two million placed in the investment funds since 1993. In addition to the decreased damage costs the self-maintenance has lead to, MKB has also saved money on smaller staff size (two posts).

Being a house manager at MKB involves a great deal of social work. Holma still has a considerable share of households with social problems and to keep the positive atmosphere that has developed, one has to try to meet the needs of both these residents as well as the needs of residents from more stable households. According to the interviewed house-managers (2001), this is the most important task.

The reorganisation and the self-maintenance initiative were largely results of the MKB leadership’s own visions. Other staff members did not applaud the changes, the new tasks involved (e.g. as house-managers), nor the internal rearrangements (dismissed staff). However, after growing accustomed to the new situation, most of the MKB employees are now satisfied and positive to the changes. This is articulated from several levels at MKB.

Thus, the primary objectives for MKB to launch the initiative were fulfilled: the neighbourhood is more stable and attractive today than before the initiative, and the residents seem more satisfied both with the housing situation and with their housing company. But, added to this are other effects that are valuable for MKB, in terms of both economy and social aspects.

- The described impacts were achieved more quickly and were more extensive than MKB anticipated, and the relationship with the residents has improved significantly.

64. Unfortunately, MKB is not able to provide the details for this reference, and cannot remember the name of the company, making it difficult to validate this information.
Self-maintenance saves money for the housing company, partly because the running management costs are lower (despite the rent reduction given to the involved residents) and partly because tear, wear and vandalism has decreased due to larger responsibility taken by residents and increased social control in the neighbourhood.

Table 7.2 shows MKB’s different item of expenditure respectively profits concerning the self-maintenance. The table is not complete, neither are the posts quantified and some of the posts overlap. Still, it demonstrates how the profit exceeds the costs.

**Table 7.2. MKB’s expenses and profits for the self-maintenance initiative**

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment to individual self-maintainers: 2.5 million SEK 1993-2003</td>
<td>Lower maintenance cost</td>
</tr>
<tr>
<td>Payment to collective: 2 million SEK 1993-2003</td>
<td>Improved maintenance</td>
</tr>
<tr>
<td>Meetings with self-maintainers</td>
<td>Fewer staffs (two people dismissed)</td>
</tr>
<tr>
<td>Preparations before the initiative was launched</td>
<td>Lower vandalism: Decreased cost from 3 million SEK a year in 1993 to marginal.</td>
</tr>
<tr>
<td></td>
<td>Medial attention – improved reputation</td>
</tr>
<tr>
<td></td>
<td>Social capital and social control Improved relations to residents</td>
</tr>
</tbody>
</table>

There is however varying opinion on how and if the reputation of Holma has changed. Some interviewees (both residents and professionals) argue that people nowadays look upon Holma as a good neighbourhood with great potential, while others claim that people outside of Holma do not know about any of the changes – that the reputation remains poor. If people want to stay and make a housing career in the neighbourhood, the chances for success are small since there are few large flats. This was also deemed a problem for Holma’s continuing development by the social welfare officer and MKB’s director of properties as well as by some of the residents.

As mentioned, there are also doubts about the stability of Holma as a safe neighbourhood. The large share of young people without access to structured leisure activity makes the neighbourhood sensitive to the development of criminal activities and vandalism.

*Malmö municipality*

As noted in the quotations from politicians (see pp. 164-165), the self-maintenance is seen to have a considerable societal impact and has proved to be effective in com-
bating the negative development in a vulnerable neighbourhood. This initiative is also mentioned in a government bill as a propitious and appropriate example of how to increase the residents’ engagement and influence over their housing situation, which is expressed as a condition for sustainable development of the housing sector (see prop. 1997/98:119, p. 40).

Many actors are interested in the initiative, and housing companies, politicians and different organisations have been visiting Holma for study tours. MKB has thus served as a model for many other housing companies in not only Malmö, but also in other parts of the country and abroad. This also has impact on the ‘outsiders’ view of the neighbourhood. The attention given to Holma in media has changed from headlines depicting Holma in a criminal and violent light, to descriptions of the changes in a positive direction. This kind of positive attention may lead to integration of a previously isolated neighbourhood and marginalised groups of people into wider society. Several neighbourhoods and housing companies in Malmö have already copied the initiative from Holma, which is positive for the overall development of the city.

Decreased vandalism and criminality gives lower costs for social services, police, the treatment of offenders etc. The level of the benefits for the public economy is however difficult to measure, but according to MKB’s director of properties and the referred consultants investigation, this savings was two thirds of 29 million SEK the first year after the self-maintenance initiative was launched.

MKB’s new management approach is of great importance to everyone involved in Holma’s development. However, to the interviewed professionals not actively involved in the initiative, the specific self-maintenance is regarded as a part of a more comprehensive project rather than a single initiative. This does not mean that professionals at the city district and other places see self-maintenance as something without impact. Rather, it means that they see the initiative as one important part of many in a larger context. All the interviewed professionals, with one exception (Hcd, 2004), have a positive view of the self-maintenance and its effects on Holma and its inhabitants, even if they differ in opinion of how much of the positive improvements that have taken place in Holma are due to the initiative. A recreation leader in Holma claims that self-maintenance foremost has led to physical upgrading, where the outer milieu has improved. He argues that it is too soon to tell if there are more sustainable effects, while others argue that the initiative has meant positive ‘spin-off-effects’ for the whole municipality (YI, 2001).

A neighbourhood where people have high self-esteem and are proud of their neighbourhood and what their own engagement has lead to in terms of improvements makes engagement in other aspects of society and everyday life outside of the physical maintenance project more probable and can serve to combat marginalisation and isolation from the wider society. Due to self-maintenance, isolation has decreased to some degree for some residents, and people may develop a will to fight for their rights in other issues as well. According to a social welfare officer,
the number of social benefit receivers has decreased from 1200 people to 800 in the city district in one year (Hsw, 2001). Some of them lived in Holma (exactly how many is unfortunately not available information). He argues that it may partly have to do with the self-maintenance: people with better self-esteem are more likely to gain employment. In addition, a greater variety of people in Holma (a larger share of employed residents, as a result of improved reputation) lead to higher employment rates. Yet, one must not forget that the labour market has improved overall during this period.

Positive from a societal point of view is also the cohesion that has developed in Holma—residents who previously did not know each other have started to spend time together, which increases the internal integration in Holma. This can impact on how people look at and treat other people outside Holma. In addition, the improved atmosphere attracts outsiders to Holma and thus can help to increase integration of Holma into the larger Malmö, because when more people from outside come to visit Holma, the image is improving and not depend on the stigmatised image as a vulnerable neighbourhood. The social welfare secretary claims that people with better resources tend to move to Holma. This is a new reality for the neighbourhood.

Holma today more often than before is regarded as an alternative to move to.
(Hsw, 2001: Social welfare secretary in Hyllie city district)

However, other interviewees argue that Holma still struggles with a poor reputation, and even though the residents already living there are satisfied, outsiders do not choose to move there. Thus, whether or not Holma’s reputation has improved is uncertain.

The headmaster of the school, an employee at a child care centre and a police officer all cited networking as the most important effect of the initiative. Holma is an example where the participation in associations among residents is far-reaching, which the large number of active associations described above illustrated. The child minder claims that the networks between people in the neighbourhood are very strong (Cm, 2001). Participation in associations of different kinds can have a positive impact on the relationship between residents in the neighbourhood, which can spill over into other constellations of actors both within and outside of Holma (such as the effect of self-maintenance). The residents are participating more in activities today than in previous years. Active residents in the neighbourhood have organized a yearly carnival and ‘the Holma days’, reported one interviewee.

Not only has the networking between residents increased in Holma but cooperation between MKB and other actors has expanded compared to before the initiative started, according to interviews both with MKB and other actors. It is an easily overlooked neighbourhood and there are not too many actors involved, which may have made cooperation easier. One must not forget, though, that there still are
people that have not been reached by MKB’s initiative and that may remain just as isolated as before, if not more so. Therefore, there is more work to do before the overall societal goal of social inclusion and integration is reached in Holma.

The previously presented statistics about Holma reveals a decreased unemployment rate and also other figures moving in a positive direction. However, it is not possible to correlate all improvements concerning the life situation of the residents in Holma to the self-maintenance initiative and MKB’s approach. Moreover, as touched upon above, the state of the market needs to be considered as an important influential factor of development in Holma as well as in other parts of Malmö and Sweden. This also applies for the decreased vacancies in Holma, even if self-maintenance in that respect possibly can have a larger impact than on other areas. The fact that people feel safe and comfortable in Holma is to an extent due to the improved outer milieu and social cohesion, and therefore many people choose to stay in Holma even if they have the option to move, which was a rare occurrence before the initiative. In 1991, 25 percent moved out from Holma. The out movers decreased during the 1990 and in 2002, the figure was only 11 percent. During the same period, the share of out movers from all of Malmö held a stable position (between 4 and 5 percent).

The large number of immigrants in Holma can have a negative effect as mentioned in the resident interviews. However, the problems related to immigrants seem to be comparatively small and this is also important to stress from an overall perspective. First, self-maintenance can be one way to increase integration between different cultures and origins and is also an important example to dispel the common myth that a large concentration of immigrants in itself means problems for the neighbourhood. In Holma, the improvements have succeeded despite a large population of ethnic minorities, which indicate that the problem cannot be immigrants, even if there still are gaps to bridge between groups. The initiative does not primarily target problems connected to a large concentration of ethnic minorities.

To summarise, the benefits produced from the self-maintenance initiative in Holma of importance to Malmö municipality are:

- Increased cohesion, as it can further impact social and ethnic integration in Malmö.
- A better reputation of Holma leads in the long-term to a more stable and positive development of the entire city.
- Higher self-esteem among the residents can in the long-term increase the possibilities for unemployed residents to find a job. Higher employment rates lead to decreased costs (benefits) and increased income (taxes). In addition, it gives a better basis for positive development of the whole city.
- Decreased costs for crime prevention measures as well as social service, police work and treatment of offenders when vandalism and criminality decreases.
However, there are still serious problems apparent in Holma, and the self-maintenance initiative cannot be the sole solution. Yet, one staff at a childcare centre acknowledged that it is much more fun to work in an area where there is a nice outer milieu and where things happen and change all the time. The social welfare officer put it like this:

Holma has its share of social problems that cannot be solved by weeding the flowerbeds … Perhaps the problems are hidden by its nice look … but still, one has to start somewhere… However, the neighbourhood has gone through a significant change… (Hsw, 2001: Social welfare secretary in the city district of Hylie)

If Holma is to continue the positive development, the self-maintenance is not enough. A couple of interviewees mention the school as the primary and most important activity to support financially. The headmaster of the compulsory school in Holma describes how important the money from the Metropolitan Policy has been for issues like language training and special pedagogues for immigrant, as the share of pupils with foreign background are so large (Hm, 2001). The school has a very important role in the future of Holma and of Malmö, and ethnic integration is crucial and most important to work for in the schools.

Thus, there are other measures and initiatives than MKB’s that are of importance for Holma’s development. Still, most interviewees regard the self-maintenance as very positive and of real importance to strengthen the role of Holma in Malmö. It cannot solve all problems, as already said, but it can give beneficial fundamental conditions to continue the positive development, concerning e.g. getting people into the labour market. Such problems, however, also need more focused and specialised support, which partly is given by the Metropolitan Policy’s activities.

Mutual benefit through the self-maintenance initiative

The interviews conducted for this study do not represent the entire population of Holma nor all the professionals with a connection to the neighbourhood. However, I can conclude that the interviewees view the self-maintenance initiative as a positive and influential factor for Holma’s positive development, especially when compared with the previous situation in Holma. This corresponds to the general opinion of the self-maintenance initiative articulated in my interviews, newspapers and by visitors.

There are visible effects from the initiative, of benefit to both the residents and MKB as the landlord. These visible effects are the improved outer milieu that has in turn attracted study trips and outsiders to visit the neighbourhood.

Furthermore, the initiative is considered positive in aspects not visible to the human eye. These effects can be regarded as more long-term than the immediate
physical results of the work in the neighbourhood. First and foremost, it concerns
the well-being of the residents: working together in groups and feeling a sense of
responsibility over the appearance of Holma has increased the psychosocial well-
being for several of the interviewed self-maintainers, and has led to higher self-
esteeem in some cases. These positive variables improve the overall quality of life.
Togetherness and fellowship have also developed among some of the self-
maintainer groups, and activities deriving from this have sometimes attracted
residents not involved with the initiative.

Working in groups has meant cooperation and networking between people who
were once strangers. From an integration perspective, this is important as preju-
dices and conflicts between groups can be confronted and perhaps leads to greater
understanding of differences. Yet, there is more work left to do, since not all ethnic
groups are represented in the self-maintenance.

Another important benefit from the initiative is that residents now consider the
neighbourhood to be safer, partly due to the removal of shrubs, and partly because
of increased social control due to networking. The disturbances during the last year
are exceptions from the improved feelings of safety.

For MKB, the long-term benefits derive from the higher quality of life of their
residents, since improved well-being among residents leads to a more stable
neighbourhood. Increased responsibility among residents has led to decreased
vandalism, which in turn has led to lower costs. By allowing residents to do self-
maintenance, the quality of the maintenance has increased while the cost has de-
creased. According to interviews, the relationships between residents and MKB
staff has also benefited from the initiative, and from MKB’s overall new approach.

In a long-term perspective, the municipality of Malmö can benefit from the ini-
tiative, even if the benefits are not obvious and cannot be taken for granted. Im-
proved reputation can lead to a socioeconomic mix of residents in the neighbour-
hood, and thus integration in Malmö can improve. Another scenario is that the
improved sense of well-being and self-esteem among the residents helps them enter
the labour market and thus contribute to a higher employment level in Malmö,
with many positive side effects stemming from that change. Decreased vandalism
also gives benefits to the public in form of decreased costs.

There is also a spill over effect as a result of the interest the initiative has gener-
ated in the media and among planners, housing companies and municipal staff.
Not only has this lead to similar initiatives elsewhere, but also to renewed confi-
dence among MKB staff and the residents in Holma that the initiative can be de-
veloped even further.

However, the picture is not only positive. Holma has problems that need to be
targeted with measures other than self-maintenance. Together with other initia-
tives, the possible positive effects of the self-maintenance may expand.
Housing and Job Creation Hand in Hand

The neighbourhood of Örtagården

Figure 8.1. Map pointing out Rosengård
With permission from Malmö Stadsbyggnadskontor.

The city district which is the focus of the second case study area is called Rosengård. It has slightly more than 21,500 inhabitants (2003) and is situated about 4 kilometres east of the city centre. Rosengård was built during the Million Homes Programme. Criticism towards Rosengård and other Million Homes Programme neighbourhoods began as soon as the first residents moved in. The houses are mostly multifamily dwellings.

Rosengård is large and consists of nine neighbourhoods with diverse owners and the characters of the neighbourhoods differ. Several of the neighbourhoods in Rosengård have suffered from problems such as vandalism, crimes and high
unemployment levels, but with varying degrees. The central parts south of the indoor centre have significant tenant turnover and a large percentage of newly arrived refugees. The percentage of unemployment and benefit dependency is high in these neighbourhoods, while the northern areas are more stable, with a large share of labour force immigrants and a greater share of native Swedes (Johnsdotter, 1997). In the northern parts there are also some co-op houses where economic and social problems are less pronounced than in the rest of Rosengård. The municipal housing company in Malmö, MKB Fastighets AB, is the owner of three neighbourhoods in Rosengård, and it is their initiatives to combat segregation and improve the quality of life for their residents that will be examined here. The main focus for this case study is Örtagården, one of the three MKB neighbourhoods. However, the inhabitants seem to use the name ‘Rosengård’ rather than the name of the specific part of Rosengård, and people living outside of Rosengård do not distinguish between the different parts. In this text both Rosengård and Örtagården will therefore be used.

There is good public transportation to the central parts of Malmö, and both public and commercial services are well developed within Rosengård, including a shopping centre that serves the whole area. In addition, many special stores have developed to serve the population, who often originate from other parts of the world.

Compared to the rest of Malmö, Rosengård has very few small flats and overwhelming number of flats with three rooms (see figure 8.2). The three-room flat is the most common type of dwelling built during the Million Homes Programme, because it was seen as optimal for the standard family at that time.

The focus on this type of flats during the time of construction has thus created a lack of larger flats today, especially for the large refugee families that have become common in the neighbourhood, but until recently have been quite rare in Sweden. This generates overcrowding, as the size of the flats are not suited for the very large households, which in turn makes the occupancy rate much higher for Rosengård than for Malmö as a whole. In 2000, the occupancy rate was 3.38 persons per flat in Örtagården compared to Malmö’s 1.88.

Table 1 in appendix 6 shows that the occupancy rate is significantly higher in Örtagården than in the greater Malmö region. These statistics are not completely accurate due to the large hidden numbers of the many asylum seekers waiting for Swedish resident permits, and meanwhile live with family or friends instead of at the special refugee camps available. These refugees are called ‘ebos’ and further the

65. In the following section, all statistical facts for Malmö derive from Malmö statistical office’s area-based fact sheets if nothing else is stated. The figures for Sweden are from SCB.
66. ‘Ebo’ derives from the Swedish term eget boende [own housing] as contrary to housing arranged by the authorities. Previously, asylum seekers were not allowed to choose where to stay during this period,
overcrowding in Rosengård, according to interviewees working at the city district (2004).

Apart from the overcrowding, the large number of households with many children is seen as a problem as they create noise and 'trouble' for neighbours (see table 2, appendix 6). The development of youth gangs also makes the area unsafe.

![Graph showing dwelling units in Örtagården, Rosengård, Malmö, and Sweden in 1999.](image)

**Figure 8.2: Dwelling units 1999**

Compared with the total stock of dwellings in Sweden and also compared with Malmö, Rosengård (and the unit of Örtagården) has an overwhelming number of three room flats and a small share of both large and small flats (vårk means rooms plus kitchen)(Malmö statistical office and SCB).

Örtagården has a population of almost 5000 (2003). 60 percent of its residents are born outside of Sweden. In addition to this, 31 percent are second-generation immigrants, defined as both parents born in another country.

The share of immigrants reached a peak in the mid 1990s and has decreased since then (see table 3, appendix 6). Many of the immigrants are quite new in Sweden - at least 50 percent of all immigrants in Rosengård have lived in Sweden for less than seven years (SOU 1998:25). The most common countries of origin are former Yugoslavia, Lebanon and Iraq.

---

but in 1994, this regulation was changed and today a large share of the asylum seekers choose to live with relatives or friends.
Table 8.1. Ethnic minorities in Örtagården 2003 (1st and 2nd generations, the five largest minority groups)

<table>
<thead>
<tr>
<th>Origin (ethnic minority)</th>
<th>Born outside of Sweden</th>
<th>Born in Sweden</th>
<th>Total</th>
<th>Amount of total pop</th>
<th>Amount of ethnic min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yugoslavia</td>
<td>921</td>
<td>378</td>
<td>1299</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Lebanon</td>
<td>443</td>
<td>516</td>
<td>959</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Iraq</td>
<td>399</td>
<td>99</td>
<td>498</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>362</td>
<td>70</td>
<td>432</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Turkey</td>
<td>87</td>
<td>95</td>
<td>182</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>All ethnic min in Örtagården</td>
<td>2922</td>
<td>1529</td>
<td>4451</td>
<td>91%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Malmö statistical office.

Ethnic segregation is obvious in Rosengård. It is not segregated in the way that only one ethnic group are in the majority. On the contrary, as table 8.1 shows it is indeed a multi-ethnic society, but without a significant number of native Swedes. The diversity leads to conflicts of different kinds and the lack of inhabitants of Swedish origin diminishes the quality of the schools, especially related to language skills. Many of the residents have most of their social life within the neighbourhood and with people from the same country or culture. This means that social networks often stay within their own culture, and many people lack contact or relationships with Swedes, and therefore experience difficulty learning the Swedish language and taking part in Swedish society.

The average income in Örtagården is lower than Malmö’s total average and corresponds to the working situation. In 2000, the average income per year in Örtagården was 154,700 SEK in comparison to Malmö, where the average income was 189,400 (see table 4, appendix 6). The employment rate has decreased during the 1990s. In 1999 only 20 percent of women and 27 percent of men had a job in Örtagården. Still, the situation was even worse in the beginning- and mid 1990s. After 1996, the labour market has improved and unemployment has started to decrease again. A consequence of the low employment rate is a high share of social benefit receivers. In Örtagården 61 percent received social allowances in 1997, which was more than three times than Malmö municipality average (see table 5 and 6 in appendix 6).

Looking at social allowance at the household level, the figure for Örtagården in 2002 was 53 percent (in Rosengård 37 percent), which is a very high percentage compared to the total average in Malmö of 11 percent. Still, it is an improvement compared to 1999, when the figure was 67 percent compared to 18 percent in Malmö (see table 8 in appendix 6).
The social and economic problems have given Rosengård a disreputable image, which also can be illustrated with a high turnover rate (table 7, appendix 6). However, this rate has decreased during the 1990s, partly due to an increasing housing shortage, but there are still more people moving out from Örtagården than people moving in.

Actors and relations

Johnsdotter (1997) claims that the level of cooperation between different organisations in Rosengård is strikingly high, and that there are large numbers of projects involving different actors. She even argues that the bureaucratic inflexibility that the Swedish public sector often is accused of seems to be less influential in Rosengård.

As in Holma, it is assessed that MKB has improved their relationship with their tenants in Rosengård after the reorganisation in the early 1990s. Residents are regarded as important actors with knowledge of significance needed by the housing company in order to improve stability and attractiveness within the neighbourhood.

However, the initiative launched by MKB in Örtagården is different from the one in Holma. In Örtagården, MKB is the initiative taker and also the main financier, but runs the initiative together with two important cooperation partners: Malmö Enterprise Centre (MNC) and Personalpartner AB.

Personalpartner AB is a private education and service consultant company. They were established in 1989 as Personalservice AB, but have changed name to Personalpartner.67 The activities are directed towards work and rehabilitation, integration, and creation of employment. The following services are offered (http://personalpartner.se 2004-04-15):

- New employment: Solutions customised from the individual's wishes and qualifications.
- Trainee placements: On assignments from authorities, organisations and companies, Personalpartner AB assists to create placements for individuals and groups with difficulty entering the labour market or who for any reason have been forced to change profession.
- Individual 'Start-up businesses'-education: Consultation via networks of experts in different fields.
- Guarantee of goal fulfilment: If the assignment to find the right place for the right person is not fulfilled, there is no charge for the service.

67. When carrying though the case studies in 2001, the company's name was Personalservice AB. In April 2003, they changed name to Personalpartner AB, and also slightly changed the direction of their activities. However, the changes do not impact on the result of the study. To avoid confusion, I have chosen to use only the new name in this study.
Malmö Enterprise Centre, MNC [Malmö NyföretagarCenter] is an establishment, founded and financed by the local businesses with the aim to create new enterprises and strengthen the climate for development and enterprise in Malmö. By giving advice free of charge to residents who want to start their own business, MNC helps new enterprises build the foundation necessary to survive and become successful. Many companies sponsor MNC, which apart from the financial aspects gives the new entrepreneurs important connections and relations with different actors in the trade and industry. MNC moved together with Personalservice to Rosengård into the ‘House of entrepreneurs’ in January 1999.68 The city of Malmö contributes to MNC by giving ‘advisory cheques’ to support their work with immigrants that experience language difficulties, as this group is in need of extra support when starting up an enterprise. The staff of MNC and Personalpartner AB have backgrounds in social work, such as social services, the public employment agency and the treatment of offenders.

MKB works in close collaboration with both MNC and Personalpartner AB around the initiative in Örtagården. It is important to stress that not only MKB, but also the other two partners have consciously worked to earn the trust of their customers by treating them equally and with respect. This is assessed to have worked out well, according to the interviews that reveal that residents in Rosengård trust the staff within the initiative. The municipality is also involved in the initiative, but limited to the economic support provided to MNC as described above and in the educational part of the Commission office which will be described later.

Like in Holma, MKB staff has reacted in various ways to MKB’s new organisation and initiatives. While the leaders of the housing company together with the two partners have been strongly convinced of the potential benefits of the reorganisations, and the collaboration around the new initiative, some employees at MKB have been more sceptical, and others have opposed the ideas. However, according to interviews with house-managers and the director of development (2001), most staff members today seem to agree with the leaders that the new direction was the right decision.

There are also a whole range of other actors in Rosengård not involved in the initiative, both private entrepreneurs and public agencies. However, despite the aim of the initiative (to create improved possibilities for employment among MKB’s residents), which is also highly interesting to the public sector, there is a lack of comprehensive cooperation between the partners in the initiative and the public authorities. Instead there have been conflicting views about how this issue should be handled appropriately, which has decreased the trust between MKB and

68. According to MKB’s director of development, 2004, MNC is not anymore located in the House of entrepreneurs, and they are about to reorganise.
the public employment agency rather than improved this relationship. This may have made the potential for networking around other issues difficult.

However, according to interviews with staff in the initiative and other professionals in Rosengård (e.g. Red, 2001; Rsw, 2001) the collaboration between actors such as the municipality’s different authorities and MKB and the JEW has improved during the latest years. In addition, none of the professionals interviewed in the spring of 2004 experienced any conflicts between themselves and MKB. The co-operation is still limited, but this is not caused by conflicts, rather by the different target group as the city district and the employment agency have a responsibility to serve all citizens, while MKB is only responsible for its residents.

Like in Holma, there are significant differences between some groups, e.g. due to lifestyles, religion, or cultural values, which can lead to conflicts between residents. However, this problem was not especially pronounced in the interviews, even if increased networking between diverse groups of residents seemed to be desirable. In Örtagården, there is a range of associations in which residents actively take part. These associations are mainly directed to a small group of the population, often a specific cultural group.

Problems in the neighbourhood

Rosengård suffers from problems such as high rates of social welfare benefit dependency and unemployment. Apart from this, the neighbourhood has long suffered from poor publicity about high rates of crime and vandalism. Despite the actual problematic situation, this stigmatised image is exaggerated and created by people without real knowledge of the neighbourhood. This unfair picture of Rosengård has become yet another problem that must be tackled. Many of the interviewed – both residents and professionals - think that the prejudiced image of Rosengård is the largest problem of all. Johnsdotter (1997) describes this as something that happens along the way between the local practice and the public discourse: problems specific for certain groups are applied on ‘immigrants’ or ‘Rosengård residents’ in general.

Rosengård also has a significant concentration of people originating from other countries than Sweden. The immigrants are not a problem per se, but when the concentration is as dense as it is in Örtagården (over 90 percent have other origin than Swedish if both first and second generation are counted), it causes problems of segregation and marginalisation that in turn have negative effects on other aspects in the local community. One risk is that the negative image of the neighbourhood also infects the inhabitants, making them feel badly about their neighbourhood and their lives, despite that many of the interviewed residents acknowledge that they feel safe in the area and like their home and neighbourhood.

A large percentage of the population has either never entered the labour market or been outside of the labour market for a long time. In addition, immigrants,
especially from countries outside Europe, often have more problems than Swedes in accessing employment, due to language problems, racism and/or cultural differences. The high concentration of ethnic minorities in the area therefore increases the level of unemployment and the marginalisation from the rest of Malmö. Furthermore, the public employment agency was centralised in 1996 and therefore closed its local office in Rosengård.\textsuperscript{69}

In addition to and as a consequence of the prejudices, Rosengård is given special treatment in a negative sense; one interviewee described it as ‘a society within the society’ (JEW2, 2001). The notion that immigrants do not want to work is another common prejudice that the interviewed residents as well as the professionals at the JEW react against. Still, many interviewed unemployed residents argue that not having a job leads to problems in the neighbourhood and within the family, and they claim they would like a job more than anything else.

Both residents and professionals interviewed in this study define unemployment as one of the primary problems in Örtagården/Rosengård, but a problem of the same size, according to several interviewees, is the concentration of people with other ethnic background than Swedish, or rather the lack of Swedes living in the neighbourhood (e.g. R7; R11; R12; R14). Many of the residents stress the quality of the schools and education as an equally important problem to address. About 95 percent of the pupils have a mother tongue other than Swedish, which makes it difficult to achieve a quality of the education at the same level as other neighbourhoods. The concentration of immigrants also means a higher share of children than usual, because large families are more common in several of the cultures that dominate in Rosengård. As shown in table 2 (appendix 6), the percentage of 0-5 year olds are 15 percent in Örtagården and the 6-15 year olds 25 percent (2000) compared with Malmö’s average with 6 respectively 11 percent. Residents interviewed experience that it is a common feature that parents do not take care of and raise their children ‘as they should’, which results in a lot of noise and trouble both day and night. The large number of young people implies that schools and childcare cannot manage to take care of everyone properly. In addition, there have been large cutbacks in the social services. The criminality among youngsters is therefore a large problem in the area, one that is difficult to solve. The police in Rosengård address this as the most serious problem of all (Rpo, 2004).

Not all of the interviewed residents in Rosengård/Örtagården see problems in the neighbourhood. They experience the area as a modern, spacious and well-organised place where they feel safe and comfortable (e.g. R5; R6; R8; R15). The only problem for this group is the unemployment and the personal negative conse-

\textsuperscript{69} However, my interviews reveal that there are different opinions concerning the effects of the centralised public employment agency. Some argue that it is positive for the population of Rosengård to go into town for errands, while others argue that it increases the isolation in Rosengård as people avoid going there.
quences that follow with not having a job, e.g. benefit dependency. The people expressing this view have managed to ignore the reputation and image of Rosengård that the media projects and shares with most people in Malmö. Several interviewed residents, both native Swedes and people from Iraq, Lebanon, Bosnia and Herzegovina and Somalia stress the positive sides and argue that Rosengård has everything that is needed in terms of service and activities.

![Figure 8-3. Örtagården](image)

*Photo: Lina Martinson, 2004.*

Ever since Rosengård was new, it has been, and still are, the focus for many researchers from various fields (see e.g. Flemström & Ronny, 1972; Johnsdotter, 1997; Popoola, 1998; Carlbom, 2003).

**The job initiative**

In MKB’s reorganisation in the beginning of the 1990s, the company’s structure was changed to a less hierarchical one, where the needs of the residents were seen as the main argument for change. However, there were obstacles within the company, most obvious exacerbated by the lack of systemised knowledge about the residents and what their needs in fact were. The policy of the company’s new organisation had goals and business strategies to follow, but the situation in Rosengård demanded supplementary concrete goals and plans. A ten-point programme of guidelines for future developments was therefore drawn up during the autumn of 1992 (Andersson, Alfredsson & Cars, 1998):

1. The customer in the centre – proximity and availability
2. Fulfil, respect and make use of the different needs of the different customers
3. Develop quality of living (concrete grasp of individual needs and desires)
4. House-keepers introduce themselves to new customers
5. Develop ‘Housing Information’
6. Further develop the stairs-keeper concept
7. Further develop different kinds of networks
8. Develop social self-management
9. Help find jobs for the area
10. Develop the environment programme

In the mid-1990s, MKB carried out interviews with their residents and found out that the most pronounced problem was the unemployment as it constituted an obstacle to well-being for many of the residents. MKB started to work unconventional and tried to find ways to create jobs for their residents. There is, apart from the will to look upon the residents’ needs, also a long-term motive to do this: MKB’s vulnerability decreases if the residents can manage to ‘stand on their own feet’ financially. This will also have positive social consequences and broaden the social networks and thus lead to less disorderly conduct.

Jobs are particularly important for those people with another mother tongue than Swedish, not only for the economy and the personal well-being, but also as a means to integration. Since important networks often develop at the work place, work is frequently seen as the most effective means to integration, and because of the large percentage of people with another origin than Swedish in Rosengård, this was just another reason for MKB to improve the employment rates.

MKB, together with MNC and Personalpartner AB (at that time Personalservice AB), developed a local economic development strategy that is unique in Sweden. Unorthodox initiatives to employment schemes have developed from MKB’s new business philosophy and the company’s overall objectives, and especially from the ninth point of the ten-point programme described above. The philosophy strongly emphasises activities derived from the needs of the residents (points 1-3). The idea emerged when the public employment office in Rosengård closed down in 1996 due to centralised organisation. The strategy includes three initiatives – the ‘House of entrepreneurs’, the ‘Job emergency ward’ and the ‘Commission office’ - and will from now on be called the Job Initiative as a generic term.

The House of entrepreneurs
The House of entrepreneurs started in 1997 as a local response aimed at giving support to enterprises establishing themselves in Rosengård. Research has shown that Swedes with a foreign background are in a disadvantaged position in the recruitment process in many companies and that immigrants are more interested in starting up new businesses than the rest of the population (see e.g. Hertzberg, 2003). Due to the large population with foreign background, the interest for new businesses is most likely strong in Rosengård.
The main objective with the House of entrepreneurs is to provide better possibilities for new entrepreneurs to develop and manage their businesses. The ambition is for the entrepreneurs themselves to be active in the development of the business centre, and to promote a feeling of community spirit. Another objective is to change the image of Rosengård from a poor disadvantaged area to an attractive area with mixed functions – to encourage new businesses to start up in the neighbourhood.

The location of the House of entrepreneurs is central in Rosengård, with access to the commercial centre. Not all of the entrepreneurs with offices in the house live in Rosengård, but they are expected to draw resources to the area, which can help diminish the bad image of Rosengård amongst people from the ‘outside’. The increased daytime population also provide an increased customer supply (MNCmd, 2001). In this way, MKB hopes to contribute to the social and economic stabilisation of Rosengård, according to MKB’s director of development (2001).

Figure 8:4. The House of entrepreneurs

MKB owns and manages the House of entrepreneurs in cooperation with Malmö Enterprise Centre, MNC. MKB is financing the project by offering substantially subsidised office rents and serving as expert help through MNC’s ordinary activities.70 Through the favourable rent, they attract entrepreneurs to Rosengård. MNC has, via sponsors and other contacts, a considerable network that can be used by the new entrepreneurs in terms of expert help and advising (juridical, economical and in terms of experience). There is also a series of evening seminars that the customers are welcome to join.

70. Due to secrecy, MKB cannot expose the exact rent levels.
The building where the House of entrepreneurs is located was originally residential and it still has pretty much the same design as other buildings in the neighbourhood. Until 1996 the public employment agency (PEA) rented one storey of the building. They have since then been centralised and are now located in the central parts of Malmö. Today, the building comprises small offices for 20 companies, and two conference rooms. There is also a three-room guest flat at the second floor. There are plans to further develop the building to suit the activities better.

Today the House of entrepreneurs includes a variety of enterprises, e.g. one firm dealing with accountants, six international and one national trade companies, several firms dealing with advertising, a couple of computing companies, and a broker. In total 23 different entrepreneurs have activities in the House of entrepreneurs (MKB statistics, 2004). Over the years, some firms have moved and left space for new ones.

Prioritised companies are official service enterprises. MNC wants to avoid competition within the house, so they try to attract a large variety of businesses. However, they cannot accept retail trade or other ‘noisy’ businesses. Another aim is attracting business owners of different ethnic origins, so that an ‘international trade centre’ in miniature can develop. In 2003, 11 of the 23 activities had an international character.

The interest for the initiative is significant, also from an international perspective, so the entrepreneurs have to accept frequent visits for the purpose of studies. MNC tries to help the entrepreneurs to see the advantages of new contacts that can arise from the study visits:

Rather one contact too many than one too little (MNCmd, 2001).

MKB’s concentration on enterprising in Rosengård has become a trademark for the housing company and the city district.

How much money MKB has invested in the House of entrepreneurs is difficult to estimate, as it involves both subsidies of the rents and maintenance of the house. In addition, MKB is a sponsor of MNC, i.e. the support and expert guidance offered to the new entrepreneurs are also partly financed by MKB. However, according to MKB (statistics, 2004), the cost for 2003 was 435,481 SEK and the income from rents was 56,888 SEK each month, meaning a yearly income of 682,656. Details about the rents for premises are not possible to provide, since there is a secrecy regulation around this issue (MKBdd, 2004).

A minority of the entrepreneurs live in Rosengård while the rest commute from other parts of Malmö. All entrepreneurs connected to MNC are not located in House of entrepreneurs, but they all have to come there when they need to meet with MNC. Previously, many of these people never had visited the area (MNCmd, 2001). In addition, the customers to the entrepreneurs come to visit the offices located in Rosengård.
Enterprises started with help and advice from companies involved in MNC are well prepared and therefore successful to a large extent, argues MKB’s director of development and MNC’s managing director (2001, 2004). A larger percentage than average have been able to continue with their businesses after the critical start up period, meaning that the entrepreneur is self-sufficient and without benefit dependency. Only one company started in the House of entrepreneurs has gone into bankruptcy, according to MNC’s managing director (2001). In an evaluation made by a major large investigation company in Sweden (Temo), MNC has received very good marks, both concerning successes in the enterprises started and concerning the way customers experience the treatment by MNC (MNCmd, 2001).71

The Job emergency ward

The Job emergency ward (JEW) opened in 1998. It is a private employment agency run by MKB in cooperation with Personalpartner AB and consists of 1.5 posts shared by seven employees.72 Its focus is to combat economic and social problems in MKB’s housing estates. The JEW is located at the ground floor of the House of entrepreneurs, easy accessible for the local residents. This small-scale project is exclusively aimed at matching job opportunities with unemployed persons living in MKB’s stock.

All MKB residents are welcome, but from the start it was mostly Rosengård’s inhabitants that used this service. This made the staff realise the importance of closeness to the clients. After two years, they started branch offices in three other neighbourhoods with similar unemployment problems around Malmö, and since 2002 they have a ‘travelling office’ in a minibus to reach as many residents as possible (MKBdd, 2004).

The ward primarily offers temporal employment for those who need help to get into the labour market. The temporal employment is a way for the companies to test a person’s capacity and skills. The residents visiting the JEW often have had a long period of unemployment, which has left them little hope in their chances of ever getting a job. This in turn can also affect their confidence in other personal abilities. No special skills or knowledge of the Swedish language are demanded of the people seeking a job through the JEW contrary to the PEA.73

The parties decided not to have any organised cooperation with the PEA or the social services, since they found that employers were dissatisfied with clients from these instances. They found them unmotivated, because the reason for applying for

---

71. It has been impossible for me to prove these statements, why the validity must be questioned.
72. These seven people also work with other activities within Personalpartner AB.
73. In the public employment agency, there are larger demands for knowledge of the Swedish language. In addition, the applicants’ risk to lose their welfare benefit if they do not apply for certain amount of jobs or take the jobs or other measures offered.
a job often was to receive their benefits. Since the JEW does not mediate any other measures than jobs, and have no administrative commitments, they claim that their clients are highly motivated (JEW1, 2001; JEW2, 2001).

The JEW’s services are free of charge both for the companies assigned and the clients registered. The only demand on the companies is that they offer contractual wages and relevant insurances. In November 2004 there were 950 registered job seekers at the JEW (MKBdd, 2004). 76 percent of the job seekers had a foreign background, which is a decrease since 2000 when 85 percent was of foreign origin (see Andersson & Cars, 2001). Since its start in 1998, the flow of registered people has been approximately 1500. In May 2004, there were 150 companies in the JEW’s customer register. Since 1998, over 600 jobs had been mediated (Moreno, 2004), of which 56 percent to men and 44 to women, according to MKB (statistics, 2004).

Table 8.2. JEW applicants (distribution of sex, age, origin and knowledge in Swedish)

<table>
<thead>
<tr>
<th>Applicants registered at the JEW</th>
<th>Nov 2001</th>
<th>March 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>Women</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>More than 40 years old</td>
<td>35%</td>
<td>26%</td>
</tr>
<tr>
<td>20-40 years old</td>
<td>57%</td>
<td>69%</td>
</tr>
<tr>
<td>Less than 20 years old</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Good knowledge of the Swedish language</td>
<td>85%</td>
<td>83%</td>
</tr>
<tr>
<td>Able to communicate in Swedish</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Lack of knowledge (or low skills) in the Swedish language</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Foreign origin</td>
<td>85%</td>
<td>76%</td>
</tr>
</tbody>
</table>


In the JEW’s customer register, there are companies both within and outside Rosengård. The types of jobs mediated were cleaning 20 %, industry and factory works 11 %, street cleaning and property maintenance 11 %, car washing 4 %, heavy (unskilled) work and building 13 %, kitchen and restaurant 17 %, childcare 3 %, care 5 %, and other 14 %. (Martinson & Wennerholm, 2003).

Marketing is a crucial element for the success and future of the initiative. Not primarily marketing towards the registered clients, but rather attracting companies willing to offer job opportunities. The JEW’s most difficult task is to find job opportunities – to fill vacancies is not a problem as the conditions at the labour market are given: plenty of available workers, but not many jobs demanding a low

---

74. Job searching is often a demand that the social services put on the client to receive social benefits. Similarly, to receive the unemployment benefit fund, there is also demand that the unemployed must apply for jobs.
skilled labour force, according to staff at the JEW (2001). Two forms of marketing can be identified in the JEW’s activities. First, there is publicity through personal contacts, leaflets and radio commercials. Second, the existence of the JEW is spread through the existing networks in Rosengård (Cars & Hagetoft, 2000). The initiative got much attention in media during the first couple of years, but lately there has been little reported in the media. According to Martinson and Wennerholm (2003), the JEW would benefit by doing something to attract media attention once again as a mean to spread their trademark effectively.

The project is unique in several aspects:

- Labour market policy is not necessarily a task for the housing company. Rather, MKB has been criticised for taking this step into the labour market policy arena that traditionally belongs to the public sector.
- The JEW has a different objective than what is common in Sweden. The main target group is the local population, contrasting to the trend of centralisation and division into economic sectors. It should therefore be seen as a complement to the PEA, not a competitor.
- The JEW has a ‘back to basic’ approach: They promise quick handling of the errands, matching unemployed and vacant job opportunities the same day if possible. The PEA used to have a service like this before, so the JEW can be said to have filled that hole.
- The JEW does not carry out any additional labour market measures than employment, and there are no connections to, or demands from, the public authorities (see e.g. Widling, 1997; Nilson, 1998).
- The JEW does not demand any special skills from their clients. The philosophy at the JEW is that the best way to learn Swedish is to work and spend time with Swedish speaking people at the work place, in contrary to PEA, where immigrants most often have to pass a course in Swedish called ‘Swedish for immigrants’ [svenska för invandrare], SFI, before becoming eligible for their services.

Over 600 jobs have been mediated through the JEW since its start in 1998 until November 2004. Most of these jobs do not require education, e.g. shining, care taking, and mechanics. Increasing amounts of these mediated jobs lead to longer or permanent employment despite the approach of primarily temporary employment (about 30 percent in November 2001). This is a development that seems to continue. The JEW has a good reputation and many of the companies that have worked with the agency return when they need to recruit new employees (JEW1, 2001). The validity of this statement is however difficult to measure, as staff at the JEW report that the companies in need of new staff most often turn directly to an earlier employed person that used to work at the company, not to the JEW.
Since 2003, the JEW also offers societal guidance to MKB’s residents, and they can e.g. get help to translate communication from authorities or help to write letters (MKBdd, 2004).

The Commission office
As a complement of the JEW, the Commission office (CO) has been set up in Rosengård. The background of this initiative is that the JEW staff realised that many solidly skilled job seekers were registered, but these people still had a difficult time to get at chance to show this on the labour market. People connected to the CO are own entrepreneurs and serve as consultants, which makes them available and attractive to the labour market for shorter assignments, because it has showed that employers rather rent personnel than employ. They can thus be seen as something in between employment and rented staff.

In the CO, the consultants get help with administration, such as invoicing, VAT accounting and bookkeeping. The CO advertises for their clients and mediate commissions.

It is a project financed mainly by MKB. However, MKB is dependent on co-actors to manage and run it. Personalpartner AB is the most important co-operator. But the project also includes a six-week training, which is financed by the municipality (city district of Rosengård). The same staff at Personalpartner AB works with the CO as with the JEW. Just like the JEW, the CO is directed only to the residents of MKB.

The idea with the CO is that each project will continue for six month financed by MKB, and then gradually be transformed to enterprise activities supported by the clients as entrepreneurs. The consultants must be prepared to work for different employers, so that it does not become a covered employment. This kind of activities gives possibilities for the consultants to show their skills and after some time perhaps change the commission to a real employment. However, at the moment (November, 2004) reorganisation of the initiative is going on and some changes will probably come out of it (MKBdd, 2004).

Unemployed people can be registered in the project for six months. During this period, a mapping of skills and appropriateness of the participation of the CO is made. If the person is assessed to have the right skills to manage his or her own business and the business idea is convincing, the person can begin a training program which includes jurisprudence, marketing, economics, insurances and the philosophy of business-making (Andersson & Cars, 2001).

After the first six months, an evaluation of the project was carried out that resulted in a draft of a financial model for the future of the project. The model includes five different phases of education, practice and employment. Every phase has its own financial construction. The evaluation reveals that the largest obstacle has been to find out how to divide the financing between the actors involved and
how to reach a sustainable financing for their wages for the home service consultants (MKB, 2001). Today (2004), the CO functions mostly as a complement to the JEW where the CO mediates commissions to single entrepreneurs. Gardeners, painters, and carpenters are examples of professions connected to the CO (MKBdd, 2004).

The first group of entrepreneurs (four women) in the CO started their activities in the spring of 2001 and they are consultants in the area of home service (charring work). Their main task is to carry out domestic work for private persons across Malmö. In the home service area the ‘black’ (illegal) economy is wide spread, because the ‘white’ alternative is far too expensive compared to what most people in private homes are willing to pay. By offering white charring work at low expense, the CO competes with the black economy. This means that the consultants have to accept a low salary. The idea from the start was that the home service consultants would keep their allowances from the social services and supplement their income with the salary from the charring work, but there were administrative difficulties that hindered an arrangement like that. In Sweden there is a minimum income level for receiving social benefits. The consultant would exceed this level (despite the low salary) and therefore not be allowed to receive allowances – no exceptions were made in favour to the project. To continue the project, MKB became the main financier of the project by paying the difference between the salary the consultants earn through their work and the salary adjusted to the market. The motive for MKB is, as in the other initiatives, to help their residents to access employment, which in long term will make the neighbourhood more stable.

Today (2004), the ‘home-service consultants’ has developed to an own project with broad collaboration between several actors in Malmö, and the activity has also moved to another neighbourhood in Malmö. It is a 22-months project with the objective to help 15 unemployed immigrant women from social benefit dependency to own entrepreneurs (MKB, 2004). The municipality is one of the driving forces behind this project.7

Critique

MKB has been criticised for opening the Job emergency ward. The critics’ main concern is that mediating jobs should not be a task for a housing company. Other criticisms question the way MKB handles finances: supporting some individuals instead of investing the money in the housing stock that would benefit more people.

75. I will not go into details of this new project since it goes outside of my case study, but it shows that the activities going on in the neighbourhood and with MKB as the initiative-taker is developing and continuously changing.
The most criticism comes from the PEA and the County Labour Market Board. The latter claims that MKB should have discussed the employment problem with them before starting their own agency. The labour market manager said in a newspaper article:

I am disappointed at MKB … because they did not discuss the problem with us first … besides, one can question if this is what MKB should be doing. (utterance from the labour market manager in “Ska MKB syssa” 1997, my translation)

Other critics pointed out that the local labour market of Rosengård counteracts the central employment agency’s work for opening up the labour market to the larger Öresund region.

We have left the stage when we talked about local districts … when it concerns work, we discuss the region of Öresund. (utterance from the labour market manager in Rydehagen, 1997, my translation)

When the critics of the JEW diminished, another criticism directed towards the Commission office (CO) emerged when they started their activities. People were annoyed by the fact that MKB pays the salary of some of their residents instead of investing these resources on areas that would benefit all residents, like physical renewals or lower rents. MKB’s defence of this criticism is their long-term motive: The stabilisation of the area will benefit all inhabitants as the reputation of both the neighbourhood and MKB as a landlord will be improved. This will make it more attractive to be an MKB-resident, wherever that resident might live, and it will in the long run give more possibilities for the company to develop and maintain all MKB’s neighbourhoods and houses.

The CO is also criticised for supporting a return to an antiquated society with major class differences as home service consultants have the same job function as maids once did. Interviews show, however, that the home service consultants themselves are proud of the job they do and do not think of it as a demotion (R2; R3; R5; R6). They are their own entrepreneurs and see their activities as proper businesses with a high status. This is also stressed in newspaper articles. Compared to receiving social benefits, as before, the life quality has rose significantly:

I have nothing to be ashamed about. It feels more dignified to have a real job than receive social benefits. (utterance from home service consultant in Löfgren, 2001)

This is an important and interesting discussion that will continue in the analysis.

Despite the critics, the goals primarily set up for the initiatives pursue an activity that is well in line with the goals set up by central government and the municipality, to get people into work and combat social segregation and exclusion. It shows the discourse in the labour market discussions and the survival instincts in the business society in Malmö (Cars & Hagetoft, 2000).

Today, MKB is no longer especially criticised for their initiatives involving the labour market. On the contrary – all people interviewed in spring 2004, particularly the director of the ‘work and education’ department at the PEA, stressed the importance that people in Rosengård access employment; how the achieve this is less important. Therefore, the initiatives from MKB are merely positive as long as it helps people. Yet, one critique that emerged was that even if there is nothing wrong with MKB’s job initiative, there are other areas where MKB’s competence is more appropriately suited and where they could be able instigate change. The effects of the job initiative are minor in relation to the large unemployment rate, and to discuss the effect in terms of combating segregation can be questioned, according to an interviewee at the PEA (Pead, 2004). What MKB instead should focus its efforts on, and where they really have mandate to do something important is related to the housing segregation: MKB as the largest housing company in Malmö should, according to the same interviewee, be able to steer where they place residents, so that not all vulnerable households end up in the same neighbourhood. This would be a much more valuable and fruitful approach to combat the problems from MKB’s part than dealing with labour market issues on a small scale, according to the director at PEA.

The target group is another issue that is criticised both by professionals in the city district, PEA and by residents. An interviewed resident makes this clear:

It is a pity that no other than MKB’s residents can be involved in the JEW. There interest is strong and the social benefit dependency also needs to be abolished in the parts of Rosengård not owned by MKB. (R1: Women from Kosovo-Albania, registered at the JEW)

Inspired by MKB, Malmö municipality have today (2004) appointed a working-group with the commission to suggest a Job emergency ward and a Commission office as complement to existing activities in Malmö. The working-group consists of actors from different public sectors as well as the private sector (http://malmo.se 2004-11-24).[77]

[77] This is made within Malmö’s action programme called ‘Welfare for all’ [Välörd för alla]. It is a thorough programme with the ambition to break the negative development that Malmö has been subjected to the last years.
Has the job initiative created value?

The job initiative is one of many projects initiated and managed by MKB, but it is unique because of its character of being a labour market project. According to the MNC director, the approach is breaking new ground for housing companies in the way they confront social and economic problems in disadvantaged neighbourhoods. However, not everyone agrees to this positive image. Traditionally, the municipality, the County Labour Board, and the PEA have handled labour market issues. When MKB took the initiative to the Job emergency ward (JEW), a debate about roles and responsibilities transpired. The County Labour Board and the PEA feared that the new employment agency would interfere with their own strategies and methods to help the unemployed find a job (Cars & Hagetoft, 2000).

As mentioned, the initiative’s impact is difficult to measure, but interviews show some of the more qualitative effects it has had for the neighbourhood and the actors involved. From this, it is possible to discuss the outcomes in terms of value-creation. A discussion about how the different actors involved assess and experience the initiative here follows.

Residents

The residents in Örtagården are very diverse in terms of ethnic origin. There are no available statistics about the ethnic groups involved in the job initiative, but of the residents interviewed in this study, people from Iraq, Lebanon, Bosnien-Herzegovina, Kosovo-Albania, Somalia, Denmark and Sweden were represented. This, however, does not guarantee that the picture given of the job initiative is accurate or that all views are represented. It is also difficult to know whether the initiative has reached all the different groups in the neighbourhood or if only some ethnic groups are involved. If that is the case, there is a need for renewed information, perhaps spread via the ethnic and other associations, but also by other means to reach as many different groups as possible.

The perceptions of the importance of the job initiative vary between the interviewed residents. Some of the respondents not involved in the initiative did not even know it exists (e.g. R13). Hence, the impact can be regarded as limited. The residents have not been involved in the financing or the development of the job initiative, and hence the interviewed residents did not show any opposition towards it, even if it could be possible that they would argue that MKB should prioritise other things as they pay rent and therefore indirectly pay for the initiative.

However, several of the involved interviewees maintained that the initiative together with MKB’s overall approach has been significant for the development of Rosengård in a more positive direction. The majority of the interviewees see MKB as a good landlord and the fact that it cares about their residents is a reason for Örtagården’s improved attractiveness in Rosengård:
The good thing about MKB’s initiative is that they [staff at MKB and the JEW] see us as human beings! It is important for all people to work and to meet other people. That makes you wiser and it gets easier to adjust to the society. (R4: Woman from Bosnien-Herzegovina, registered at the JEW)

They appreciate MKB’s effort to listen to the residents, and also the kind reception in the JEW and from the rest of the staff in the job initiative. Several of the interviewees registered at the JEW claim that they trust the staff and feel welcome to the JEW as opposed to the PEA (e.g. R4; R5; R6).

The large majority of interviewees think that MKB is willing to let the residents also participate in the further development of Örtagården. As long as the suggestions are rational and practicable, and MKB has the mandate to carry it out, they probably would listen and take the suggestions into account, according to the interviewees.

Figure 8.5. Garden in Örtagården

Many of the respondents with a non-Swedish background think that the close proximity to people of the same ethnic origin is one of the best qualities of Rosengård, and they want it to continue that way. Nevertheless they want Swedish people in the neighbourhood too, but as the situation is today, the working place serves as a compliment to the situation at home – a place to meet Swedes and create networks outside of the neighbourhood.

Before, we only spent time with Somalia people. (R2: Somali woman, Home Service Consultant (CO))
Networks gained through the work place are therefore stressed as important both for the interviewees' personal well being and for the integration of the neighbourhood. The effect of the JEW is beneficial for immigrants because it gives them a chance to become integrated in the labour market, and also the wider society.

For us immigrants it is hard to get employment. The job as a home service consultant is my first after eight years in Sweden! (R6: Bosnia and Herzegovinan woman, Home Service Consultant (CO))

As indicated, the most striking impact from the information in the interviews is the positive feelings that emerge when meeting other people outside of Rosengården and the creation of networks that comes with a job. With the large concentration of ethnic minorities in Rosengården, it is difficult getting to know Swedish people. Thus, through employment, the chance to meet Swedes and practice the Swedish language increases. For some of the individuals it has meant extended networks and new insights into Swedish society.

From this, one can assume that if an increased number of people with foreign background are accessing employment, the integration process will more or less automatically continue in the neighbourhood (given that other variables stay the same). Furthermore, the more people that have their own income, the less vulnerable the neighbourhood will be, and the more attractive the neighbourhood will seem to people from outside. Yet, one potential hinder is the temporary character of the job positions, which means that it is not guaranteed that employment will continue.

However, according to some interviewees, many of the residents that access employment and thus better and more stable personal economy, move out of Rosengården when the opportunity arises. This makes the integration process more difficult to combat through labour market initiatives like MKB’s.

The House of entrepreneurs’ activities and MNC’s localisation of their office draws people to Rosengården and contributes in decreasing the stigmatised image of the neighbourhood. One of the responsible actors - the managing director of MNC - mentions a great picture of the integrating process would be revealed by looking up the registration on the cars parked outside of the House of entrepreneurs. It would prove that people from many different places and social groups visit the neighbourhood. The fact that it nowadays is difficult to get a parking space outside the House of entrepreneurs constitutes a high mark to the initiative (MNCmd, 2001). This is important, but still only address a change in image for those having errands in Rosengården— it does not represent a changed opinion of everyone in Malmö.

Added to the integrative aspects, employment affects individual values such as well being and quality of life: having provision from employment means having power over one’s own life. The temporary employment mediated through the JEW
can be an entrance to the larger labour market and therefore serves as the first step
to self-sufficiency. Many of the interviewed residents are grateful to MKB for start-
ing the JEW, because a job has meant so much for them as individuals and for the
situation in the family. The feeling of safety and freedom that comes when they are
no longer under the control of authorities and the freedom of having their own
money is stressed by almost every respondent. Having a job also means pride over
oneself and a growing self-esteem.

Work is important because of social contacts, economy, and modelling for chil-
dren. (R8: Swedish woman, registered at the JEW)

There are large numbers of different associations and organisations in the
neighbourhood, which has positive effects on networking, participation and well
being in the area. However, according to many of the interviewees, these associ-
ations engage almost solely in questions other than the development of Rosengård.
Issues about the local area do not engage people, and this lack of engagement is
especially pronounced among immigrants, according to a couple of interviewees.

They have their own associations where they engage and run their own matters
instead. (R12: Swedish older man, retired, not involved in the job initiative)

Another interviewed resident says that the low engagement can be a result of the
difficulties some immigrants have in expressing themselves correctly in Swedish. A
poor vocabulary can restrain expression of opinions, because people are afraid of
being seen as stupid and as a result treated without respect.

There are also people who do not see any meaningful results from the initiative.

JEW is merely another name for the Employment Agency. (R11: Unemployed
Iraqi man, not involved in the job initiative)

The same man quoted above cannot see any difference between MKB’s job initia-
tive and other initiatives and projects to increase the employment level that are
carried out in Rosengård. Neither can he see that any of them have given any re-
results. This illustrates the resignation that can be traced among some people living
in Rosengård.

Despite some hesitation about the effectiveness, most residents interviewed in
this study are positive to the job initiative. The job initiative has as an objective to
increase the employment level in Örtagården and thus improve the stability and
attractiveness of the neighbourhood. But in addition, values of other kinds have
appeared among the involved residents:

- Employment gives individual freedom and well being (both economic and
otherwise).
Social and integrative aspects improve when previously marginalised or isolated groups of people can step into the labour market and work together with people from other areas and with other backgrounds.

Integration can also increase when people from the outside visit the neighbourhood. The House of entrepreneurs and MNC’s head office contribute to this by inviting customers and visitors to their offices.

Still, it seems like the job initiative has failed to reach all groups of residents and in order to increase its impact it needs to be introduced to the market repeatedly and in a variety of ways.

MKB, MNC and Personalpartner AB

By developing different kinds of new initiatives, MKB tries to increase cooperation with other actors in the city, and the company’s ambition is to improve the quality of life and combat segregation in Rosengård. MKB has received much criticism, but many also regard them as a model company working with social paths.

According to the interviewed employees at Personalpartner AB, working at the JEW is very stimulating. They report that the MKB-residents are motivated to enter the labour market and the staff at the JEW are happy to help. Due to the lack of other measures, only people that really want a job come here—not because they have to go in order to receive their social allowances, as sometimes is the case at the PEA. Immigrants are facing difficulties entering the labour market, despite that they may have a high education. The three partners of the job initiative agree in the interviews that there are large underused or unused resources among the residents that need to be seen and utilized. Companies are often hesitant when it comes to taking in foreign cultures since they lack the knowledge about them and fear the ‘unknown’. However, the engagement of the JEW is free of charge for the companies, and this makes some companies willing to give it a try. The fact that they can offer temporary employment to customers of the JEW is another reason to how companies can limit ‘risk-taking’ when employing new workers (JEW1, 2001; JEW2, 2001).

MKB’s director of development stresses the importance of closeness to the clients in the JEW. Some of the immigrants in Rosengård, particularly the newly arrived refugee groups, have difficulties travelling into town to visit the PEA, both in social respect, since they not know how the Swedish society ‘works’, and economically e.g. because bus tickets are quite costly.

The JEW is therefore a good alternative. However, according to an employee at the PEA in central Malmö, the centralised organisation should have a positive impact on the integration of people living in Rosengård, because the trip to the PEA in the city gives them a reason to occasionally leave the neighbourhood (Pea, 2001). Since the time when this case study was carried out within the NEHOM-project, things have changed in Rosengård. Today (2004), the PEA is still central-
ised, but a reorganisation has contributed to two special division of the PEA (called ‘Introduction’ and ‘Work and Integration’). These divisions are run in cooperation with the city district administration in an organisation called Work and Education [Arbete och utbildning] that opened within the city district because of the critical situation in Rosengård, where the concentration of unemployed immigrants is so substantial. This means that residents in Rosengård nowadays can visit the PEA locally.

According to MNC’s managing director (2001), many initiatives that deal with immigrants or other vulnerable groups treat their clients badly. It is easy to perceive some adults with foreign background as dumb because of their poor vocabulary. He explains that to be able to remove such ignorance, it is important to work close to the customers. One has to have the right attitude and treat people as one would like to be treated, and the staff working with the job initiative try to act in accordance to these guidelines. Their background in different arenas of social work has taught them this important lesson.

To provide exact figures that compare the cost and benefits of the job initiative is not possible. According to MKB’s director of development (2004), the cost for the JEW, including the CO, is 75,000 SEK per month. The gains are however more difficult to measure, but estimates done by MKB (MKBdd, 2001, 2004) indicate that the values created by the initiative far exceeds the costs. As already noted, the income from the 23 entrepreneurs’ rents outweighed the costs for the House of Entrepreneurs in 2003 (MKB statistics, 2004). However, the costs are not explicitly stated, which is why it is difficult to determine whether e.g. maintenance of the house are included in the budget for the initiative or if that cost goes within the budget for the overall maintenance of the neighbourhood, and whether MKB’s sponsorship to MNC is involved or not. In addition, the figures are only valid for 2003, and may change from year to year. It is possible that the costs were larger during the first years of the activities. In addition to the quantified income in terms of rents are stabilisation and attractiveness of the neighbourhood.

MKB’s director of development claims that the return they receive for a more stable neighbourhood is well worth the money invested in the initiative. Residents interviewed reveal that work makes them feel better. They also say that in addition to the improved economic situation for many families, the neighbourhood probably would be calmer if more people access employment. The problem of overcrowding

---

78. This is an organisation different from the usual public employment agency. It works in close collaboration with the city district and social services. Most of the social benefit receivers in Rosengård are unemployed. Therefore, to break the ‘benefit trap’, all social benefits are handled through ‘Work and education’ [Arbete och utbildning] where the primary objective is to get the people out on the labour market. In those cases where people receive benefits of other reasons than unemployment, they are directed to the ‘ordinary’ social services. And in those cases where unemployment is not connected to ethnic origin, they are directed to the ‘ordinary’ PEA in central Malmö (Red, 2004; Pea d, 2004; Peae, 2004).
would also be less marked. These factors together lead to a more stable neighbourhood.

- Stabilisation means lower costs for maintenance, wear and tear, reduced costs for vacancies and turnovers. Furthermore, a more stable area will mean a better reputation and attractiveness for both Rosengård (especially Örtagården) and MKB. Thus, the initiative has also created value for the initiative-taker.
- Even though MNC and Personalpartner AB work with high moral and social ambitions, they are companies working for profit, and would not be able to be engaged in the initiative if they did not benefit economically.

The initiative is provocative and controversial - that’s why we have succeeded.
(MNCmd, 2001)

The job initiative has raised much attention, not least in the media. Both pros and cons applying to the initiative have been voiced.79 Still, interviewees state that an overwhelming part of media’s attention in Rosengård concerns the problems, and therefore the image of Rosengård as a problem area remains.

The following table shows costs of expenses and costs that MKB have in relation to the job initiative. It is not a complete list, and it is not possible to quantify all the costs, but it illustrates that there are more positive outcomes than costs, and according to MKB it is well-invested money. The few posts that are quantified in money are from 2003 (MKB statistics).

Table 8.3. MKB’s expenses and profits for the job initiative

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries to employees</td>
<td>Rents from entrepreneurs: 682,656 SEK</td>
</tr>
<tr>
<td>Localities</td>
<td>Medial attraction</td>
</tr>
<tr>
<td>Sponsorship to MNC</td>
<td>Reputation</td>
</tr>
<tr>
<td>Preparations before the initiative was launched</td>
<td>Good will</td>
</tr>
<tr>
<td>Total cost for the House of entrepreneurs, 2003: 430,481 SEK</td>
<td>Satisfied employees</td>
</tr>
<tr>
<td>Total cost for JEW and CO, 2003: 900,000 SEK</td>
<td>Decreased wear and tear</td>
</tr>
<tr>
<td></td>
<td>Decreased delayed or non-paid rents</td>
</tr>
<tr>
<td></td>
<td>Decreased turnover rate and vacancies</td>
</tr>
</tbody>
</table>

An evaluation of the JEW made by Martinson and Wennerholm (2003) shows that MKB’s positive estimate of the initiative’s impact seems to be accurate. Yet, the positive outcome from the JEW was most pronounced during the first couple of

79. For pros, see e.g. Ranel, 1998; Rosquist, 2001, and for cons, see e.g. Rydehagen, 1997; “Kritik mot ” 2001.
years of its existence, and Martinson and Wennerholm (2003) argue that to keep the positive trend in the JEW calls for new elements in terms of media attraction. It is worth noting that this evaluation does not include the House of entrepreneurs, but according to MKB’s director of development, the largest costs for MKB in the job initiative are connected to the JEW.

Martinson and Wennerholm have captured both quantitative and the qualitative aspects in their evaluation and work with what they call the ‘effect model’. They assume that MKB’s yearly cost for the JEW is one million SEK”, and they weigh this cost proportionately relative to the respective valued and identified effects. The figures put in brackets are the weighed cost:

- Goodwill for MKB in the form of distributing their trademark (35 percent).
- Goodwill for MKB in the form of improved standing concerning social responsibility (50 percent).
- Satisfaction among the MKB staff when helping residents (15 percent).

The fact that MKB received a lot of media attention for starting the JEW has had positive impact on the distribution of the trademark. The first two years (1998–1999) meant a large surplus, which even covered the expenses for the following two years (2000-2001), but it is less certain that the last two years (2002-2003) can gain similar media attention. Therefore, MKB needs to do something to attract the media’s eye again (Martinson & Wennerholm, 2003).

Concerning the second post, Martinson and Wennerholm claim that the impact outweighs the cost, because all the residents they have asked have been positive concerning MKB’s way of working. Dividing the cost on all MKB’s households gives a sum of 25 SEK that the residents pay for MKB’s social responsibility. The authors estimate this as a reasonable or even low cost.

In a similar manner, the satisfaction concerning MKB’s initiative to help residents is large in MKB’s staff, and the evaluation shows that the staff are willing to receive a ten percent lower wage if the employer takes social responsibility. Thus, the impact outweighs the cost in this aspect as well.

Taken the three posts together, it thus seems like the JEW is a profitable service for MKB.

Malmö municipality
The same study claims that JEW is a positive source of income for the municipality and the state. Since society itself does not pay for the JEW, they can only benefit on its outcomes, even if they are small in comparison to other projects. Thus, the cost for the JEW is a burden only for MKB, and indirectly for the residents. Therefore,

80. They claim that they have got this information from MKB. However, it is a larger sum than the information given to me from MKB (75,000 each month which means 900,000 a year).
the municipality and national state cannot lose anything by the initiative, but instead saves resources if the JEW functions the way it should.

One of the professionals interviewed, who has worked at the social services in Rosengård for many years, says that the problems in Rosengård and similar areas today are as large as fifteen years ago, but also very different. The concentration of immigrants means that many ‘ordinary problems’ in neighbourhoods from the Million Homes Programme, such as drugs and alcohol, have diminished to near absence. Instead of alcohol- and drug addiction, the problems today are marginalisation and exclusion of the people in Rosengård that lead to a dependency on the welfare system and difficulties for new cultural groups to adapt to Swedish society (Rsw, 2001). This is one of Sweden’s current and most important welfare problems, and combating social exclusion and segregation is an important challenge for society.

Not only MKB has taken the initiative to decrease unemployment and act to better the situation for the residents in Rosengård. The municipality and city district as well as other actors have tried many different methods, not least within the framework of the Metropolitan Policy. Today, the city district, together with the PEA and the Regional Social Insurance Office, operates an Employment and Development Centre, AUC [Arbets och Utvecklingscenter] in five Malmö neighbourhoods; Rosengård is one of them. Another project is LÅRMIA, an initiative financed by the municipality and the PEA.

Since the PEA also has activities in Rosengård, the staff at the JEW confer with the PEA if a resident is registered at both places. Previously, there was a section at the Peadealing with temporary employment. This no longer exists, so the JEW can be said to have taken over that function. That way, the JEW and the PEA complement each other. Concerning the variety of different initiatives, an interviewed employee at the city district of Rosengård (2001) argues:

Competition is never harmful as long as you wish each other success. (Rcd, 2001)

One interviewed staff at the PEA (2001) follows the same line and argues that it is unimportant who gets someone into the job market as long as it happens. It is unfortunate that different initiatives fighting each other. It would be more useful if the initiatives of the municipality are collaborating with MKB and the JEW (Pee, 2004). It also leads to a more stimulating work, according to the city district officer.

Several of the interviewed professionals regard MKB’s initiative as not more important than any other of these initiatives. This however does not mean that it does not have a vital role. All parties that try to combat these serious problems are important and should be regarded as positive. The staff at the city district emphasises the importance of collaboration in these issues:

Collaboration is the only way to success. (Rcd, 2001)
New constellations of collaboration are needed in Rosengård, he continues. Solving the employment issue is the only way to solve the ‘knot’, he argues, meaning that other problems in Rosengård are dependent upon the employment issue.

An interviewed social welfare secretary (2001) says that it is sad that the PEA alone is not enough to handle the employment problems, but as the situation is currently, MKB’s initiative is positive. She is, however, critical against the lack of demand concerning language skills at the JEW. Her standpoint is that it is important not only to be able to speak Swedish, but also to read and write (Rsw, 2001).

Even if the primary objective of the job initiative is connected to MKB’s interests, it has also tackled problems of importance for the welfare society:

- Employment is one of the most important ways towards inclusion of marginalised people, and if the employment rate could increase in a neighbourhood like Örtagården where the concentration of people with a foreign background is large, it could have large impact on the process of integration in Malmö.
- There are also positive economical effects for the greater society, because of increased income (taxes) and reduced costs (allowances). This effect appears in all types of initiatives that lead to increased employment. However, it differs from many other initiatives in that the public does not have to venture any money.
- By creating opportunities for employments on the white labour market, the job initiative also counteracts the widespread ‘black market’ in Rosengård.

It is however difficult to, via the statistics, see any measurable change. The unemployment rate has decreased in the last years, but the situation on the labour market has improved overall so it is difficult to say what share of the statistical decrease is a result of MKB’s initiative.

**Mutual benefit trough the job initiative**

Even though the job initiative is not regarded as fantastic and innovative by everyone, it remains a new and even controversial initiative, because the initiative taker is a housing company that has not traditionally addressed these kinds of issues.

Many of the interviewed professionals raise the importance of getting people out on the labour market, irrespective of how it is managed. This makes MKB’s job initiative important and beneficial both for the residents that receive employment and the municipality. The values created are both short- and long-term, since the economic situation (and perhaps mental and social well-being as well) is improved immediately, while the integration aspects need a longer time perspective to change.

To MKB and the other partners of the job initiative, the benefits are different. On one hand, the initiative provides economic value, and on the other the neighbourhood is moving towards long-term stabilisation. However, considerable
resources are required and the outcome is difficult to measure in real figures, even if they claim that the benefits outweigh the costs.

For residents, the initiative is important at least to the ones involved and who have managed to step into the labour market. Still, not all residents know about the initiative and there is more work to do in order to prevent exclusion of some groups.

In addition, I cannot ignore the fact that these three actors involved in the initiative, despite their purpose of profit making, have a genuine interest of improving quality of life for people in Örtagården. They believe in the notion that integration leads to a better existence for everyone.
9 Value-creation

Theories targeting value-creation can mainly be found within the fields of economy and management. They emphasise that a greater focus on experiences, learning and social aspects, not least concerning customer relations, is important in order for enterprises to achieve success (see e.g. Pine & Gilmore, 2000; Daum, 2002). As value-creation theories primarily derive from a business economic perspective, the primary objectives are financial values. In this chapter I aim to widen the scope and look at value-creation not only as a strategy within companies to increase financial gains, but also as a focus for collaborating arrangements, where the values created also can be other than economic.

The ambition of this chapter is to ‘combine’ the governance approach with the theory of social capital into a more operative theoretical approach of value-creation, while keeping the case studies in mind. First, management strategies will be presented briefly as a basis to understand value-creation processes. The public housing company is a central actor in my study as they launched and carried through the case study initiatives. They did that after considerations about and rearrangement of their organisation and management, and this has had large impact on the company’s success. Therefore, even if the objective here relates to other values than the financial, management theories are useful to understand value-creation in a broader perspective. Second, the scope stretches to discuss value-creation in vertical relations using the theories presented in chapter 3 and 4. Finally, general objectives of the three central actors of the studies are discussed, and possible value creating processes are presented. The specific actors of the case studies will be discussed in similar terms in the analysis in chapter 10.

A new management strategy

Interest has lately been focused on the ‘experience economy’, which emanates from the increasing importance of experiences for people in everyday life. People are not satisfied with being passive receivers of services any longer, but demand something more. Pine & Gilmore (2000) argue that this perspective must be incorporated in the business world, as customers want to associate the company and its products on
a personal level. Experiences are valued over goods and services, and the experience has its origin in the meeting between the individual and the company – it is about engaging the customers:

An attitude of ‘they won’t mind’ leads inevitably to operational practices replete with customer sacrifice. It also leads to higher costs if the company has sidestepped an opportunity to ascertain individual needs and eliminate wasteful practices. (Pine & Gilmore, 2000, p. 81)

Like any business strategy, value-creation is a way to steer companies to the overriding objective of increase financial gains. To make profit and reach a long-term survival, however, another objective has become important as an answer to the changes in society: to improve social relations.

To succeed with this new endeavour, enterprises need to focus on the relationship to customers. Giving the customer a central position is important, but more relevant is steering the activities to a ‘customer-based’ perspective. It demands a changed model of seering that contributes to the customer’s value-creation. This type of model demands long-term planning and a dynamic perspective from the company’s view. It is about obtaining a perspective of the future – to follow the customers’ behaviours instead of only their attitudes (Blomqvist, Dahl, Haeger and Storbacka, 1999). Closeness to customers [kundnärhet] is therefore crucial.

Closeness to customers implies that the company takes active responsibility for the development of their customer-relations. In the future, a successful company must not only lead their own staffs, but also their customers. The work to develop customer-relations is more and more about leading and steering the resources and competences that make the customer’s value-creation possible. The company’s role towards the customer is no longer the supplier, but rather the architect of systems. The challenge is to create offers and processes where the value of the collaboration between the actors is maximised. This presupposes that the company put demands on the customer. The demands manifest themselves by the customer’s investment of a given amount of resources (in form of money, knowledge, time etc.), and that the customer follows the rules of the game that counts for all parties to make benefit from the collaboration. (Blomqvist et al., 1999, pp. 23-24, my translation)

Organisational structures can often be obstacles when companies strive for increased closeness to customers. Therefore ‘softened’ organisations need to be developed. A flattened organisation can be a help to obtain this, but increased flexibility in existing structures is also important according to Blomqvist et al. (1999). There needs to be accordance between the company’s ‘hard’ and ‘soft’ strategies.”

81. The ‘hard’ parts consist of the organisation and operating system, while the ‘soft’ parts is constituted by visions, sets of values and cultures in the company (Blomqvist et al., 1999, p. 162).
My point here is that this business perspective is useful as it can be combined with social goals, despite the explicit interest in financial gain. The focus of this study is thus not business strategies, but rather to find effective methods and approaches to combat segregation and social exclusion. Therefore, I will now shift to a perspective where some aspects of value-creation as a business strategy are applied for wider purposes.

**Mutual benefit**

The central theme for this study is how to create value to achieve mutual benefit in the work to promote social inclusion and integration. Actions which aim to change something can be thought of as games where some actors win and others lose, e.g. an agency has to make an investment leading to increased financial obligations in order to satisfy a specific need among citizens. However, my assumption is that it is possible to obtain solutions where all actors win; where the outcome has a higher value than the investment. Value-creation can thus be expressed as the outcome from the win-win game of action.

A precondition for the creation of value is the involvement of at least two actors and that they experience the outcome as an advantage in comparison to resources invested and to alternative solutions. However, a difficulty lies in calculating cost, relating them to benefits and applying them in a short and long-term perspective. This difficulty is especially relevant concerning non-economic values.

Value-creating processes presuppose good relations between the actors, mutual understanding and trust, as well as appropriate knowledge of the other parties’ interests. Value-creation is thus about developing methods for agreements where all parties involved mutually prefer the new way of prioritising and/or delivering to the existing method. Being able to develop such methods calls for forums where collaboration, dialogue, negotiation and agreement can take place. The two theoretical approaches presented in chapters 3 and 4 (governance and social capital) are crucial in this respect. Social capital is productive and by bringing social capital into networks such as partnerships or other forms of governance arrangements, it is possible to create values and resources so that this networking becomes of mutual benefit for all actors involved. However, it will not come about automatically, but demands efforts from the actors, not least concerning how thoughts, perspectives and ideas of others are considered and taken into account and perhaps even prioritised.

When discussing the use of value-creation to promote social inclusion in society, social capital is an important ingredient, because it is characteristic of being a jointly owned capital. This means that joint efforts can add up to more than the sum of the resources provided by involved actors. Thus, it can be used e.g. to ‘in-
crease the power of the powerless’, or provide opportunities to increased status or wealth.

**Prioritised values**

The remainder of this chapter will discuss general values related to the actors that are central in my case studies, and elaborate less on the theoretical aspects of value-creation. This discussion is important as a background to the analysis, where the value-creating process of the specific actors in the case studies will be discussed. Definitions of the general values are identified both by previous studies in various fields and by interviews with different actors in the case study neighbourhoods, grouped into three categories. Value-creation in this study thus targets residents; a public housing company, and society (represented by a municipality).

What is meaningful and important to one actor may not be to another. Thus, issues are valued differently for different actors. The definition of value therefore needs to be specified in relation to the actors involved. One way to structure this is to discuss value-creation in terms of social, economic and political value, as Lin (2001) does, but also to specify what it means for each actor. Lin argues that relational and transactional exchanges are complementary and sometimes mutually reinforcing. Thus, ideally a relationship can be profitable for both relational and transactional purposes. The outcomes of the exchanges (values created) can be different for the different actors involved.

Accumulation of one type of capital also allows the actor to engage in exchanges with another character. “Good capitalists understand that they must be both instinctive and human, and that it is good for them and for others as well.” (Lin, 2001, p. 164)

A discussion about value-creation must be drawn from knowledge about the different actors’ objectives, needs and priorities. Value-creation must satisfy objectives, needs and priorities of the actors involved to a higher extent than it currently does. In the following, some findings about the objectives of the three primary actors are presented.

**Objectives for residents**

People create dreams and set up goals for their lives. The housing situation plays an important role in this respect. Housing is valued as being one of the determining factors for people to lead a life with dignity, and is thus just as important as good health, having a job and social relations (Lind and Bergenström, 2002). Still, it is important to remember that economic resources as well as other resources or backgrounds both limit the possibilities to achieve these goals, and sometimes cause people value and experience different aspects of housing differently, with varying degrees of importance (Fransson, Rosenqvist och Turner, 2001; Lind and Bergen-
stråhle, 2002). It may be so that people have similar dreams, irrespective of background, but experience from earlier life adjusts the dreams to a realistic goal (Pettersson, 1997). In the following, I will present a couple of studies that discuss what characteristics residents value in their housing.

Fransson et al. have investigated the willingness to pay for different housing preferences. It concerns a variation of aspects such as proximity to service and communication, and the composition of population in the neighbourhood, as well as reputation, safety and closeness to social relations. The individual wants the housing and the housing area to be part of the achievement of life goals and important values in life.

An individual’s preference of housing and neighbourhood is instrumental insofar that certain life goals as safety/security, closeness to friends etc. is reached with the help from attributes that can be related to the living place and the neighbourhood. (Fransson et al., 2001, p. 11, my translation)

However, these values change throughout the life cycle and values about the characteristics of housing and the neighbourhood can therefore be related to different types of households.

The investigation shows that the residents’ preferences vary depending on city, but also on life situation. The most important overall characteristics, however, seem to be security/safety, access to retail shopping, an outer milieu with green areas, good opportunities to furnish the flat, and a high-quality kitchen in the flat according to Fransson et al. Women tend to value access to sufficient public transport and closeness to friends and relatives higher than men. All categories valued a mixed population as important.82

Lind and Bergenstråhle (2002) have studied housing and resident values in seven municipalities. Like the study presented above, they state that the values differ between different categories of residents. However, there are also some issues that are common to most people. Concerning the character of the neighbourhoods, it is important to be able to feel safe and ‘at home’. Closeness to public transportation and service is valued highly, as well as an attractive neighbourhood design. On the contrary to the other study, a mixed population (socially and culturally) is evaluated as less important. However, a socially and culturally uniform population has not been evaluated as important either. Thus, people seem to have low interest in the issue of homogeneous or heterogeneous population. According to the authors this can be explained by people’s tendency to relate this issue to society on a higher level than on the neighbourhood level.

The categories that give specific outcomes are primarily related to gender and country of birth. This can be exemplified with women valuing safety, feeling of

82. ‘Mixed population’ here means that different socioeconomic and ethnic groups live within the same neighbourhood.
homeliness and good public transportation higher than men, and those that have immigrated to Sweden value e.g. a mixed population higher than native Swedes, according to Lind and Bergenstråhle (2002). Age and residents of different housing types are other categories that reveal differences in some respects. The location of the house/neighbourhood is generally regarded as an important aspect, and it has been shown that there are strong preferences for some areas compared to others (Lind and Bergenstråhle, 2002).

Kilsved (1995) report that customer-investigations made by municipal housing companies show that a safe neighbourhood is valued highest, and cleanliness and fast responses to problems are also important for residents.

Bernow (2002) argues that the housing company’s attitudes and treatment of their residents are of crucial importance for how residents value their housing situation. Related to this notion, it is important to mention other, more expressive values of importance to the individual indirectly connected to housing, such as increased self-esteem and improved social relations. Also overall goals, e.g. improved quality of life, are significant aspects where housing is only one aspect of many. In neighbourhoods where minority groups are concentrated, social inclusion and integration are other prioritised issues.

The differences between individual residents and groups of residents are of course many and all variations cannot be named here, but it is important to remember that the values highlighted above are generalisations—how goals and priorities are valued are always individually-based and depend upon practical circumstances, such as household size, physical restrictions etc, and on personal aspects stemming both from previous experiences and from individual dreams and priorities. Variations are also related to age groups, gender, and ethnicity.

Thus, it is obvious that residents are not a homogenous group. The heterogeneity concerning what people value and strive for, however, does not necessarily mean that the demands on their situation in the neighbourhood and the development of the same is in conflict. Sometimes the most important demands are collective (e.g. the feeling of safety), while others differ, but do not necessarily contradict one another (e.g. women tend to value closeness to public communication higher than men, but men will probably not oppose a better public transport system). Still, there are some demands that are mere conflicts. It can be related e.g. to the use of a certain amount of money invested in either a playground for kids or better service for the elderly. Another example is the refurbishing of the houses, leading to higher rents, which some households regard as a necessary to obtain a good quality standard while others prefer to keep a lower standard and a low housing cost. A third example is related to cultural differences, where the large Muslim group in a neighbourhood wants to build a mosque, and other religious groups oppose the idea.

Despite the realisation that there are large differences between residents, I will discuss residents as a single actor with unified interests in the following analysis. As
my focus is social inclusion, I relate to marginalised residents in need of more relations and access to society. This means that the target of my research only includes some residents and excludes others, and the discussion of residents as a group cannot be generalised to residents in all situations. I am aware that this is a simplified view, but I find it necessary to make this generalisation. Adding complexity would of course improve realism. However, it would also increase difficulty in understanding my main point: showing the process of value-creation related to social exclusion. However, there is diversity also within this group of residents and when possible, I will clarify the different needs and priorities of different individuals or groups.

**Objectives for public housing companies**

The housing companies’ priorities and objectives are discussed in greater detail than the other actors due to the housing company’s central role as the initiative-taker in the case studies and due to the complexity created by its ‘double role’ as both a profit-making entity and a societal actor that also needs to take into account other ‘softer’ aspects to become successful.

Sweden has a national organisation for public housing companies, SABO [Sveriges Allmännyttiga Bostadsföretag] Their overall objectives are to ensure that public housing companies are useful in society, create propitious conditions for the public housing companies’ activities, and to increase the public housing companies’ competitive power on the housing market (http://www.sabo.se 2004-06-10). There are political goals that steer the focus for the companies. However, there are also strategies within the company that the managing director is responsible for and these strategies are related to becoming a successful business entity.

The function of the public housing companies relates both to contribution to the general housing provision, and contribution to solve the need of housing for socially vulnerable groups (Kilsved, 1995, p. 130). This implies that one of the basics for public housing in Sweden is to be a housing company for all and everyone, which involves a difficult situation for the public housing companies since businesses management today concerns finding one’s own niche to become successful (Blomqvist et al., 1999).

Kilsved argues that if the company does not provide a political surplus value that long-term exceeds the alternative income by placing the money elsewhere, it is difficult to understand why the municipal politicians would continue to own it. Therefore, one of the primary objectives is to combine profitability with provision of political surplus value.
According to Herman Wijfels (SER, the Netherlands’ Social and Economic Council, 2001), society has always held expectations of the business sector, e.g. concerning economic growth and provision of employment, but these expectations change over time. Thus, the changed situation of the welfare state has increased the expectations that companies should take responsibility for social as well as environmental issues. In today’s society we can see a growing consciousness of interdependencies (global interaction and interdependence). The role of information and communication technology is increasing, and there is an increasing awareness of how human activity impacts the earth. There is also a changed view concerning the perception of people. Together with business, SER claims that people (organised in different forms) are leading society today rather than politics and churches as in previous years (1950s and before). Government still plays an important role, but its role has diminished over time. Thus, the strength and power of different sectors and organisations have changed throughout history as illustrated in figure 9:1.

![Figure 9.1. Shifts in relative power and strengths](image)

*Source: SER, 2001, p. 28.*

The changes in expectations impacts on what the companies value as important to prioritise. To become more effective, there is a need for realistic alignment of organisational values to organisational capabilities in order to meet and engage effectively with the growing demands for business to become more sustainable (Birch, 2003).

The company analysed in this study is a municipal housing company, and hence it does not share the same conditions as private business companies. However, there are similarities as well as differences, and if taking these into account it
should be possible to discuss the public housing company from a business perspective. First, a few differences between public and private housing companies will be presented.

The municipal housing companies have a history of being non-profit organisations, while profit is the driving force for the entrepreneurs of the private sector. The non-profit mission of public companies is not as important today as previously. What is important is what the company does with the profit, which is seen as a means to develop services and improve housing standards in the municipality, not as a way to increase salaries for the staff or to benefit the owner.

Thus, the bond to the municipality involves an additional task, namely that not only profit should be seen as the objective. It is the company’s responsibility to work towards a sustainable and socially equal development in the municipality and to guarantee housing for all inhabitants (see e.g. Holmberg, 2003). This task makes the issue of corporate social responsibility easier, as it is expected from the owners, meaning the municipality. However, not all municipal companies work with the same energy to fulfil this mission.

Accordingly, the strategy on how to tackle a weak economy differs between private and public companies. For the public housing company, size is regarded as an intrinsic value, while profitability is the overriding objective for the private company—the size is irrelevant if there is a lack of financial power (Kilsved, 1995).

The public housing company is reduced to act within the municipality and thus lacks the ability to diffuse risks by having housing stocks in diverse areas argues Kilsved. It is of course mainly a problem for municipalities where there is a housing surplus.

The public housing companies also share many assets with the private companies: Even if the directives from the municipality as an owner are strong, each company has its own organisation and management styles, like in the private sector. Both public and private companies have to cope with structural changes in society and to find ways to handle these changes.

The role of private enterprises can be summarised as follows (SER, 2001):

- To provide products and services; create income and employment.
- To create profit: reflects the appreciation by consumers and operational efficiency and is a criterion for allocating investments.
- To be a link between private and general interests.

To gain legitimacy, the enterprise must contribute to society. The needs and expectations of society have to be fulfilled by private enterprises. As stated above, these needs and expectations are changeable.

An enterprise is a profit-driven organisation whose relations to the outside world are primarily market-oriented. However, social and economic aspects are also important for the outcome:
Enterprises create value by using scarce resources – capital, labour, knowledge and organisational capacity as well as natural resources – in an efficient and effective manner for the production of goods and services which, by satisfying human needs, contribute to general prosperity. (SER, 2001, p. 16)

Thus, an enterprise creates value by producing goods and services, which (sometimes) contribute to public prosperity by satisfying human needs and by creating a source of income for entrepreneurs, employees and providers of capital. However, other values (e.g. relating to natural environment or individuals’ well-being) can be damaged or lost through the enterprise’s activities. Corporate Social Responsibility (CSR) can be described as a consciousness about creating long-term values, not only for the internal company, but also for other values in the social and economic sense. SER presents three dimensions important to achieve result on: ‘the triple P bottom line’:

- **Profit**: The financial basis for the continuity of the company. It is both the basis of and a precondition for the proper realisation of the other two dimensions of CSR. This dimension refers to the above stated: creation of value through production of goods and services and through the creation of employment.
- **People**: This social dimension has a variety of aspects. It can be directed internally, at the company’s own staff, e.g. concerning employment policies, drawing ethnic minorities into the labour process etc. But it can also be externally directed, e.g. at the company’s immediate environment. For instance, it can involve in the creation of a safe living and working environment and participation in neighbourhood improvement projects. In addition, it can be directed towards human rights and labour standards in other countries and the promotion of improved labour relations in developing countries.
- **Planet**: The ecological dimension involves caring for the natural environment when taking business actions.

The entrepreneur has the role of a juggler who needs to balance between partially conflicting interests subject to the basic conditions of profitability within the constraints of existing laws, rules, agreements etc. It also has to deal with both individuals and the organisations that individuals belong to.

It is a question of finding the right balance between private (entrepreneurial) initiative and the collective norms it is subject to. The enterprise seeks affirmation from society for the performance of its core functions; when public expectations are satisfactorily met, society provides the enterprise with the scope to perform them and public recognition, a licence to operate. (SER, 2001, pp. 32-33)

In part, the performance of enterprises depends on the local environment where they operate. Sometimes, this can prompt enterprises to take part in the development of the neighbourhood, e.g. by engaging in improvement projects or actively
seeking solutions regarding unemployment problems among ‘weaker groups’ in the local community.

For the company this is a win-win situation. Improving the quality of life in the neighbourhood can enlarge the market for its products and services and improve the functioning of the local labour market. In addition, companies can spare themselves the high costs of having to relocate. (SER, 2001, p. 45)

According to Birch (2003), the overall aim for CSR is to increasingly create behaviours in business that are socially responsible to meet community standards and the strategy needs of the company, or to even go beyond them. In order for business to create sustainable value over the medium to long-term, the business requires customer support and external stakeholder input. “To ignore customer opinions is a reckless route.” (Birch, 2003, p. 10) Thus, the challenge is to align public expectation and scrutiny with business strategy. To be able to do this, it is important to pick the right sort of people and the right values to align with.

A question is to what extent business sees a role for itself in building social and cultural capacity beyond its own self-interest? Another issue that can be discussed is if corporate citizenship regards as its role to demonstrate to business that the own self-interest may have been misconstrued in the past? Corporate citizenship is seen as more than simply activities. It is that, but it is also increasingly seen as a vehicle for cultural and organizational behavioural change, argues Birch.

He also raises the question if corporate citizenship can be a vehicle to shift the emphasis from enlightened self-interest of individual sectors to an emphasis on mutual benefit amongst the sectors that often have been competitors (business, government and civil society), as a means to create greater sustainability? And, if that is that case, are cross-sectoral partnerships vehicles to enable this shift (Birch, 2003)?

An affirmative answer to these questions requires that not only employees and leaders of the enterprises need to be sure of the positive effect. Investors also need to be convinced that a long-term perspective where social change is one of the objectives can be profitable.

The short-term outlook of many traditional investors constitutes an obstacle – investors tend to focus on quarterly or annual reports, while it can take much longer to demonstrate the benefits from corporate citizenship… The continuing pressure for short-term performance affects the ability of management to think long-term. It is difficult for managers of corporations to ‘do the right thing’ with regard to CSR when being driven purely by profit-oriented investors. Investors must also be educated as to the long-term positive effects of CSR. (Inge Hansen, 83. ‘Corporate citizenship’ is a concept revealing that a company should behave like a good citizen in business, thus take account of the interests beside himself and exercise an ethical judgement before taking action (SER, 2001).
Here, the public companies have a different situation: The owner (municipality) has to make sure that the social objectives are taken into account, as these are built into the very existence of a public housing company. How well the social responsibility is managed is of course another question, and the exact formulation of the social task differs also between public companies.

The research field of CSR also shows that reputation is of uttermost importance for companies. To create a good reputation, it is not enough to simply provide the right service or good, it is also expected that the company take responsibility for society’s sustainability when developing and providing the service or good. The customer’s increased awareness of moral and ethics in business is powerful. It can lead to disaster for a company if it does not live up to the expectations from the customers as a rumour spreads quickly. Also Cramer, Jonker and van der Heijden (2003) discusses this matter, and use the term ‘sense-making’, which means that to be able to act in accordance to what the enterprise stands for, words needs to be filled with meaning.

Creation of value must be built on knowledge, both concerning the company’s priorities and strategies and about the society. For a housing company, important knowledge thus concerns e.g. administration, maintenance, social competence and knowledge about defines attractive housing. Such knowledge can be discerned in different ways: internally by cooperation within the company, or externally by taking in knowledge from outside. In the latter case, knowledge from the customers is important as they have information that the company needs to improve its performance. At the same time, the company has knowledge of importance for the customers. Therefore, interaction is the most critical component when the knowledge base is to be increased and new knowledge is to be created (Wikström, 1996). Kilsved (1995) argues that to become successful, it is important that the companies procure a more nuanced image of their residents.

It is also important to notice that influences and information are changed through interaction, meaning two-way communication. Through interaction and cooperation, learning occurs. It seems more important to build a trustful relationship than to influence the other. Hence, Wikström claims that to be able to develop a value-creating cooperation, it is necessary that the customer is treated as a competent actor and allowed and encouraged to bring in new ideas. Also, it must be recognised that the customer has important experiences and viewpoints that can contribute to the process and to the creation of value. This kind of cooperation demands a completely new way of thinking and rethinking before it can become successful.

It is important to mention that a company consists of a multitude of actors – all do not agree upon what to prioritise. Wishes and priorities of the managing direc-
tor and directors of management, or other staffs are maybe not in accordance with the owners’. According to Kilsved, the managing director’s understanding of the politicians’ reality is sometimes limited, even if it is better than among the other employees at the company. In a time where the conditions change at a fast pace, it is even more crucial to stress the need to be alert and adjust to each others’ positions. It is therefore important to go beyond the level where diverse views and contrasting opinions are interpreted as personal or political contradictions, when they are actually due to the differing roles.

One problem stressed by Kilsved is that a long-term view of the development in a housing company attracts politicians, because it gives a larger possibility for action. The investments made today will give something in the future. Still, there is uncertainty concerning the conditions for the political majority and the financial prerequisites, which complicates this view and may lead to default of future repayment.

Like the residents, the actor treated in this section (public housing company), is diverse. Even if the public housing companies have a common objective to strive for, each individual company has its own directives and management that articulate specific working strategies. Also within the companies there exist variations, e.g. concerning how work should be accomplished and how successful the company is, depending both on the specific person asked and on the position that person holds: In the public housing companies, the owner (municipality) with politicians as board members, the leader of the company with the managing director as driver, and the employees of different levels do not always believe in the same things (Kilsved, 1995). However, I will here regard the housing company as a homogeneous actor, where the objectives stated by the company’s political leaders are steering, but I will discuss differing views when they appear.

Societal objectives

The following quote is taken from the Netherlands’ government’s response to the publication about CSR made by the Netherlands’ Social and Economic Council (SER). Even though the approach is Dutch, it is to a large extent valid also in the Swedish context.

As a result of trends such as globalisation, information technology and individualisation, the government’s role has changed. After all, society is becoming increasingly diffuse and complex, and the government must play a new role in it. It is (no longer) omnipresent, but seeks alliances with employees, consumers, private citizens and companies in order to realise the most effective methods of operation. … It is selective but effective in its interventions without, of course, withdrawing from its public responsibilities. (SER, 2001, p. 101)
The Swedish national state has several over-arching goals that different authorities and organisations are obliged to work towards. There are goals connected to public finances, e.g. increased growth, decreased costs, and increased export. Through a new law against discrimination [Diskrimineringsförbudslagen, DFL] goals of equity, concerning e.g. men and women, ethnic origin, and sexual status have increased in number and visibility. There are also other goals concerning social and ethnic integration, which are of special interest for this study. The National Integration Office [Integrationverket] is responsible for some activities, but each municipality handles the issue of integration in their own manner e.g. through integration programs or action plans.

In chapter 1 (p. 23), I presented the objectives for integration policy as stated in a government bill (prop. 2003/04:1). These emphasise the equal rights and responsibilities despite origin or background.

There are also other social objectives, such as everyone’s right to housing, stressed in the Swedish Constitution and carried out through the municipalities. When the societal goals are to be dealt with, each authority and institution has to develop strategies to ensure such goals are met. This may complicate things, as working methods may be different and difficult to put together when the collective goal is to be reached.

Society can be represented by a number of different authorities or levels, and like the two previously presented actors it is not homogeneous. ‘Society’ can refer to the overall state level, the municipality or city district. In some occasions it can relate to certain authorities within the welfare society. In addition, within municipalities there are large sectoral and administrative borders which complicate the work needed to achieve objectives - even though the overall objectives and goals are the same, the strategies and areas of responsibility differ. Using the same argument as above, I must use a simplified, general term in my analysis, and therefore most often I define society as the overall municipal level. I will discuss important differences when they appear.

**Dimensions of value-creation**

The objectives of residents, housing companies and society indicate what kind of values respective actors prioritise and that the actors would benefit from development that created one or several of these values. To summarise, some examples are given:

- For residents: safety/security, improved communication and services, closeness to friends and relatives, integration/inclusion in society
- For the public housing company: housing for all, profit, social responsibility
- For society: serving the overall goal of an integrative society with effective welfare arrangements, decreased public expenses
In chapter 4, I discussed Lin’s (2001) dimensions of valued resources for characterising structural positions and individual actors (see table 4.2, p. 98). Valued resources are classified into social (status/reputation), economic (class/wealth), and political (authority/power) dimensions. Using that table as a model, the values identified above can be illustrated in relation to these dimensions. However, in this study, I have chosen to leave the political dimension out and only focus on social and economic dimensions.

**Table 9.1. Possible dimensions to identify value-creation for different actors**

<table>
<thead>
<tr>
<th>Actors</th>
<th>Dimensions</th>
<th>Social</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actor 1 (residents)</td>
<td>Safety/security, self-esteem, social contacts</td>
<td>Freedom, wealth, lower rent</td>
<td></td>
</tr>
<tr>
<td>Actor 2 (public housing company)</td>
<td>Status, reputation, attractive neighbourhoods</td>
<td>Profit</td>
<td></td>
</tr>
<tr>
<td>Actor 3 (Society/municipality)</td>
<td>Integration, higher level of engagement in societal issues, closer the goal of an ‘equal’ society, increased employment level</td>
<td>Decreased costs, increased income</td>
<td></td>
</tr>
</tbody>
</table>

In table 9.1, no notice has been taken to the positional and individual levels, discussed by Lin, but I will add them in the following tables. Obviously, the all-embracing values seem to be positional, while the more factual and easy-to-grasp values are individual. However, many of these values are intertwined, and therefore this division, as shown in table 9.2, should not be seen as the ‘truth’, but rather as an exercise that offers a clearer picture.

A difficulty related to the positional dimensions of the resources as used by Lin concerns the suitability (or rather lack of suitability) of some terms in my study. Lin discusses ‘class’ as a positional level in the economic dimension, which not only has a political ring (it is more common and less ‘politic’ to discuss socio-economic groups), it is also an impossible term to use when discussing a housing company or the society (municipality). I have therefore chosen not to use the term ‘class’, but instead use the positional economic dimension as an illustration of small or large changes between the previous and the current economic situation, or improved or worsened situation compared to others. The term ‘status’ is less problematic in terms of what is politically correct, but not very suitable when discussing the society (municipality). In the table below, Lin’s terms are only kept intact in those cases I have found it suitable.
Positions always have to be seen in relation to or in comparison to other similar actors embedded in the social structure. This creates a challenge concerning actor 3 (municipality), as it is difficult to compare municipalities on that level. The objectives are fairly similar in the public arenas constituted of the municipalities as they mirror the objectives of the national state. In addition, I have only investigated one municipality and cannot make any qualified comparisons. Therefore, the division between positional and individual dimensions are of less importance when discussing the municipality. However, taking the discussion about the diversity of actor 3 into account, there could in some cases be possible to discuss the ‘municipality’ in terms of positional contra individual dimensions, e.g. when relating to different authorities’ legitimacy.

It can also be discussed if the term ‘individual level’ should be used when talking about other things than individuals (human beings). The term is suitable for actor 1 (even if individual residents are treated as a ‘collective’ here), but not for a housing company and the municipality. However, I interpret it as that the value that connects to and affects that actor alone, with no impact on the context, and therefore I retain that term.

Table 9.2. Possible dimensions to identify value-creation for different actors (divided into positional and individual levels)

<table>
<thead>
<tr>
<th>Actors</th>
<th>Dimensions</th>
<th>Social</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actor 1 (residents)</td>
<td>Positional</td>
<td>Status integration, social inclusion, social contacts</td>
<td>From unemployed to employed, from low-income to higher income</td>
</tr>
<tr>
<td>Individual</td>
<td>Reputation: safety/security, self-esteem, closeness to social relations and communication</td>
<td>Wealth: freedom, earn one’s living, not dependent on social benefits, lower rent</td>
<td></td>
</tr>
<tr>
<td>Actor 2 (public housing company)</td>
<td>Positional</td>
<td>Status relation to other actors in the municipality, and to other housing companies</td>
<td>Better economy compared to other companies</td>
</tr>
<tr>
<td>Individual</td>
<td>Reputation: attractive neighbourhoods, attractive landlord</td>
<td>Wealth: profit</td>
<td></td>
</tr>
<tr>
<td>Actor 3 (Society/municipality)</td>
<td>Positional</td>
<td>Legitimacy from different levels and actors in society</td>
<td>Stable economic situation</td>
</tr>
<tr>
<td>Individual</td>
<td>Well functioning system of welfare, closer the goal of an ‘equal’ society</td>
<td>Decreased costs, increased income</td>
<td></td>
</tr>
</tbody>
</table>

Table 9.2 takes into account some of the values presented in the case study chapters. At this stage, however, they are generally held, and the purpose is to illustrate
some examples of valued resources of the central actors in this study than to be specific concerning the values created in the case study initiatives.

Therefore, this table will return, slightly reworked, in next chapter where it will be discussed and analysed in greater detail with the specific case study initiatives in mind.
10 Analysis and Discussion

The aim of this study, as stated in chapter 1, is to rethink strategies to promote social inclusion and integration by providing a theoretical discussion about value-creation. Therefore, this final chapter is structured with the theory in focus, not the course of events in the case studies. The case studies are used to illustrate examples of the theoretical approach.

What is value?

From the discussion in chapter 9, it is clear that the three main actors in my case studies have differing objectives and that they prioritise things differently. In this chapter, the actors’ preferences in terms of values are discussed. The section in chapter 9 provides a general discussion, while this section focuses on the actual actors in the case studies.

In table 10:1 these different goals and prioritised values are illustrated in relation to social and economic dimensions, and divided into positional and individual valued resources. It is not an actual outcome, but an idealistic illustration of the value creating process.

Using the table as a starting point, each actor will now be discussed in more detail, and later in this chapter the table returns to illustrate the real outcomes of the case study initiatives.
Table 10.1. Dimensions to identify value for different actors

<table>
<thead>
<tr>
<th>Actors</th>
<th>Dimensions</th>
<th>Social</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>Positional</td>
<td>Status integration, social inclusion, social contacts</td>
<td>Competing on the same terms as the rest of the Malmö population</td>
</tr>
<tr>
<td>Individual</td>
<td>Individual</td>
<td>Safety/security, self-esteem, respectful treatment, access to service,</td>
<td>Freedom, wealth (earn one’s living, not dependent on social</td>
</tr>
<tr>
<td></td>
<td></td>
<td>closeness to social relations</td>
<td>benefits, lower rent)</td>
</tr>
<tr>
<td>MBK</td>
<td>Positional</td>
<td>Status relation to other actors in the municipality and other housing</td>
<td>Better economy compared to other companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>companies</td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>Individual</td>
<td>Reputation: attractive neighbourhoods, attractive landlord and employer</td>
<td>Profit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e.g. in relation to ‘people’ and ‘planet’)</td>
<td></td>
</tr>
<tr>
<td>Malmö municipality</td>
<td>Positional</td>
<td>Legitimacy from different levels and actors in society, attractive</td>
<td>Economic growth, increased competitiveness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>municipality</td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>Individual</td>
<td>Well functioning system of welfare, closer the goal of an ‘equal’</td>
<td>Decreased costs (police, social services, etc), increased income</td>
</tr>
<tr>
<td></td>
<td></td>
<td>society: integration, higher level of engagement in societal issues,</td>
<td>(taxes)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>employment</td>
<td></td>
</tr>
</tbody>
</table>

Value for residents

Research (e.g. Berncøw, 2002) has shown that the way housing companies treat their residents and how they deal with service provision is one of the most crucial variables for how residents assess their housing situation. Other examples of important variables are size of the flat, location, safety, and social environment.

Many modern large-scale housing estates have come to be characterised by alienation and dissatisfaction. In chapter 2, I described structural factors that have led to increasing concentration of social problems in some neighbourhoods. In chapter 6, the situation in Malmö is described in more detail. But there are several other reasons for this negative development. Many mechanisms are socially inherited and very difficult to change with regulatory factors, but need other or additional strategies.

One important measure needed to interrupt this negative development in vulnerable neighbourhoods is to improve the relation between residents and housing company. It is vital to give the residents possibilities to take a greater responsibility for their living conditions, and their experiences and viewpoints must be taken into
serious consideration in management and long-term development of the

Thus, the housing company’s attitude towards residents is crucial for how resi-
dents value their housing situation. This means that a housing company can im-
prove its performance by taking measures that in turn lead to a more positive
valuation by the residents.

According to Bernow (2002), the most important factors for residents’ satisfac-
tion are:

▪ Availability and treatment by different categories of the staff.
▪ Sensitivity and interest from the housing company to treat every single house-
hold as a valuable customer, and ability to react adequately to the households’
viewspoints.
▪ Everyday care and maintenance.

The implication of this is that companies with housing milieus that are valued
lower than other milieus and where it accordingly can be difficult to get return
of all dwellings to the demanded rent, can increase the attractiveness of the
dwellings evidently by a clearer customer focus in running service deliveries and
in other contacts with the customers (Bernow, 2002, p. 17, my translation).

During the last decade, new theories about how companies can increase customer
value have been developed (see chapter 9). These theories are not focused on ra-
tionalisation or effectiveness in the traditional sense, but rather on rethinking of
roles and responsibilities, and development of resident-relations—to motivate
the customers towards engagement and participation (Wikström, 1996). They are not
specifically related to the housing sector, but can also be applied to it.

In the case studies, interviews with residents demonstrate that some of the pri-
oritised values are increased self-esteem, improved quality of everyday life, being
able to enter the labour market (if unemployed), and integration/inclusion into
mainstream society. It is important to remember that the case studies were carried
out in neighbourhoods where lack of employment was one of the main problems
and therefore many felt marginalised and had a low self-esteem. In other
neighbourhoods, other values would likely have been articulated as more impor-
tant.

**Value for MKB Fastighets AB**

In accordance with Bernow (2002), and Wikström (1996), it can be argued that the
value creating processes in business systems ideally will support the customer’s own
value creation. In the case of housing, this is e.g. about enabling the resident to
create a functional and comfortable home, as well as ensuring an attractive housing
milieu. However, it is important to recognize that qualities valued can vary among
the residents, e.g. concerning aesthetics, or priorities, which make the relation
between residents and housing company more complex. Thus, the relation between customers and companies is increasingly characterised by the supplier supporting customers so that they can create values for themselves. The customer is not seen as a passive receiver, but as actively contributing to the creation of values—a kind of co-producer.

Wikström (1996) argues that it is possible to state that successful value creation can be promoted by widening the perspective of what can/should be included in the offer to customers, and which actors that can contribute to the creation of values. It is rare that the supplier itself can mobilise all the competence needed. Rather, a successful value-creating constellation often presupposes engagement of additional actors (including the customers).

In addition, local development is not only the responsibility of one or two actors. It is common that several housing companies have businesses within a single area/neighborhood. Therefore, it is also important to stress collaboration between the different housing companies as a measure to improve the local development. If one housing company is ready to make an effort to improve housing quality, it may not see significant results as long as other housing companies in the area allow their houses deteriorate, which means insecurity, negative image etc, for the whole area. Effective change thus calls for cooperation and a joint goal (Holmberg, 2003).

It is interesting to use the Corporate Social Responsibility (CSR) perspective in the collaboration and engagement around social issues. Advocates claim that CSR can positively influence sustainable development, as they are business activities that consciously attempt to create long-term values, not only for the internal company, but for larger social issues as well. They therefore discuss their approach as having impact on the three P’s: ‘Profit, People, and Planet’. However, like many other concepts and terms, CSR has become a buzzword that companies have to deal with increasingly. The meaning of it can be widely interpreted, which implies that it does not have a real definition and thus companies can use CSR for their own purposes, depending on what their objectives are and which people they want to reach. The words need to be constructed to develop meaning and “enter the hearts and minds of all people within the organisation”, argue Cramer, Jonker and van der Heijden (2003, p. 7).

MKB Fastighets AB is today a for-profit company. However, it is still owned by the municipality. MKB works in a quite controversial and innovative manner. Today this is mainly regarded as positive, and the company is often regarded as a role model for other housing companies. Both staff and the company’s annual report (MKB, 2003) emphasise the importance of being a for-profit company, but with a committed social engagement. MKB has permeated the organisation with this perspective, which is stated both in its directives and annual reports. According to Martinson and Wennerholm (2003), MKB staff regard social engagement as positive and prefer a lower salary than working for an organisation that did not care about social issues.
Being the leading public company on the market, MKB has a responsibility to support the development of Malmö through an inspiring strategy of investment and responsible rent-setting. MKB owns houses all over Malmö, but 40 percent are situated in areas where the capacity to pay rent is low and social problems are extensive. This has made the company develop new forms of maintenance that create security and stability in vulnerable areas that are characterized by a large percentage of immigrants, high unemployment rates and benefit dependency, as described in chapter 6. MKB does not choose to use radical solutions to strengthen the social structure, but they believe it is an honour to lead the development, take initiative and develop fresh ideas for the housing market. In this spirit, MKB runs a number of projects with the aim to create stable neighbourhoods with low levels of vandalism. These social ventures are made after business-like considerations and can be regarded as long-term investments. MKB takes an active part in Malmö’s renewal through investments that strengthens the city’s attractiveness. MKB’s vision is to create a livelier city, rich in activities that contribute to making Malmö a better city to live in (MKB, 2003).

Thus, as stated in chapter 6, there are social and economic goals for a public housing company, and MKB has clearly articulated directions to work towards both. A challenge for MKB is to develop the directives in such a way that the company supports innovative work practices among all employees.

**Value for Malmö municipality**

Previously, I have often referred to the ‘overall’ or ‘wider’ society. I will from now on focus on how Malmö municipality articulates its goals and its work towards integration.

Like all Swedish municipalities, Malmö wants to develop positive economic growth and increased attractiveness to gain competitive advantages and develop into a stable and attractive area. Since Malmö’s largest problems are related to unemployment and segregation, I will focus on these issues.

Malmö is particularly focused on the labour market when discussing integration, since the unemployment level is high, and is labelled as the primary reason for the patterns of segregation and social exclusion in the city. Thus, Malmö’s specific goals concerning integration and labour market issues are increased integration, decreased unemployment, and increased level of self-support:

In the year of 2004, the work runs on the grounds that the local council established in 2002 already within the program for work and growth in Malmö. The program stresses that the existing large possibilities to achieve sustainable growth in the Malmö region shall be supported with active measures in cooperation with the national state, the region, the industry, and the trade unions. (http://www.malmo.se 2004-05-11, my translation)
Preconditions and goals for the work during 2004 are described in a document of goals and budget for integration- and labour market measures in Malmö 2004 (Malmö kommun, 2003). It can be read that the plan to promote integration in Malmö will develop broad measures. This means partly working for change within the existing municipal/public activities, and partly through intensified collaboration and exchange of knowledge with organisations, associations and individuals outside of the municipality’s activities.

The action plan for the city of Malmö (Malmö kommun, 1999) stated that Malmö’s ability to solve ethnic and social segregation is probably its most crucial issue for the future. Increasing segregation, exacerbated by the recession during the 1990s, severely threatens safety, welfare and democracy (Malmö kommun, 1999).

The program for work and growth (Malmö kommun, 2002), maintains that it is important to focus on and assume Malmö’s prerequisites and possibilities for growth and development. It is necessary to be aware of and understand the problems of the city to be able to create a relevant direction of the goals and measures. Yet, in Malmö the tendency has been to focus on problems and stigmatisation of vulnerable groups, which will not lead to positive development. Therefore, this program emphasises the belief, not only in the future possibilities for Malmö as a city, but also in the possibilities to create employment for residents currently outside of the labour market.

If some of these goals are met or if the situation improves regarding e.g. integration or employment rate, then value is created to benefit society in general and Malmö municipality in particular.

**Collaboration and value creation**

In the discussion above, it is argued that cooperation and communication between the housing company and its residents are necessary to create new values and to successfully improve the attractiveness of vulnerable neighbourhoods. This means that the housing company needs to work with issues that border on the traditional responsibilities of a housing company, and it puts new demands on the internal organisation of the company as well as on the relations with other local actors.

This takes us to the governance approach, as the housing company is an important actor for issues of importance to residents that previously have been absent in the housing company’s repertoire of functions. From this perspective, collaboration with other actors interested in the issue at stake becomes important, and subsequently the need for new governance arrangements emerges, as discussed in chapter 3.

According to Hoimberg (2003), municipal housing companies in Sweden often make up the framework for partnerships that aim for long-term local development:
They are large and have a financial strength
They have a specific directive from their owners (the municipalities) to see things in a larger perspective than the own housing stock and thus work towards a broader development in society.
They have already created contacts with public administration and authorities, which often leads to faster changes/improvements in the neighbourhood concerned and gives status as legitimate representative for the collective of house-owners.

The purpose of this section is to analyse collaboration in relation to value-creation. Because MKB exemplifies an initiative-taker and leader of a collaborative arrangement, the company is central in the discussion.

The role of MKB
It is complicated to define the role of MKB, its level of connection to the public sector and the responsibilities and relations that comes with such a connection. Thus far, I have treated the company as an independent actor, but since it is a public housing company, owned by the city of Malmö, it cannot be seen as a separate entity. As mentioned above, Malmö issues directives to MKB. Still, the history of the company, as described in chapter 6, shows that the company’s independence is much greater today than ten years ago. Compared to other Swedish municipal housing companies, MKB to a large extent is disengaged from municipal, authoritative obligations. In some cases, MKB is widely criticised by authorities, despite the company’s interest and venturing of resources on important societal issues. Authorities that traditionally have had responsibility for these issues have not always been happy with MKB ‘intervening’. Most of this tension seems to be gone today, according to the interviews conducted in this study, at least concerning the labour market issues in Rosengård. However, there are still critical voices towards MKB’s choice of social engagement. Some argue that if the company really wanted to do good in society and impact the process of integration, it should take responsibility within its own field, e.g. by directing residents to certain areas in order to decrease segregation.

In the initiatives studied, there are no collaboration with other housing companies, and very little with other sectors in society. Still, this does not mean that such collaboration does not exist in MKB’s repertoire – only that it is not fully visible in these two cases. Interviewees, both from the public employment agency and from different municipal authorities, assessed that MKB is a good cooperation partner in many respects.
MKB and the residents

The case studies demonstrate that MKB successfully takes into account the residents as important actors, which is a crucial aspect when discussing new collaborating arrangements in governance terms. A common critique of local development initiatives is namely that residents often are forgotten or disregarded as central actors in collaborative projects. There is an obvious risk that governance arrangements are restricted to actors that already have power and are used to be listened to, or that new actors experience resistance from other actors who benefit from the existing distribution of power (see e.g. Lowndes & Wilson, 2001). In this respect MKB has realised the value potential in this arrangement: The company has involved residents and put a large effort in listening to the needs and wishes of residents in the neighbourhoods and also has treated them as an important part of the development issues of the neighbourhoods. This has lead to increased trust and understanding between residents and MKB, and can be seen as a positive ground for collaboration, as well as for building social capital and creating value.

To achieve governance arrangements with legitimacy and to be effective and successful, it is important to have a clear division of responsibility both internally and externally. In the case of Holma, the responsibility issue is interesting as the initiative to a large extent is built upon letting residents take more responsibility for their environment. The division of responsibility between MKB and the involved residents is clearly stated in formal agreements. However, there is no such agreement between MKB and the residents not involved with the initiative, which may lead to conflicts and perhaps also decreases the initiative’s legitimacy. Nor is there any agreement between the self-maintainers and the other residents. This is not mentioned as a large problem in the interviews, but I want to pose it as a possible risk.

Pellizzoni (2004) discusses responsibility in terms of care, liability, accountability and responsiveness. Regarding MKB’s ‘listening approach’ and the efforts made to increase the quality of life for its residents, the company takes responsibility both in terms of care and responsiveness, which is not very common, according to Pellizzoni. MKB as a housing company has a duty to provide housing, and therefore we can talk about responsibility in terms of liability and accountability. However, concerning the efforts to create a positive atmosphere together with the residents, neither party can talk about liability or accountability as apart from the agreements within the specific agreement (the residents of course have to do what they are obliged to according to the agreement, just as MKB has to pay them as agreed).

In Örtagården, the situation is similar. MKB is not responsible and cannot be regarded as liable for the large unemployment in the neighbourhood (as e.g. the public sector may be). Still, the company acts responsively towards the needs among the residents, and take responsibility by making an effort to decrease the
problem. Therefore the staff within the job-initiative has an obligation and is accountable for the result of their work.

How to create collaboration around issues concerning social inclusion and integration on the neighbourhood level is an important but difficult issue. Actors with an interest to get involved in such collaborating arrangements could be both public authorities and private actors. Collaboration presupposes that these actors are provided enough incentives to make cooperation over the vertical or administrative traditional borders an interesting option.

In the self-maintenance, MKB acts without any external cooperation partners (apart from smaller additional projects). The new approach for governing the neighbourhood lies in assigning a new role for the residents. The previous role of residents as consumers of housing and services is replaced by a role assigning power to residents, regarding them as active participants. The core of the new governance arrangements thus lies in forums for negotiating and deciding on issues concerning maintenance, service and the development of the housing environment.

In the job initiative, MKB cooperates with private companies, and acts on a market that traditionally belongs to the public sector (employment access), but without explicit collaboration with the authorities responsible for such issues. Just as in the self-maintenance initiative, the residents have become important actors, and thus may be regarded as actors in a new governance arrangement with MKB, Personalpartner AB and Malmö Enterprise Centre (MNC).

MKB thus provides an example of how questions previously handled solely by the public sector and specific authorities within that sector can be tackled from another actor’s perspective. Therefore, governance is important in my study not only from a macro perspective on structural changes in society, but also as a way to explain and understand the actions of MKB. Would have these actions been possible previously, when the role of the state and public agencies were stronger?

Le Gaës (1998) approaches governance from a slightly different perspective. He regards governance as a process of coordination of actors, social groups and institutions in order to attain appropriate goals, defined and discussed collectively. In the case study initiatives, the goals have not been defined collectively. They are constructed as ‘top-down’ strategies, where the shape and goals of the initiatives have been stated by MKB alone or together with Personalpartner AB and MNC. After defining the initiatives, MKB has discussed them with the residents and supported them as active collaborating partners.

On some occasions, these ‘new’ governance arrangements may show to be an effective way to address problems, as residents in vulnerable neighbourhoods, if socially excluded and marginalised, may lack the capability to define the problems and the goals. This can be due to a range of factors, e.g. lack of energy because the struggling in daily life requires all of one’s energy and effort, lack of skills to formulate the problems, or lack of knowledge of how to get the ideas supported by others. Therefore, we need to understand that there are various ways to develop
strategies and approaches suitable for different situations. A top-down approach can be a platform for residents to become involved and engaged in different issues. Mayer (2003) emphasises the need to use the state institutions’ capacity to response to social capital in civic life. Woolcock (1998) argues that paradoxically it seems like ‘top-down’ efforts usually are needed to introduce, sustain and institutionalise ‘bottom-up’ development. Unfortunately, we are commonly constrained to think in ‘either-or’ terms.

MKB and other actors

According to governance theorists (e.g. Healey, 1997; Pierre and Peters, 2000), local improvements are more effective and have a potential to have a larger impact if additional actors, e.g. other housing companies in adjacent neighbourhoods and public authorities, are included in the arrangement for collaboration. The question is why there is a lack of collaboration between MKB and other actors, such as public authorities and other housing companies.

In Örtagården this is at least partly due to the different population groups targeted. MKB focuses only on the residents of the company, while the public authorities have a larger area of responsibility: Both the public employment agency and the city district authorities need to take into account all inhabitants and cannot set up of criteria for the people who can visit them. Since MKB does not have any interest in opening up its activities to everyone but only wants to venture resources on its own residents, it makes collaboration around this specific issue difficult, which leads to a discussion of the problems connected to the private (or semi-private as in MKB’s case) sector’s engagements. The company takes social responsibility, but its vested interests seem to be prioritised. Here, Lin’s (2001) argumentation about rational calculation in social relations is appropriate. He claims that others’ interests and collective interests can be involved in the calculation of exchanges. However, if they contradict the self-interest, they become irrational and cannot be taken into account. Only collective interests that are embedded in the self-interest can be interesting according to such a rational principle.

Related to this, it becomes necessary to ask what the responsibility and self-interest of the housing owner really are. Sometimes it is argued that the issue of maintaining the public areas so that safe and secure housing environments are maintained for people is not a task for a housing company. However, for a company that can make long-term profit on improvements in the local area, it should be rational to act in this capacity even if the direct responsibility lies with someone else. Such an understanding can be a stable foundation to build a collaboration/partnership on (Holmberg, 2003). Still, this has not happened in Örtagården, as MKB mainly acted on their own. This can be explained by their largely independent role in relation to the municipality, and by their strong visions and leaders that steer the company.
Similarly, we can ask what the self-interest of other possible collaborating actors is. Both the public employment agency and the social services' primary interest is to increase the number of self-sufficient people in Malmö. However, they define self-sufficiency differently. The public employment agency counts only the ones with own employment as self-sufficient, while the social services also include other labour market measures (Peal, 2004). Thus, it is easy to understand that there are difficulties to obtain collaboration due to conflicting views of both the target groups and the objectives, but since a collective goal for all three actors (MKB's job initiative included) is to increase the level of self-support, it is distressing that organisational borders put obstacles in the way for what could be an effective collaboration.

Local improvements should be a collective goal for all housing companies, so collaboration where joint resources are used should be an effective way to reach that goal. But why does MKB not collaborate with other housing companies in Rosengård to make the results more effective and to avoid free-riding?

There are several reasons for this. First of all, the job initiative is not an ordinary project for a housing company. MKB has realised that increased employment rates can contribute to a more stable and attractive neighbourhood and thus the company has a motive for its engagement. In a collaborative project, MKB needs to convince all other actors on the housing market that employment can be a task for a housing company if the long-term goal is local development, or make them find own rational motives to engage these issues.

Second, MKB’s organisation has developed a ‘listening approach’, which seems to be unique and is one of the basics that they have built their initiatives upon. A collaborative project with actors that do not share the same view of the relation towards the residents would be difficult. Furthermore it is not in MKB’s area of responsibility to instruct others to change their respective organisations in the same direction. In that sense they can only be role models. This is related to the matter of different objectives. MKB has articulated a long-term objective, which is crucial to achieve social change, while other companies may have more short-term objectives for their businesses.84

Another obstacle is the risk-taking involved with the work to obtain trustful relations and create social capital between the companies. MKB has ventured resources on the relations with their residents and seems to be satisfied with the smaller arrangement that the company makes up together with Personalpartner AB and MNC. This is connected to how resource-strong the actors are. MKB is a company with large financial resources, while other actors may have fewer resources to venture. It may thus not only be a matter of lack of will to cooperate, but rather an inability to afford to risk the relative amount of resources.

84 This is only an assumption, as I have not investigated other housing companies' objectives and strategies or their views on the issue.
A risk in collaboration is that the partners not only strive for collective goals and problem-solving, but that the forms for design of the collaborating arrangement are taking too much of the resources, i.e. how much power it is possible or appropriate to let go of, which actors are most dependent on the others, etc. This is one of the reasons for the many failures of local development projects, according to Herting (2003). He also argues that it seems like collaborating actors often put efforts on what is regarded as appropriate instead of acting rationally. Further on, Herting notes that this ‘generosity problem’ - that everyone acts according to what they believe is regarded as appropriate, but no one is satisfied in the end - is the largest obstacle for effective collaboration in Sweden. The reasons for MKB to not collaborate with other housing companies, as outlined above, can be seen as ways to avoid such pitfalls. MKB only involved actors that had appropriate motives for engaging in the job initiative from the start: MKB itself wanted a more stable neighbourhood and economy. MNC and Personalservice are private profit-making actors with skills in the employment businesses and with an explicit social engagement; and the residents who both were in need of accessible jobs and interested in an attractive housing milieu and integration. Therefore, the form of the project was relatively easy to agree upon and the roles were clear from the start. MKB, as the only financial risk-taker, could to a large degree steer the initiative as they saw appropriate.

In Holma, the problems and questions around collaboration are not as many and significant as in Rosengård, as the neighbourhood is smaller and more homogeneous in terms of ownership, which limits the number of actors. For instance, there is no other housing company than MKB, except the co-ops (but they are geographically located as a separate enclave on the edge of the neighbourhood, and not included in this study). In addition, the initiative is not at all as controversial as the job initiative because it does not intervene in any already established activities outside the housing company’s own area of responsibility. The initiative is more about rearranging MKB’s work internally and putting more responsibility on the residents, and it does not actualise the question of cooperation with other sectors.

**Free-riding and negative spill-over effects**

MKB creates value for themselves and others through the company’s initiatives. Other actors may regard the outcomes from MKB’s initiative positive for their own purposes and have realised that they need not venture own resources to gain on the outcome (free-ride). It can be another reason to why collaboration is missing.

There is also an opposite of free-riding, what I call ‘negative spill-over effects’. Even if the property owned by one housing company is well maintained, the development and reputation of adjacent properties have an impact on the overall neighbourhood. Therefore, a poorly managed neighbourhood can affect the attractiveness and stability of the larger area/neighbourhood and the safety of the resi-
ents in a negative direction. Efforts from one housing company are therefore not always enough to achieve a substantial and positive change.

This can be exemplified with Rosengård, where several housing companies own different parts of the larger neighbourhood. MKB’s parts are relatively attractive and MKB is regarded as a good landlord and the company also earns respect for its social engagements from other actors. However, some other parts of Rosengård are maintained in a completely different manner, where the owner applies the strategy of making profit on behalf of social services. The deterioration of that part of Rosengård affects the feeling of safety/insecurity in the rest of Rosengård, and contributes to the negative image of Rosengård in media despite efforts to improve other parts of Rosengård. The engagement of MKB in Rosengård to stabilise the neighbourhood would therefore most likely achieve a better result if they joined with other house-owners in Rosengård and worked towards a shared goal together with the residents.

This problem is not as obvious in Holma. In terms of estate-owners, Holma is a more homogeneous neighbourhood than Rosengård, and also much smaller. It comprises two parts – one belonging to MKB’s stock, and one coop (Fosiedal). If there is a problem of negative spillover in Holma, it is rather MKB’s part of Holma that drags Fosiedal in terms of reputation than actually deserved, at least before the improvements. Even if this problem is more or less absent today, MKB and the coop in Fosiedal could probably gain by collaborating around issues concerning their common environment and the development of the quality of life and housing as well as for a positive economic development.

Several of the neighbourhoods close to Holma are also owned and maintained by MKB, which means that the risk of free-riding from the success in Holma is not large and neither is the risk for negative impact on adjacent areas.

**Actors included - and excluded**

An issue that needs to be discussed is the alternative to collaboration, i.e. what happens if an actor is excluded from collaboration. It is possible that this actor chooses to work to obstruct the initiatives, or that it forms coalitions with other actors to promote an alternative development. In the pursuit for social change, such alternatives are inefficient compared to an expanded partnership. This can be a risk in Rosengård, where different actors act to solve the same problem, but with different (although not competing) means. Therefore, it is crucial that actors working in the neighbourhood identify and acknowledge this problem, and also try to overcome the obstacles to cooperation. Even if the public employment agency does not regard MKB’s job initiative as a competitor anymore, there can be other aspects

---

85. Rosengård city district together with the PEA and the Regional social insurance office are running a project to increase the employment level in Rosengård.
that, consciously or not, lead to obstructing work from actors with interest in the same issues as MKB. Since MKB engaged in labour market issues without discussing its appropriateness with the public employment agency, this can be a reason for the authorities to obstruct MKB’s work. 84

To diminish the risk of obstruction, collaborative arrangements could be organised in such a way that all actors that have an interest at stake become engaged. It needs to be acknowledged that those that seem to be weak most likely have ideas and knowledge to contribute, despite their weaker position. For instance, residents have knowledge of crucial importance for the housing company. As described above, it has been proved that the relation to the housing company is one main aspect of how people assess the quality of their housing situation. All actors within the collaborating partnership, irrespective of status or amount of resources, have something to contribute. It is important to remember that these contributions might show up on different occasions. Cooperation thus needs to be seen as a long-term process, and the climate must be open to dialogue and widened perspectives. The fact that there are other actors working towards the same goal but using different means implies that there is a lot of unused potential for a larger governance arrangement working towards a common goal. After discussions with several interviewees from different public sectors in Malmö, there appears to be possibilities to develop collaboration with trust and reciprocity between MKB and other actors, if only an effort is made to create a forum for dialogue around these specific issues. They all seem to respect each other’s work, which must be seen as a favourable starting point for discussions and collaboration.

Yet, there is a risk that more actors perhaps will increase the complexity and decrease the effectiveness as it becomes slow and more difficult to control, and the discussions about the project’s form takes too much space. It all depends on how the arena for communication is developed and how available resources are used. The different actors’ resources must be defined and their influence in the process must be made clear. By doing so, the complexity can be measured in relation to the effectiveness. Delegating responsibility is one important part of trust, meaning that if the actors in the collaborating network trust each other, it is possible for them to release control over a responsibility that another actor may have more capacity to deal with. This can increase effectiveness and create social capital, and all actors’ different resources and capacities can be taken into account effectively. The collaborating actors should complement each other with differences, not compete.

Projects may be regarded as ineffective, despite collaboration between different actors, because of the ‘project form’ (Hertting, 2003). Perhaps a more long-term

84. However, I do not assess this as a real problem, but there may be persons that I have not been in touch with that dislike MKB’s work and therefore would set up obstructing alternatives. Today, the municipality assess MKB’s job initiative as a model that they will start working from (http://www.malmo.se, 2004-11-24).
approach and clearly formulated exit strategies are needed to reach the result that in theory is argued as possible. Many achievements from projects disappear as soon as a time limited project is completed. More effort must be directed to incorporate the project into the ordinary day-to-day management of the neighbourhoods. Another problem may be that projects focus more on keeping the project together than on the work to create dialogue and trust between actors within the neighbourhood. Or, may it be so that, cynically, nothing is as easy and spectacular as it seems when we discuss it in theory? There will be failures, but we may not always be able to explain them.

If that is the case, it is important to focus on the creation of value through social capital: Increased social capital that can be used to create new values, irrespective of which actors that are involved. We have already observed that the value-creation can be more extensive if the actors are different and have varying positions. Thus it may not always be the number of actors that is important, but rather the real capability of the actors to actually create the values, and their motives for engagement. Hence, focus should be on the positions within the network of the actors involved. It may be enough to begin with a small number of actors. The network can develop and extend further later on, when appropriate. Rather slow, but with good results, than quickly accomplished projects with invisible or meagre results.

**MKB as a collaborating partner**

Looking at MKB’s approach in the light of collaboration indicates that MKB partially avoids the risks and obstacles that can disrupt an effective outcome. By not collaborating with actors that have another perspective or objective than themselves, the company avoids repeating the kinds of initiatives that have unsuccessfully attempted to improve the local area (see e.g. Hertting, 2003). Still, MKB takes up collaboration around smaller and limited issues such as the ‘sorting-garbage project’ in Holma. The question one must ask here is if this is the most effective way to act, or if it points to reluctance from MKB’s part to collaborate and instead take the easiest route? The institutional hinders for collaboration are not bridged. Instead, MKB chooses to avoid them. At the same time, the company articulate that the resources used to improve interaction with residents may take time before positive results can be achieved, but it still dare to take the risk, which cannot be said to be the common way to act in the private sector.

Today, MKB is a resource-strong actor that can afford financial risks, which can explain some of its actions. Still, it was not in the same financially stable position when first carrying out the re-organisation and deciding to become resident-oriented.

By not collaborating, MKB has to put up with other actors taking advantage of the company’s successes and also accept that it cannot use other actors’ resources, which could have been possible in an expanded collaborating arrangement. How-
ever, according to interviews MKB has estimated that it gains by working on its own to improve the good will among residents. The company’s own incitements for change in the local environment were so strong that MKB was determined to make it work irrespective if values come up for other actors or not. The municipality and the traditional authorities may not have enough ‘own interest’ and enough engagement to be capable of bearing the burden. In that perspective, the private sector has an advantage: Those who engage do so ‘for real’ and not because they should or must, but because they have something to benefit from it. On the other hand, as already mentioned, the vested interest of a private enterprise lays down the conditions for engagement. MKB’s approach is an arrangement with an aim rather to increase the stability of the specific neighbourhoods than to solve larger societal problems traditionally under the responsibility of public authorities. If the primary objective for the collaboration between MKB and the residents was to decrease unemployment, I think the company would be more willing to make an effort to bridge the difficulties that so far has made collaboration unsuccessful. I also think this is the reason why some respondents lead me to understand that MKB only does things that will improve its own position. This may not be as unethical as it sounds, as the way MKB works is making life better for many residents, and most people seem to be satisfied with MKB and its work. Still, it is important to make a distinction between the objective to make Malmö a more inclusive and integrated society, and the objective to make MKB’s neighbourhoods more profitable by dealing with societal issues. This moral dilemma is discussed in more detail below.

Another obstacle for collaboration with a long-term perspective across sectoral borders is that the municipality is governed by the politicians and therefore can be regarded as a somewhat ‘uncertain’ cooperation partner. This is due to the term of office that only continues for four years at a time. The municipality cannot guarantee that the current directives will hold if there is a changed political majority, and therefore the long-term perspective is difficult to maintain. Even if the leaders of a private company do not necessarily change direction every few years, there is a problem connected to the long-term perspective also in the private sector. The quarterly and annual reports demand positive results in the short-term, which at least in some cases is difficult to combine with a long-term objective that give benefits sometime in the future.

Perhaps it is not possible to succeed with this complex reality? MKB has created trustful relations with some of its residents, but fails when it comes to cooperating with some of the other actors even though those actors to a large extent have interests similar to MKB (at least in this context - many interviewees have contributed to a picture where MKB is a positive cooperation partner in other contexts). On other occasions the collaboration between professional actors may succeed, but not the positive relations to residents. The question is what is preferable?
Strategies for collaboration to create value

Successful governance arrangements can be developed for the purpose of combating social problems. Some important points need to be stressed when summarising governance in relation to value creation:

- Governance arrangements need to combine different vertical and horizontal ties in society.
- The long-term perspective is crucial in order to create win-win solutions.
- The power structures need to be changed: all partners must be treated as equals in the governance process of planning, negotiating and decision-making. ‘Weak actors’ should not be seen as weak. All can contribute to value creation if a long-term perspective is adopted.
- Excluded partners might obstruct or develop alternative agendas. It is therefore important to involve all actors with an interest in the issue at stake. The more different views that are represented within the partnership, the better and more effective the outcome will be if working towards a collective goal (but many different views will of course imply a more complex and difficult process to reach the goal).
- Mutual dependency and trustful relations are important for cooperation. A flattened organisation can make the mutual dependency and trust easier to obtain.

If these aspects are taken into account, the benefits from the relations in the partnerships can create value to all actors, even if actors may have to make concessions on issues of less importance to be able to claim value on issues of greater importance.

In table 10:2 some of the values created through the collaborating strategies are presented. Many of those values will be discussed in more detail later.
Table 10.2. Collaborating strategies and outcome.

<table>
<thead>
<tr>
<th>Element</th>
<th>Collaborating strategy</th>
<th>Value created for MKB</th>
<th>Value created for residents/other actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>MKB – residents</td>
<td>Listening approach</td>
<td>Increased knowledge</td>
<td>Self-esteem, confirmation</td>
</tr>
<tr>
<td></td>
<td>Respectful treatment</td>
<td>Social recognition</td>
<td>Confirmation, pride</td>
</tr>
<tr>
<td></td>
<td>Long-term approach</td>
<td>Stable neighbourhood,</td>
<td>Positive atmosphere, safety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>improved finances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vertical network</td>
<td>Insight into the</td>
<td>Improved position in the social structure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>residents needs and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>wishes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>Easier maintenance</td>
<td>Links to society</td>
</tr>
<tr>
<td>MKB – other actors</td>
<td>Clear agreements</td>
<td>Time and resources</td>
<td>Time and resources</td>
</tr>
<tr>
<td>(Personalpartner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AB and MNC)</td>
<td>Trust</td>
<td>No risk for obstructing</td>
<td>Motivated employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>strategies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Long-term approach</td>
<td>Stable neighbourhood,</td>
<td>Safe working conditions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>improved finances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collective goal</td>
<td>Stable neighbourhood,</td>
<td>Integration, improved economy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>improved economy</td>
<td></td>
</tr>
</tbody>
</table>

In addition it can be said that in a society where trust and reciprocity are the steering norms, life would be easier for every citizen. What is fascinating with this is that the issue that the partnership is striving for is collective, but the created value/benefit may be individual: what one actor regards as beneficial can be different from what another actor sees as an important value. It may even be a condition for a positive outcome, as it assures that it will not be a competition about the benefits during the value-creating process. But most importantly is that all sectors, including the private, dare to take the risk to be involved in long-term relationships that demand dependency, trust, engagement and dialogue, where all different perspectives are allowed to be articulated and listened to. Starting with a long-term perspective can also be a help to avoid too much discussion on the forms for collaboration, but instead focus on the collective goal.

**Building social capital**

Strategies for social inclusion of marginalised residents in vulnerable neighbourhoods are a focus in this study. Actions taken to build links for these individuals and groups into society, to promote inclusion and integration, e.g. job seeking, learning Swedish, or meeting with people (networking), is thus of great importance. How this is managed with a new approach, exemplified in the case studies, will be analysed and discussed below by returning to the concept of social capital and the issues raised at the end of chapter 4.
Social capital is dependent on trust and reciprocity

The primary assets for social capital to be created are that trust and reciprocity permeate relations between people. This means that social capital cannot appear under any circumstance. Being able to consciously create social capital implies awareness of the crucial importance of these assets. A definition of trust useful in this research work is that ego is certain that alter will take ego’s interest into account in an interaction/transaction (Lin, 2001). It thus involves a great deal of positive expectation from ego’s part and most probably involves the same amount of positive expectation in the other direction, as trust is reciprocal if it is to be relevant when discussing social capital.

Strictly formal relations are often characterised by dependency rather than trust and reciprocity (Putnam, 1993). Hence, social capital is rare e.g. within interactions where the aim is to give/get service of different kinds as one part is dependent on the other, while the other has no own objective that can be reached through the relation apart from providing the service or information. This situation does not call for any other outcome than the short-term provision to become true.

The housing company is an institution where this type of formal relationship has been the norm. The company provides services to the residents, who, by paying their rents, expect the company to do its job and depend upon services to be provided. MKB was, before they launched their new organisation in the beginning of the 1990s, a typical example of this type of housing company. The relation between the company and its residents was poor. In network terms this means that links were not filled with trust and shared norms, and transactions had a one-way character. A high turnover rate indicated that residents were not satisfied with MKB as a landlord. Vandalism and abnormal wear and tear made it obvious that people did not care about things that did not personally belong to them. MKB, on the other hand, focused its efforts on collecting rents and doing its business, without taking any further responsibility than necessary by the guidelines/directives set up by the municipality.

The reorganisation resulted in a change of perspective and attitudes within MKB, as it was realised that the situation could be bettered if the relations with residents were improved. To reach the goal of more stable and attractive neighbourhoods MKB needed to cooperate with the people living in these neighbourhoods on a long-term basis. One crucial aspect was to increase trust in the relationship and thus to build social capital to be used for improvements in the neighbourhoods – to fill the links with a continuous flow of reciprocity and trust.

The process from lack of trust between residents and MKB to a relationship characterised by mutual trust is illustrated in the case of Holma. The company had to work hard to win back trust from the residents. By making a point of doing what the company had promised to do in terms of careful and fast service provision, and also showing good-will towards residents and treating them with respect,
the residents slowly started to believe the words they heard from the company. As time passed, they also became willing to give something back, primarily by getting involved in the maintenance work. The relation between the two parties has become more informal and important also for other everyday life issues.

DeFilippis (2001) argues that it is not obvious that everyone involved will gain from social capital. The ones with fewer resources may end up in a weak position as they have less to ‘bargain’ over. Here, the long-term perspective is crucial, together with the awareness of an open dialogue between the actors (Healey, 1997). If the collaboration is seen as long-term process, where the partners do not expect immediate return, but instead lean on what Putnam (1993) calls ‘generalised’ reciprocity, all actors can contribute so that a win-win situation is obtained. The residents are dependent on their landlord, which makes the relationship asymmetric. However, a landlord is to a high degree dependent on the resident – actually they cannot keep their business going without the residents, which makes them very conscious about the quality of the relationship to ensure the survival of the business.87 This form of reciprocity is, according to Putnam, a highly productive component of social capital built on continuous relationships that involves mutual expectations; a benefit granted today should be repaid in the future. In the end, this makes every participant better off.

After MKB’s reorganisation, the state of ‘dependency’ has become more equal and mutual. Previously, residents were the dependent party, while MKB held the power. Today, MKB is dependent on their residents’ knowledge to be able to provide sufficient service and to increase attractiveness in the neighbourhoods. This mutual relationship includes trust and is built from a long-term perspective.

Homogeneous relations easily emerge and are built on trust

People with similarities, e.g. the same origin, religion, interest, or problem, tend to interact with each other more easily than people with dissimilarities. Similarities mean that norms and values are shared, which in turn mean that relations can appear without any large effort, but can still give a high return, mainly in the form of shared sentiments. According to Lin (2001), this primarily leads to expressive actions. Within a homogeneous group, where people share similarities, people tend to have strong ties to each other and feel that they belong within the group. Therefore, trust and reciprocity are natural traits.

87. The situation on the housing market today in the larger cities (with housing shortage) is such that the landlords do not have to worry about vacancies. Still, as the conditions on the housing market have become stricter also for public companies, it is increasingly important to maintain a high quality in the neighbourhood and avoid troublesome residents. This has made the public rental sector much more business like, but the situation is not the same all over the country.
On the other hand, we have heterogeneous relations, where people with dissimilarities in terms of norms, interests and backgrounds interact. As illustrated in table 4:2 on page 106, such relations do not develop as easily as homogeneous ones, but require more effort and also risk taking, as there is no guarantee for a positive outcome or mutual understanding. However, when successfully obtained, interactions between heterogeneous people can lead to additional values for the actors involved, and not simply maintaining the values already in possession.

My case study areas are very much diverse and heterogeneous in terms of different nationalities and religious backgrounds among residents. Within small homogeneous groups, there are strong ties between the members. In these groups, associations often form around a culture, nationality or religion, thereby joint norms and values are shared, and social capital is created and used by the members within these small groups. This is a common character in many multicultural neighbourhoods in Sweden (see e.g. Khakee & Johansson, 1999).

For many people, the relationships within these groups are of great importance. Networks and associations make up platforms, especially useful for people that have recently arrived to Sweden, as shared background and experiences give a feeling of safety and belonging in the new country. Cultural differences between the home country and the new country are sometimes very large and difficult to bridge by one’s own powers.

The diversity of groups (based on cultures, origins, religions) within the neighbourhoods has led to conflicts between some of the groups, most often articulated as different ways of handling situations in everyday life. Trust within the homogeneous groups is important for well-being and self-esteem for its members, but gives no help in increasing and improving interactions between different groups. Both types of relations are important and have purposes that need to be maintained (see e.g. Woolcock, 1998).

Besides all the positive potential, there is a risk that social capital can be used to exclude people (see DeFilippis, 2001). Very strong ties between people can have an excluding effect rather be open to new development. This is serious because it leads to a strengthening of segregation rather than using the social capital to form a collective actor that can be a help to social inclusion for marginalised groups into mainstream society. This stresses the importance of constructing networks with both ‘new’ and ‘old’ links (Westlund 2002; 2004b). The challenge is not to decrease the differences between groups, but to see the diversity as a resource instead of a problem, and to obtain coexistence despite the diversity.

**To combat segregation, weak ties need to be developed**

Putnam (1993) finds strong correlates between a large stock of social capital and favourable conditions for a flourishing civic society. All the associations and networks in my case studies indicate a considerable large amount of social capital
within the neighbourhood (also previous to MKB’s initiatives). Why then has not the local civic society become permeated with this social and political engagement? When it comes to sustaining community cohesion and collective action, Putnam (1993) argues that weak ties are more important than strong ties, as they link members of different small groups with more heterogeneous networks, while the social capital in the case study areas are created from strong ties. Many of the homogeneous groups within the case study neighbourhoods have other, to them more important, norms than those in the majority society and thus lack natural connections to it. The lack of associations that cross borders in the neighbourhoods obstructs the development of common norms across the small groups. Khakee and Johansson discuss this:

Many foreign-born are members of various immigrant associations and clubs. However, these clubs are organised on ethnic grounds, often getting together people living in exile. They do not have the essential interplay with the Swedish popular movements. (Khakee & Johansson, 1999, p. 26)

To use Lin’s (2001) wording, bonding social capital leads to maintenance of valued resources. This type of social capital is well developed in the neighbourhoods characterised by strong homogeneous groups. It is particularly developed because of the need for a forum where the feeling of belonging is strong in areas where people have moved to a completely new context. Clustering of homogeneous groups within a neighbourhood thus means safety for people, but on the other hand physical concentration of such groups leads to increased isolation and segregation, as each group is a minority compared to the greater society. Deriving from this statement, Edgren-Shozi (2000, see also above, p. 25) posed the two following very relevant questions:

- Are isolation and an ethnic segregation the price for immigrant groups to be able to feel safe and have a sense of belonging?
- Is an ethnic heterogeneous composition of people in neighbourhoods, which can lead to insecurity some, the price for societal integration?

These questions point to the core of the difficulty when discussing segregation as a problem in relation to social inclusion and integration.

There must be ways to achieve integration without jeopardising people’s security. One important feature is to emphasise networks, where different categories of people can be involved in crossing the borders of the homogeneous groups. This does not mean that the homogeneous groups lose their role as being a platform for sharing sentiments with people that have similar experiences and backgrounds, but it can be complemented with other types of networks and interactions that are more open for heterogeneity. ‘Mainstream society’ involves a large amount of different groups that must be able to live in coexistence, and tolerate and respect each other. Striving for social inclusion and societal integration does not mean that the
cultural special character is erased, but that many special characters can agree and share space. Some norms relating to the democratic value foundations of Sweden’s welfare society must be commonly shared between the groups, while others can be different.

Entering the labour market after a period of unemployment can be difficult. Studies have shown that it is more common that people find a job through personal contacts than with the help from public authorities (see e.g. Baker, 2000; Performance and Innovation Unit, 2002). This means that it is crucial for unemployed people to have contacts with people with various interest and backgrounds if they are able to use their social networks as a means to enter into the labour market.

In the case study areas, unemployment is a significant problem. The lack of weak tie connections and relations with dissimilar people thus means that some ethnic groups are at a disadvantage compared to Swedish people in the matter of advancing their careers. This problem is also tied to issues like housing and education.

Through the initiatives that derived from the reorganisation of MKB, weak ties in the case study areas have developed, at least to some extent. In Holma, self-maintenance has been established as a platform for new relations as the initiative concerns a common interest of the residents, and is not articulated as a concern for a specific homogeneous group. Still, there is more work to be done to increase the interactions so that instrumental actions can develop. Today, the results from the initiative mostly seem to be expressive actions, like increased self-esteem, feelings of responsibility and pride in the neighbourhood. This indicates that despite bridging social capital between small groups within the neighbourhood, residents lack sufficient contacts outside of Holma that are useful, e.g. when looking for employment.

However, it is important not to underestimate that the expressive actions resulted from the initiative is of great value for the neighbourhood and the people who lead their everyday lives there. The aim of the self-maintenance initiative was primarily to improve the situation within the neighbourhood, not to develop connections with the world outside. In social capital terms, it can be illustrated as bridging small homogeneous groups, but bonding within the neighbourhood – not bridging groups outside of the neighbourhood.

Still, not all minority groups have been reached. Even if the initiative is positive and bridging different homogeneous groups, there are still groups which are not involved lacking important weak tie connections.

Westlund (2004b) argues that diverse norms and values today emerge as an important asset for developing the economy. Heterogeneous milieus such as the case study neighbourhoods should therefore be excellent places to build the sort of social capital needed for societal development.

Critics point out that social capital theorists such as Putnam and Coleman conceptualise social capital as consensus building and assume that low-income households and neighbourhoods lack trust and cooperative relationships. However, we
have seen that social capital and trust relationships do exist in many low-income areas, primarily in relation to strong tie networks, such as cultural or religious associations. Still, people in these areas may be unable to access financial capital and political influence, and often the focus on consensus building to accomplish goals dismisses the importance of mobilising ‘grassroots’ and prefer to use existing networks (see e.g. DeFilippis, 2001; Mayer, 2003). My study shows that there are various ways to enable people to accomplish important goals, and that the social capital existing in the neighbourhoods is important as a platform to further develop strategies that take into account resources from diverse groups.

To create value, positions must vary

If the goal is to develop links to mainstream society to promote the inclusion of socially excluded and marginalised groups, it does not seem to be enough to establish bridges between residents. This can be explained by the need for heterogeneity also on the vertical level, between positions in the hierarchy. The positions in the social structure are highly relevant, as there are valued resources connected to these positions (in addition to the resources connected to the individual). By sharing experiences with people as different from each other as possible, instrumental actions can develop where people gain access to resources belonging to other actors and their positions, which may create new values for all actors involved. Thus, interaction and relations across vertical levels in the social structure are important to create values. Collaborative arrangements need to be created that facilitates this – arrangements where actors, despite vertical and horizontal differences, work towards a joint goal.

In this perspective, the job initiative in Örtagården is a good example. MKB articulated the promotion of integration as one of the objectives with the job initiative. Even if the improved relations between residents and MKB are crucial in the self-maintenance initiative in Holma, MKB’s role there is different from its role in Örtagården. In Holma, MKB is trusted as a landlord, and their task is still centred on management of the housing estate. In Örtagården on the other hand, MKB’s role (as well as the role of their cooperating partners in the initiative) has been broadened to involve employment issues and thus link residents to other areas of society. The vertical interaction between residents and MKB can ease the inclusion into mainstream society for marginalised groups in Örtagården. In contrary to Holma, the initiative in Örtagården thus aims towards instrumental action.

The bridging between different homogeneous groups horizontally is not as emphasised in the job initiative. Rather, the different positions in the social structure is used and a sufficient partnership has been created involving residents, MKB, MNC and Personalpartner AB.

The above exposition has made clear that the discussion about bonding-bridging and strong ties-weak ties is complicated and the terms used to describe different
relations do not capture all nuances and dynamics. They are schematic and simplify reality. It is therefore possible to talk about ‘interaction’ in the sense that ‘ties’ can be transformed from one type to another. A weak tie may develop to a strong one through interaction. Exemplified with the job initiative, the ties between a resident and a staff at the Job emergency ward may be weak at first, but while respect and trust develops through the interaction between the two parties, the tie evolves to become stronger and stronger. Similarly, ties can become strong between a housemanager and a resident. This does not necessarily mean, however, that the tie between the resident and the company MKB is strong.

In Holma, the self-maintenance bridges heterogeneous groups. Thus, through interaction the previously weak ties become stronger and the bridges become bonds between residents. But there are still bridges that need to be built to make the link to other areas of society available. In the same manner, if interaction diminishes between two parties, a once strong tie can evolve to a much weaker one.

**Can vertical relations be built on trust?**

According to Putnam (1993), it is extremely difficult to reach trustful relations between actors on different vertical positions in society. He argues that such relations are built on dependence rather than trust, and therefore are not as reliable as horizontal networks concerning social capital. No matter how dense it is or how important it is to its participants, a vertical network cannot sustain trust and cooperation, he claims. Vertical exchange is always asymmetric even though it involves reciprocal obligations.

Lin (2001) looks at this from a slightly different perspective. He claims that the greater the difference between actors, the larger the risk taken when starting networking, but at the same time – if it works – the return from interaction is higher. Accordingly, Lin does not regard the vertical relations as impossible networks for social capital, but he states that it is difficult and requires considerable effort. The social inequalities in vertical relations are, according to Lin, due to economic, social and political differences and should be tackled from all these perspectives.

The initiatives show that social capital in civil life and in the business life is intertwined. This can also be illustrated by Westlund’s (2004b) discussion about how social relations and social capital are developed not only within enterprises, but also between the enterprises and their external actors. He argues that there are at least three types of external relations for enterprises: related to production, environment and market (see above, pp. 100-101). MKB and its residents represent the market-side, while the production-side (concerning relations between the firm and its suppliers, product users and partners) can be exemplified by the cooperation (or non-cooperation) between MKB and other private or public companies.

The difficulties related to building trustful vertical networks could partly be explained from the traditional state of dependency in a hierarchical structure, as
stressed by Putnam. But this cannot alone stand as an explanation. Another perspective important to emphasise is Bourdieu’s concept of ‘habitus’. As mentioned, habitus relates to structures, modes, habits etc. embedded within the social structure and means that there is inertia in the process of change, which in this perspective means that the relations and positions in the social structure that have been the norm for a long time and do not easily allow interactions that break with the tradition. Therefore, relations that by tradition are permeated by dependency cannot over night be changed with trustful interaction where both parties are mutually independent. It takes time and effort and thoroughly reworked organisations where change in such a direction is a clearly articulated goal.

As stated, Lin (2001) emphasises positional differences to reach new and additional valued recourses through relations and interaction. Hence vertical interaction is crucial. Most often, the partner with lower position introduces such interaction, but there are sometimes motives for the higher position to maintain it. Lin argues that this has to do with recognition and reputation (see chapter 4). However, to dispute Lin’s theory, the partner with stronger position and larger resources, MKB, founded the initiatives in the case studies. This implies that the residents must be quite powerful, perhaps more than we first may believe. Without them and their knowledge about the quality of the neighbourhoods, MKB is not as powerful. Thus, seen from that perspective, the power relation between MKB and the residents is perhaps more equal than we first may have thought. Still, compared to single individuals, MKB as a company is more powerful and has larger resources. Regardless, MKB had a rational motive to take the initiatives as they saw possible beneficial outcomes from it. The existing resources in the neighbourhoods have been taken into account and developed.

Here, the relational rationality is significant (Lin, 2001). The relational rationality is the calculators of relational gains and costs, as opposed to transactional rationality that deals with the economic transactions in exchanges. The relational rationality can partly explain why MKB chose to invest resources in the initiatives. They calculated with gains related to improved reputation and relations as they saw a possibility that the residents should recognise MKB as a good housing company and that this in turn would lead to an overall improvement of its reputation.

Lin (2001) also stresses the role that ‘mediators’ have to make social capital in vertical relations possible. A mediator in this respect is an actor that has appropriate access to resources within a social structure that can link together other actors in different positions. If the relation between the actors and the mediator is built on trust, it should be possible to develop a positive relationship between an actor in a low position and one in a higher position. Having the right contacts for linking to new resourceful contacts are thus crucial for obtaining vertical relations where instrumental interactions can lead to gaining more or new valued resources for the different actors.
Referring to my case studies, the role of MKB as mediator is worth discussing. Interviews show that the company has devoted substantial effort to build trustful relations with its residents. These relations are of greatest importance for the long-term stability of the neighbourhoods and of the company. MKB claims that the relations have improved after they changed their organisation and took this into account. The organisation is flat compared to the previous very hierarchical one (see appendix 4), which has increased possibilities for the residents to be closer the total company. Still, it seems like the flattened organisation cannot completely erase a hierarchical structure and provide equal positions between all actors. Therefore, mediators are important as a complementary attribute to gain access to various positions in the company and in society.

Liedholm & Lindberg (1998) emphasise the role of what they call ‘operative front staff’ [den operativa frontpersonalen] in the housing companies, which describes the staff that carries out maintenance in direct contact with the residents. They argue that such staff have a special role regarding communication between the residents and the housing company. Under certain circumstances, they can also be mediators between residents and the wider society. MKB’s ‘house managers’ are examples of such staff, and their relations to residents are therefore crucial for building trust between the company and residents.

In the case of Örtagården, the staff of the job initiative are also important mediators between residents and MKB as a company, but also between residents and employers on the labour market. By using these mediators, residents gain access to an existing network with more resources and other positions than they had access to before. The staff can be the link that marginalised groups and individuals need to enter the labour market and mainstream society. Many residents reported during the interviews that they appreciated the job initiative because of the trustworthy staff that treated them respectfully. The staff at the job initiative is not only a mediator for the residents, but also for MKB to gain access to knowledge of how residents lead or wish to lead their everyday life, and about what happens in the neighbourhood – knowledge necessary to be able to develop a more attractive and stable home.

Granovetter (1973) emphasises the weak ties as important to reach a larger social sphere that can be of use for instrumental reasons, such as accessing employment. However, in Örtagården, the weak tie networks seem to be too small or not well developed. Therefore, residents need to use a formal intermediary, such as the Job emergency ward and the other job creating initiatives.
Social capital in collaboration and value-creation

The five points discussed above create the question: How can it become possible to build social capital into governance arrangements that will create value for all involved? This question puts focus on how we can move beyond theory and into practice. How can trust and reciprocal norms be developed, strengthened and used in networks so that social capital contributes to value-creation and mutual benefit?

It can sometimes be difficult to distinguish between social capital and values created. To bring light to this confusion, an illustration over the relationship between social capital and value-creation is presented, or, a distinction between the two concepts. Figure 10.1 is made with inspiration from the case studies, i.e. the values presented are connected to the cases, but do not fully represent them.

Figure 10.1. The relation between social capital and value-creation.
All individual actors have individual and positional values or resources. When a group of actors come together in a social network, social capital may appear to consist of mutual trust, generalised reciprocity and joint norms. Through the collective social capital, individual actors can gain access to other actors’ values and resources of use for individual purposes.

The dashed arrows in the figure indicate that the process could continue endlessly as actors in other networks filled with social capital can access the new values. This explains why social capital can be both a cause and an outcome of development.

In addition to the values created by access to other actors’ values and resources as illustrated in figure 10.1, values can be created by the positive spill-over effects from networking. Examples of this are improved self-esteem, pride, and a sense of well-being.
Building trust and reciprocity

Putnam (1993) argues that trust arises from norms of reciprocity, and from networks of civic engagement. Norms arise when consequences of actions are similar for several people, and mean that common ‘unwritten rules’ that lower transaction costs and facilitate cooperation exist within a group of people (network). According to Putnam, reciprocity is the most important form of social norms, and especially in its ‘generalised’ form where exchange can occur at any given time—the mutual expectation and trust between the parts in the relationship means that ‘repayment’ can take place sometime in the future.

The second source of trust that Putnam describes is networks of civic engagement. He argues that the horizontal networks that link people from different small groups are of significant importance for the civic engagement. However, in the discussion related to social inclusion and integration in multicultural neighbourhoods we need to add the importance of seeking ways to create trust via norms of reciprocity in networks which can override vertical borders. Furthermore, the approach must not attempt to mould people into a certain lifestyle, but consider the diversity of groups and individuals.

Social inequalities relate to unequal positions and access to resources and values in society and can only be combated by concentrating on improving the social relations between differing positions in the social structure. Social capital can fill an important function in this field, but Putnam overlooks this to a large extent.

Because of the ‘club good’ character of social capital (see above, p. 81), reciprocity is crucial. All actors involved have to trust and depend on each other to create and maintain social capital, and it is impossible for one actor alone to guarantee its durability. All people within a social structure do not only benefit from social capital but they also all lose if someone severs a confidence or does not behave in accordance to the expectations or obligations of the group. The benefits for the actor to act according to his self-interest may sometimes be larger than remaining committed to the expectations within the group. Thus, a new action may outweigh the losses that arise from a lack of social capital, but with the repercussion that it constitutes a loss for the other members in the group (Coleman, 1988). The uncertainty and risk taking this involves may be the explanation for why resources created from social capital seldom seem to be calculated as a potential source of value or profit in the private sector.

Some resources that exist within the case study neighbourhoods are not always considered resources. Within associations of different kinds (e.g. ethnic or cultural), there are many activities going on, but the knowledge and engagement on which such activities are based and, most importantly, the social capital created in these networks are rarely recognised and not appreciated as possible resources for societal development. Perhaps we need to redefine what we regard as resources to facilitate creation of value.
To reach reciprocity in vertical relations a joint goal needs to be created so that there are incentives for venturing resources for all parties. Therefore interaction can develop and norms of reciprocity can emerge. If the objectives contradict one another, there is no rational motive to act in accordance with the other part, and no common norms will arise.

New actions

The housing situation is one of the most important factors for quality of life. This implies that housing companies play an important role with respect to integration, according to Boverket (2002c; see also Liedholm & Lindberg, 1998). The housing companies are important not only because they are responsible for the housing milieu, but also because they have the possibility to create relationships with the residents and thus build bridges. Many companies have already realised that they have to tackle the problems that appear in relation to the housing—not only strictly related to housing standards, but also to problems that affect other areas of the residents’ lives. MKB is one example of such a company. Liedholm and Lindberg (1998) are convinced that:

…the housing companies, by stating adequate objectives and adjust their methods of work and organisation, can become better managers of housing and moreover contribute to a positive development of integration. The first-mentioned is an obvious objective for housing companies. It is perhaps less obvious that housing companies should be given a role also in the integration process, but there are several good reasons to how it is wise to use their potential for this. Through their constant local presence … the housing companies can get a very close contact with, and good awareness of, the residents. This helps them, not only to become good housing managers, but also to become a useful link in several respects to society outside the residents. (Liedholm & Lindberg, p. 53, my translation)

There are problems that may obstruct such work. Some have been discussed already, but in addition, official rules and regulations sometimes are too strict to allow housing companies to deal with issues that lay on the border of their core responsibilities. In Holma, the problem was tax regulations, and in Örtagården the discussion about whether low-skilled and low-paid jobs lead to larger gaps in society may restrict the development of the job initiative.

Residents and MKB have found ways to create and maintain a mutual and trustful relationship. Conflicts will always be part of any relationship, but from a broader perspective, something has changed that derives from a new way of thinking and acting, where trust and respect are essential ingredients. The two actors (MKB and residents) do not share views on everything, but they have met around joint problems and found ways to work towards a collective goal that mutually leads to increased and added values. This has not solved all the current problems,
but has managed to improve the situation for some residents in some neighbourhoods. Of course, residents are different and all do not have the same good relationship with MKB. The overall experience, however, is that the relationship has improved significantly.

How has this been possible in such an asymmetric relationship? The organisation is flattened and the positional differences are hence decreased between the actors. A flattened organisation makes it easier to obtain trustful and mutual relations with resident groups, even if these groups are heterogeneous.

More importantly, when MKB launched their reorganisation, they did not expect their actions to have an immediate positive effect. They had a long-term perspective and hoped that investments would have a reward sooner or later, in the form of increased stability and attractiveness in the neighbourhoods. A short-term perspective with expectations on immediate result would not have been possible if the ingredients that are needed to create social capital and values did not have a chance to develop.

A relationship may be asymmetric to the degree that the ventured monetary resources never will be returned by the other partner. However, there can be returns in the form of recognition and reputation and thus are incentives for the actor with a high economic standing to maintain such a relationship (Lin, 2001).

**New priorities**

A problem is that actors often tend to look to their short-term interest rather than consider more ‘risky’ long-term cooperation that might eventually lead to win-win endeavours. To promote a long-term perspective and thereby obtain effective win-win solutions, new strategies need to be developed. By investigating the case study initiatives that have shown positive results in terms of governance and social capital, it has become clear that the issue of ‘trust’ must receive attention.

Putnam (1993) points out that social capital tends to be undervalued by private actors. It is often seen only as a by-product of social activities, and is not invested in from the start. The benefits of trustworthiness are underestimated. Therefore, rethinking priorities is important for the realisation of the theoretical knowledge about this issue. Short-term perspectives where immediate profit is expected cannot any longer be the only steering factor for investments, particularly in vulnerable areas.

Figure 10.2 shows that effectiveness in housing provision/management (effectiveness understood as values in terms of weighing costs and benefits) can increase by reprioritising or conducting business in new ways.
Figure 10.2. Alternatives for increased effectiveness.

Effectiveness in housing provision can be increased by agreements between the housing company (here exemplified by MKB Fastigheter AB) and their residents. Depending on the dialogue and negotiations, there are alternative outcomes where different values have been taken into account, illustrated as a, b, and c. The curved line makes up the upper limit for possible solutions to increased value and effectiveness (Adapted from Raiffa 1982).

The starting point (the black dot in the figure) indicates that effectiveness is not satisfying. Both parties realise that value could be gained by doing things differently than done at present. Even if their values partly coincide, the two parts, housing company and residents, have different views on what the best and most efficient alternative would be and are seen only from their own selfish and short-term perspective. But there are also other possible solutions that can be reached after negotiation.

Increased effectiveness can be illustrated with three different alternatives:

a) Optimal solution for the housing company. All their important values are considered, however very little of what the residents value as important can be taken into account.

b) Optimal solution for the residents. Converse of above, all residents’ needs are satisfied, but few of the housing company’s.

c) Both parties’ important values have been taken into account, but to be able to reach a solution that both parts can agree to as effective, some wishes (of less importance to the actors) have been left out.

For obvious reasons, the parties are reluctant to go in the direction of a and b. Moving in direction c would be desirable as both parties involved gain value. But how can this be achieved? The partners must develop relations so that collaboration characterised by ‘giving and taking’ can appear. To reach alternative c, the parties have to realise that to gain more values, exchange of values must be the starting
point. This means that parties must make concessions on issues of less importance in order to demand what they deem is of highest importance. Thus, this is an exercise in making trade-offs in such a way that you make concessions in issues of less importance to yourself, while you can claim on issues of greater importance. The incentive is to obtain a win-win solution instead of a win-lose (alternative a and b). Cooperation towards a common solution can also diminish obstructing work.

However, it is not always easy to obtain such win-win solutions. Even if all parties involved benefit from cooperation, the benefits can vary in size. This fact means that the dimension of dividing the values created through the cooperation is a strategic momentum, a negotiation. Solving the problem and simultaneously creating value thus depends on creativity, effective communication, and mutual dependency, while the question of distributing the values can be a matter of what is considered rational for each actor. There is a risk that actors hide or twist the information about their preferences concerning different alternatives. Therefore, the actors have reasons to be suspicious of each other, which decrease the chances of obtaining long-term and stable collaborating relationships and networks. The most honest actor is the one who risks the most (see Hertting, 2003).

Devoting oneself to governance is a frustrating business. It demands generosity and a wish to invest in long-term collaboration relations, even at the expense of one’s own ambitions and goals. (Hertting, 2003, p. 348, my translation)

Relating the above to rational economic terms, the ideal situation for MKB would be large profit and attractive neighbourhoods achieved with as little effort as possible. A housing company would prefer to collect high rents while residents provide the maintenance, whereas the residents’ ideal situation would be to live in a neighbourhood with full service, attractive outer milieu, a high quality of life, and a low rent. Both these ideals are of course unrealistic. Therefore, to achieve improvements, both parties must reach an agreement in between these extremes, but still stick to their top priorities. The initiatives studied indicate that MKB takes the risk to venture resources to make the neighbourhoods more attractive neighbourhood for its residents. By looking at the residents’ preferences, still having their objectives to increase financial standing and social status as an attractive landlord, they take the risk to act innovatively. Their action involves both a financial risk, and also a personal risk as they do not know how the other actors will react beforehand. MKB relinquished some power to the residents’ advantage. The residents on their part do not take any economic risks, but by placing trust in MKB they take a personal risk. Both parties benefit as values are created that are congruent with both parties’ priorities, even if it is not an ideal situation from the perspective of the residents.

In Holma, MKB gave away some of its power concerning the physical maintenance. In return, they received engaged residents and decreased vandalism of their
housing estate, which was more important than having total control over which flowers were planted in the gardens or when the cleaning of staircases was carried out. In addition, less vandalised neighbourhoods would have been difficult to achieve without this change of power relations, at least to such a low cost that this initiative provided and without an increased control-apparatus. The residents on their side gave up some of the advantages of being traditional renters, namely having the maintenance done without requiring own effort. However, through engagement and making an effort, they have obtained a better and more satisfying atmosphere, and increased their pride and self-esteem. In addition, they have become able to influence and realise their right to make their voices heard, which means increased power (necessary in other situations as well).

In Örtagården, as in Holma, the relation between residents and MKB required considerable work by both parties to build trust. However, in Örtagården MKB ventured a substantial amount of money to launch an initiative so that the residents could better access employment. The reason for this was that MKB realised that they could gain a great deal with a higher employment rate. But it was a large risk to take and a positive result could take time to achieve or even fail to materialize.

In both initiatives, participation for residents is voluntary. This implies that risk-taking is obvious from MKB’s side, while from the residents’ side it only affects those that chose to participate. This also implies that if MKB withdraws it would lead to larger consequences than if one or some residents chose to withdraw. However, if all residents chose to withdraw it would not make any sense to maintain the initiative, since it would only become costly for MKB.

The motive for participating in collaboration around local development and societal issues is based on rational argument, often formulated directly or indirectly in economic terms. Collaboration must thus lead to an increase in property value for the house-owners involved. However, the rational motives can be diverse: while the motive for a private company to engage in local development is economic, a co-op association [bostadsrättsförening] has private and personal interests concerning a safe and sound living environment in addition to economic interest. A municipal housing company has in addition to increasing property values, a ‘larger’ interest that is dictated by the municipality: to contribute to a long-term sustainable development of the neighbourhood/community and not only in its own housing stock. Thus, even if their own houses are sufficiently maintained, the public housing companies have responsibility for the wider area (Holmberg, 2003).

How the actors calculate potential gains or losses from a partnership/collaboration is to a large extent dependent upon their concept of reality (Holmberg, 2003). Some actors conceptualise reality as their stock of houses, while others have a wider perspective, where they realize that things happening in an adjacent neighbourhood can affect the larger area, including their own housing stock.
Despite disperse rational motives and vested interests among the actors the goal can still be collective. The goal of creating a safe living environment and a positive economic development in the neighbourhood cannot be achieved by one actor alone, but calls for cooperation and collective action. Since the motives differ, the benefits they hope to realise as a result also differ. Mutual dependency and trust in governance arrangements are perhaps even easier to obtain when the actors have different motives, as it reduces the risk of that the collaboration will degenerate into some kind of game or competition.

Investigations show that collaboration for local development often starts with a businesslike perspective, with social changes as a bonus (see e.g. Holmberg, 2003). If the drive is the ‘social worker mentality’, the possibility of making a profit is gone. However, solely considering the financial issues can be very profitable in a short-term perspective, but may be a less beneficial strategy in a long-term perspective.

During the process of collaboration, other motives than the rational can develop such as rewards like confirmation and credit for a positive development. In addition, some actors say that the work becomes more interesting and encourages a fighting spirit. Housing companies can also get a ‘grade’ for their engagement and are regarded as serious by residents and other housing companies, which indirectly also can be seen as a positive economic outcome. This is what has happened in MKB’s case, and can be described as relational transactions. Yet, investment in relations and recognition must be renewed. What MKB gained from the job initiative in Ortagården by recognition from residents, newspapers and other media has diminished in the last couple of years and therefore calls for new investments of that kind (Martinson and Wennherholm, 2003).

Some actors exercise free-riding and choose to stay outside of the collaboration, but still benefit from the positive achievements deriving from the cooperation. This may have the effect that actors who want to participate also choose to avoid active cooperation, as they do not want to pay for other’s benefits. Despite the frustration of free-riders, every partner has to decide if it is rational or not to participate.

It is rational to try to obtain the profit that derives from cooperation, irrespective of what others do or do not do. The profit is not smaller (or only marginally smaller) if others, even if it is undeserved, also make profit on it. (SABO quoted in Holmberg, 2003, p. 51, my translation)

88. The ‘social worker mentality’ means that an actor is taking care of another without any expectations for own gains.
Preconditions for collaboration

As stressed throughout this study, development of relations with social capital requires trust and reciprocity. The actors need to become mutually dependent and strive for the solution that in a long-term perspective provide good outcome for all. But these assets need to be prioritized higher than what they are today. Social capital is often undervalued, due to the lack of knowledge about how beneficial the outcome of trustworthiness can be. It is widely used in discussions about civic life and democracy issues, and it is becoming increasingly recognised as an important aspect when developing business milieus. Still, in discussions related to how to achieve change by crosscutting sectors in society, social capital is not regarded as a relevant tool to any larger extent.

Hence, social capital – networks, trust and reciprocal norms – plays an important role when building a collaborating arrangement to achieve change in society. The partnership can become a community where values are created that are so important that the actors do not want to be outside of it. Not only is the objective important, but the fellowship of actors and the spirit of community between them (Holmberg, 2003).

To achieve collaboration that lasts, the actors must realise that they are responsible for the outcome. Resources and time are ventured for the creation of relationships and mutual trust because a return will be obtained in long-term perspective. All this is a waste of resources if responsibility for each aspect of the agreement is not taken by every individual (Holmberg, 2003).

It is important to be aware of the potential of existing networks. By strengthening homogeneous groups, people feel safe and have a sense of belonging, which is an important starting point for daring to engage and interact in new and more heterogeneous networks.

But heterogeneous networks (vertical and horizontal) must also develop. Effective governance arrangements that can promote social inclusion and integration need to include various actors with different perspectives. A plethora of different viewpoints increases the likelihood of finding solutions where as many as possible can get their important demands met. It will of course be more difficult to fully satisfy every actor’s needs, wishes and demands, but if the relation is of a ‘give and take’ nature and they all have a long-term perspective, it is more likely that all actors will be satisfied and get their most important needs met. This way, effectiveness can be improved and value created for all actors involved. Thus, homogeneous networks need to be combined with heterogeneous ones, and cross-vertical interaction needs to be developed.
Mutual benefit?

Much of the discussion so far has concerned the housing company, MKB, and the residents living in the estates owned by the company. They have, in different ways, gained values created by the new approaches launched after MKB’s reorganisation.

MKB has gained better control over its neighbourhood management due to improved relations with the residents. This provides a strong basis for choosing appropriate measures to increase attractiveness, which in a long-term perspective can lead to stability in the neighbourhoods. Furthermore, the improved social situation increases the economic situation of the company. MKB is today an attractive housing company in Malmö and the turnover rate has decreased significantly.

In addition to the positive effects for residents and MKB, the initiatives have impacted Malmö municipality. An overall national goal for society is social inclusion of marginalised groups and societal integration. Through the initiatives, value-creation can be detected in the municipality as they to some degree have managed to promote social inclusion and integration.

Socio-economic gaps are increasing, and an increasing number of people remain outside the labour market and mainstream society. In a country like Sweden, which attempts to guarantee a social and economic safety net, this implies a large burden for state and municipal authorities because costs of social welfare benefits are also increasing. Therefore, the case study initiatives, and primarily the job initiative, give positive economic value for the municipality since social benefit dependency decreases, and as a consequence other costs for society. Similarly, increased employment rates lead to a larger taxable income for Malmö municipality.

Table 10:1 (p. 230) shows possible outcomes from a value creating process where residents, MKB and Malmö municipality are the actors. The two tables below are similar to the previous one, but these summarise the actual outcome of mutual benefit from the value creating process in the two case studies. Table 10:3 concerns Holma, and 10:4 Ortagärden.

The residents of Holma have gained a more attractive neighbourhood with an improved physical standard. Strengthened and renewed social ties between different residents, developed by joint work, have resulted in social control and a positive atmosphere, feelings of safety and security, etc. Some residents claim that their strength as citizens has increased, and many dare to defend their rights more frequently than before. The changed atmosphere also indicates an overall improved well-being among the residents, also strengthened by the improved relationship between the company and the residents.

Social inclusion and integration within the neighbourhood of Holma are important values created from the self-maintenance initiative. It is no guarantee, but integration within the neighbourhood can be a gateway to inclusion into mainstream society. The self-maintenance has mainly led to expressive actions for the
residents and a substantially improved atmosphere in the neighbourhood, which has lead to a high degree of satisfaction over living conditions and everyday life.

Bridges have been built between some groups of the population, and there are ethnic minorities engaged in the self-maintenance. The initiative has not managed, however, to engage all ethnicities represented in the neighbourhood, and adolescents are not involved either. Thus, more work remains to increase integration within Holma, and to facilitate social inclusion of marginalised residents.

Table 10.3: Values created through the self-maintenance initiative

<table>
<thead>
<tr>
<th>Actors</th>
<th>Dimensions</th>
<th>Social</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>Positional</td>
<td>Internal integration/cohesion, social inclusion, social contacts within the neighbourhood, social control</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individual</td>
<td>Safety/security, self-esteem, respectful treatment, increased responsibility, decreased stigmatisation</td>
<td>Lower rents for the ones involved</td>
</tr>
<tr>
<td>MKB</td>
<td>Positional</td>
<td>Role model for other housing companies, regarded as positive example for successful development (study trips to Holma)</td>
<td>Economy that can compete with other companies</td>
</tr>
<tr>
<td></td>
<td>Individual</td>
<td>Reputation; more stable and attractive neighbourhood, regarded as an attractive landlord that care about their residents and keep a high standard</td>
<td>Profit, e.g. from decreased cost for maintenance</td>
</tr>
<tr>
<td>Malmö municipality</td>
<td>Positional</td>
<td>Malmö ‘put on the map’ as an innovative problem solver.</td>
<td>Decreased costs for vandalism (police, criminal offenders, social services)</td>
</tr>
<tr>
<td></td>
<td>Individual</td>
<td>Increased participation in societal issues (social inclusion), positive impact on integration in Malmö</td>
<td></td>
</tr>
</tbody>
</table>

The value-creating process in Holma has primarily led to social benefits for the residents (but also decreased costs for housing for the ones involved in the initiative), while MKB also has improved their economic position. Costs for maintenance have decreased significantly. In addition they are regarded as a role model for many other housing companies and as a positive example of successful development.

As a result of decreased vandalism and crime, the municipality also saves money, e.g. as costs for police efforts and social services decreases. The improved social
inclusion and engagement of residents also means that the societal policy goals of participation and integration are supported.

Table 10:4. Values created through the job initiative

<table>
<thead>
<tr>
<th>Actors</th>
<th>Dimensions</th>
<th>Social</th>
<th>Economic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents</td>
<td>Positional</td>
<td>Social inclusion, social contacts outside of the neighbourhood, integration</td>
<td>Employment means included in a higher socioeconomic status group</td>
</tr>
<tr>
<td></td>
<td>Individual</td>
<td>Self-esteem, respectful treatment</td>
<td>Earn the own living, not dependent on social benefits</td>
</tr>
<tr>
<td>MKB</td>
<td>Positional</td>
<td>Respected by other actors for the social engagement</td>
<td>Economy that can compete with other companies</td>
</tr>
<tr>
<td></td>
<td>Individual</td>
<td>Reputation: attractive landlord that care about their residents</td>
<td>Profit as a result of a more stable neighbourhood where more people work and feel satisfied</td>
</tr>
<tr>
<td>Malmö municipality</td>
<td>Positional</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individual</td>
<td>Closer the goal of an 'equal' society; integration and a higher level of employment</td>
<td>Decreased costs (social benefits), increased income (taxes)</td>
</tr>
</tbody>
</table>

In Örtagården, activities have been more of the instrumental kind. Residents have been given opportunities to enter the labour market, which have had a significant impact for some individuals and their families. Results such as economic freedom, improved self-esteem, less stress in family life, and a feeling of becoming better endowed as role models for the children have been reported in the interviews. Employment increases possibilities to develop networks outside of Örtagården, which increases opportunities for inclusion into society.

The social capital developed within the job initiative influences integration and social inclusion. This is due to the initiative’s role as a link between residents and the labour market. But it has also to do with the fact that many people who never before have been to a place like Rosengård today visit the neighbourhood to meet MNC or business people in the House of entrepreneurs. This may have a positive impact on the image of the neighbourhood, and thus additional integration effects.

However, it is important to state that the effects for people that attain a job vary from individual to individual. It is not an automatic causal connection that a job leads to inclusion in mainstream society or that society thus becomes more integrated. Integration as a mutual responsibility is very much dependent on the context – the size of the work place, the openness of people working there towards people from different backgrounds, and the employee’s energy and willingness to engage in this issue. It is crucial that work promoting social integration continues
at work place. Each and every employer should be responsible for establishing an integration plan at the work place that is directed towards inclusion of new co-workers in the team of employees, irrespective of origin or background. Sweden recently passed a new law concerning discrimination that perhaps will impact such a direction, but this needs to be investigated further.

It is also important to keep in mind that people who have received employment through MKB’s initiative are relatively few and the job initiative has thus not solved a large problem, but has taken a step on the way to better the situation for some, and has become an example of an accessible way to tackle the problem.

Recent research (Wallette, 2004) claims that it is uncertain if temporary jobs should be regarded as a springboard to the labour market as only one out of four temporary employed have accessed long-term employment. He also argues that there are differences between which groups of people are likely to access long-term employment. More immigrants than native Swedes have temporary employment positions, but the likelihood that the position develops into a long-term position is still smaller for immigrants than for native Swedes. Furthermore, according SCB (2002) short employments can serve to hinder the attachment of the employed to the labour market and therefore make it more difficult to enter the labour market as a more permanent fixture, rather than serve as a first step into it. Thus, the importance of the ‘job emergency ward can be questioned as it mostly handles temporary employment opportunities. However, all training and possibilities to develop contacts must be seen as a potential link to society and thus fostering inclusion, even if it does not lead to lasting employment in all cases.

The mediating effect between the wider local society and residents that the job initiative fills is of great importance for the process of societal integration. On the other hand, the expressive actions in Holma indicate that people seem to be more satisfied with life than what the residents interviewed in Örgårdsern expressed. The question is what is most important? It is of course of crucial importance that marginalised people can access jobs and other possibilities to enter society, but it is also extremely important that they feel comfortable where they live and that the atmosphere is positive and safe. It is ideal of course if both these dimensions could be provided in vulnerable neighbourhoods. This problem illustrates once again that integration must be tackled from more than one dimension.

It is also difficult to reach the most marginalised people, since they are the most ‘invisible’ in the neighbourhoods. Lin (2001) discusses the asymmetric relationship in term of positions, and that the effort to develop such a relation must be initiated from below, from the one with fewer resources. When the first step is taken, however, there may be reasons for the actor in the higher position to maintain the relationships.

In my case studies, MKB was the one taking the first step, despite their higher position in the social structure. Thus, Lin’s argument is not always applicable. The case studies show that positive and engaging forces can develop using a ‘top-down’
approach and promote the development of social capital with positive impact for others as well. It can create a platform for further engagement and participation for those lacking the capacity or energy to take the first step.

I would like to emphasise the importance of not overestimating the impact of MKB’s initiatives. The segregation and employment problems in both these neighbourhoods remain serious. The initiatives are positive for the ones involved, but it is important to keep in mind that the initiatives actually only involve relatively few persons. Still, even if they do not change the entire neighborhood, they serve as small-scale examples of how trust and reciprocity can be built.

The values created are different for different actors, but some of them overlap. Table 10:5 shows which of the values created through the two initiatives are beneficial for more than one actor.

**Table 10:5. Overlapping values created from the two initiatives**

<table>
<thead>
<tr>
<th>Valued resources</th>
<th>Residents</th>
<th>MKB</th>
<th>Malmö municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social inclusion</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Integration</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Stable and attractive neighbourhoods</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Improved economy</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

*Social inclusion* is of course beneficial for the residents who have become included, but social inclusion means increased participation and engagement in different fields of society and as such it is also positive from the municipality’s point of view.

The national and local integration goal is characterised by mutual responsibility for the entire society. Thus, increased *integration* is beneficial for all actors.

*Stable and attractive neighbourhoods* are of course positive for the ones living in the neighbourhood. Moreover, MKB as a housing company with responsibility for the maintenance of the neighbourhood is rewarded with increased stability and attractiveness, both socially and economically.

Finally, the initiatives have led to *improved economy* for all actors. However, this matter is expressed differently for different actors. For residents, it relates to own income or decreased rent. MKB’s economy is improved due to the previously mentioned aspect, stability and attractiveness, which means decreased wear and tear, decreased turnover rate, decreased vacancies etc. For the municipality, improved economy relates to decreased expenses as well as increased income as outlined above.
Concluding discussion

There are a number of obstacles to integration, both on the individual level and on the structural level. This study primarily focuses on the structural aspects, particularly on the importance of well-developed structural networks that can help people who lack adequate networks and relations concerning possibilities to lead a socially inclusive life in Sweden. But simultaneously, it is important to make the micro-perspective visible in terms of the individuals’ problems and needs as well as resources and possibilities.

I argue that collaboration between actors with different resources and different positions in the hierarchy, permeated with social capital, can lead to mutual benefit. The case studies use the example of trustful relations between a housing company and its residents that create important value of their own, but also for the municipality. It is also a matter of interaction and collaboration between residents with diverse cultural and ethnic backgrounds, often with widely different local histories.

The starting point for this research is that new approaches of confronting social problems in our society are needed in order to increase the effectiveness of interventions. The case studies are used as examples of innovative ways to work to promote social inclusion and integration in vulnerable and multicultural neighbourhoods. There are many other examples where arguments of value-creation and mutual benefit could be used, and thus the contribution of this study is possible to generalise to other situations. However, my ambition is not to emphasise whether the result of this study should be generalised or not, but rather to provide an example of how these issues can be tackled, and by doing so hopefully broaden the discussion of how to promote social inclusion and integration by using new strategies and new ways of thinking and acting.

As society is continuously changing, new possibilities and obstacles appear which makes it crucial to think and act in new ways. Strategies that previously were effective problem-solvers may not be anymore as other preconditions now steer contemporary society. This is obvious not least when it comes to changes in housing policy throughout the last decades, which also have led to new conditions for municipal housing companies. But we also need to think about mechanisms that are not so obvious, like what kind of relations and power structures steer actions in a certain direction. The multi-layered problem-situation requires that solutions, policies and strategies also need to be approached multi-dimensionally.

To come to terms with segregation and similar social problems, knowledge about the situation today and the phenomenon of segregation as such is not enough. Issues related to the specific context are also important in order to understand and manage to improve the situation, e.g. the background of the neighbourhood, such as history and physical design, knowledge about the specific groups which constitute the population and their cultures (see e.g. Stigendal, 1999). Taking this into account makes the housing company an actor with a certain advantage
when dealing with these issues as they already have much of this information and
know their neighbourhood better than most other actors. But, it is necessary to go
even further and focus on societal integration, not only the spatial separation.

Moral dilemmas
While analysing the case studies, a few issues with an ethic character have ap-
peared, and these are discussed below.

Can social means justify an economic objective?
What has bothered me while working with this study is the question of whether
social engagements for economic profit can be morally acceptable. The managing
director of MKB acknowledges that the company is interested in a positive develop-
ment of the social conditions, but their primary interest must be to remain busi-
nesslike and do what is best for the company, not to become another social public
authority (MKB, 2002). The same is argued in the research field of CSR (Corporate
Social Responsibility, see e.g. SER, 2001). Thus, having the goal of generating
profit does not automatically mean that the means to get there have negative con-
sequences for others. On the contrary, the case studies show that MKB’s initiatives
have led to win-win situations with value created for all actors involved. However,
is this enough proof to argue that companies should engage in social issues as a
mean to reach their economic goal? There is also a risk that social engagement
becomes a prestige word, but lacks real meaning to those who use it. As long as
they claim to be socially responsible, they can use whatever means to achieve their
objectives.

The more I study these issues, the more I have become convinced that the key
words here, like in the discussion of social capital and governance, are trust, under-
standing and reciprocity. It is possible to defend involvement in societal develop-
ment motivated by economic profit, but not if the actors lack genuine interest for
society. Economic rationality alone is not practicable, but coupled with a realisation
that also other values are of importance to keep society working and developing in
the right direction, the outcome can be positive.

It is also necessary to realise that social improvements in society will be positive
for everyone, not only the worst off, even if it takes time before the result is tangi-
bly reached. If a genuine interest to contribute to such improvements is missing,
vertical trust e.g. between the MKB and the residents, to work with joint efforts
will be difficult to obtain. If the trust is lacking, it is not possible to motivate en-
gagement for other goals than those visible or measurable.

Putnam (1993) argues that the dichotomy between altruism and self-interest eas-
ily can be overdrawn. The enormous motivating power that self-interest implies
should not be denied, and must not necessarily be negative. It can also be used for
positive purposes. What is important to remember, however, is that society and the
public must be more than a place where self-interests of various actors are fulfilled. If we can keep this balance, the danger does not become overwhelming. Rather it is a potential for economic interests to be used for good purposes.

The World Economic Forum (2004) claims that it is important to have clear principles and values that permeate the organisation based on a long-term perspective:

... ethical behaviour should not depend on its paying. To suggest that doing right needs to be justified by its economic reward is amoral, a self-inflicted wound hugely damaging to corporate reputation. ...Doing right because it is right, not because it pays, needs to be the foundation of business, with principle, not profit, the point of departure. (Sir Geoffrey Chandell, former Shell executive, in World Economic Forum, 2004, pp. 20-21)

Baker (2000) discusses ethics by arguing the impossibility of creating networks with the sole intention of reaping benefits. There is evidence that building networks and social capital leads to benefits, but when gains are the sole objective for networking, it borders on manipulation – building and using networks for self-serving and instrumental goals. “We can’t pursue the benefits of networks; the benefits ensue from investments in meaningful activities and relationships.” (Baker, 2000, p. 19)

The focus should be on how we can contribute to others – using social capital in this respect means that we put our networks into action and service. Paradoxically: By contributing to others, you are helped in return, often far more than expected, he argues.

It is also noteworthy to mention that reciprocity used in a distorted way can lead to feelings of guilt and shame for the ones receiving something from another. If this is made into a system, the one contributing with something of benefit for another can use the guilt of the other to manipulate to serve one’s own interests. This is not a genuine contribution to others without expecting anything in return, which the use of social capital is meant to be. As an example, MKB’s initiatives to increase the well-being of their residents have involved large risk-taking and investments, and this could be used to restrain the residents’ possibilities by actively making them feel indebted for MKB’s generosity. For instance, the residents may feel an obligation to stay in the neighbourhood, just because MKB has been kind and helped them into the labour market. That way, MKB would show better statistics in turnover rates etc. However, according to the interviews the residents do not feel such obligations towards MKB. Nor does MKB expect that from the residents. Still, this is a problem that must be considered seriously: What are the motives for social engagement and for collaboration? MKB has from the start had a long-term perspective of the initiatives, which of course decreases the risk to use their residents to improve certain statistics, but even more important is their approach to treat the residents with respect and listen to their needs and wishes. This has con-
tributed to the development of trustful relations between the two parties. In genuine trust there is no room for calculations of how to use or abuse one another.

One powerful actor
Related to the discussion about the means and motives to reach a goal is a discussion about power of one single actor, exemplified by MKB. Even if MKB’s approach seems to be grounded in genuine social interest and social responsibility, we need to be aware of the possible danger if one actor is given too much influence over the local development on its own premises.

Active and engaged actors that have resources and will contribute enough to make change is necessary to reach sufficient results. A housing company is also an appropriate actor in this respect since it works in an area that can be regarded as a platform for many other important issues for people’s everyday lives. In addition, a housing company has good possibilities to establish links to other sectors and authorities. However, the overall motive is still financial gain, and if the responsibility of the housing company is extended to other areas of society, there is a risk that the development becomes distorted. I do not claim that this is the case with MKB, but I want to acknowledge the risk if responsibilities continuously will be transferred from a public sector to the private. To achieve sound development, we also need actors with society’s best as the only motive, without profit-objectives on the side.

In addition, it is important to stress that we need more than one powerful actor that lead the development of society, whether they are private or public.

Who owns this problem?
Another moral problem has been touched upon in chapter 2. Social problems, like segregation or social exclusion are often seen as ‘immigrant problems’. Less often, the immigrants’ situation is related to the conditions that they are exposed to in society (Edgren-Schori, 2000). There is a need for new ways of looking at the problem where immigrants are not seen as the problem. Rather, the conditions cause the social problem. The solution then lies in joint problem solving. Reciprocity is fundamental to understand the process of integration and inclusion of minority groups. The process is both a question concerning individuals and the society. The reciprocity eliminates the opportunity for integration to be a unilateral, mechanic process where an individual is assumed ‘be integrated’ or adjusted to a static organisation or structure. Thus, a number of factors are involved in the changing processes of the society.

To promote integration, attitudes must change. But attitudes are created from what is commonly recognised and socially constructed as the norm. If the public regards people born in Sweden as ‘immigrants’, it sets the rules for how the ‘mainstream society’ is supposed to work. Placing people into the ‘immigrant-box’ can have a negative impact on the integration process, as it may lead to views of ‘us and them’ and that ‘they’ or ‘the other’ should adapt to the ‘normal’, ‘mainstream’ or
'majority'. Instead, social inclusion of minority groups and societal integration needs to be preceded by respect and tolerance for differences so that coexistence is attainable, despite diversities.

By carrying out research in ‘vulnerable’ and ‘multicultural’ areas, the risk of stigmatising both the residents and the neighbourhoods is highly apparent. Still, we need to collect knowledge about the problems existing in these neighbourhoods to increase the possibilities to develop adequate strategies that effectively combat the problems. It is in all respect important to be aware of this risk and thereby treat the material carefully.

An important factor to take into account is the awareness of cultural diversity. Sandercocck (2000) outlines some fallacies to avoid in the challenge of rethinking the inclusion relating to coexistence of the increasing differences in society: First, difference does not only refer to cultural diversity. If it does, we miss the complex multiple and intersecting differences such as gender, age, sexual preference and income. This emphasises again the need for reconsidering what is regarded as ‘normal’ and that there are different views to take into account. Second, connected to this is the fact that cultural diversity is not only equated with immigrants, but relates to all minorities, including indigenous people. Finally, cultural diversity is often equated with some limp notion of multiculturalism as the superficial celebration of immigrant foods, costumes, and folk music. This ‘weak multiculturalism’ is contrasted with the ‘strong multiculturalism’, defined in terms of public philosophy and policy.

Maid or employee?
The Commission office (third part of the job initiative) has been largely criticized for supporting a return to an antiquated society, where the jobs rely on class differences. The home service consultants have been referred to as the maids of our time. Even though the interviews with the home service consultants reveal that they are proud over their work and do not identify themselves with the maid-discussion, it is important to discuss whether this is the beginning of a real low-paid sector in Sweden. The maid-debate is relevant because it is a serious problem for our society if these people have to keep their salary on such a low level so that it can compete with the black market in order to serve higher income groups. Still, one must acknowledge that the home service consultants think it is better to have a low paid job than no job at all. To solve the problem, there should be a reasonable lowest salary, but that makes the market disappear for services like the home consultants and the black market will return to its previous level. I have no answer for how we can come to terms with this problem, but it is important to discuss also in relation to the social welfare benefits: Is it better to have a low paid job even if it gives no more, or perhaps even less money than social allowances?

MKB and their collaborating partners claim that the initiatives should be regarded as an engine to further mobility and development, not as the final outpost
on the labour market. By using the contacts and the employment that is provided through the job initiative, further education and qualified contacts can be made, leading to establishment on the labour market and in the mainstream society. Such additional values can never be created while living on social allowances.

**Continuation – further research**

Many aspects surrounding moral dilemmas could be relevant to investigate further. Whether a low paid sector is justified to decrease social benefit dependency could be connected to the issue of social relations and social capital. Perhaps the social capital that can be developed through any job weighs the risks of introducing a low-paid sector in Sweden? Today, most studies in this field relate only to the length of the factual job positions created, or to the change of income-level among the households receiving low-paid jobs compared to benefit-receivers. It would also be interesting to research the moral hesitations connected to the corporate social responsibility. Can economic profit objectives and sincere social concerns be united in a company’s business strategy? And if so, which are the pitfalls that need to be overcome?

It is important to note that like in all kinds of strategies, there are risks and pitfalls in value-creation. When actors have dual objectives e.g. to help, but also to make profit, there is a risk that the win-win endeavour changes into a win-lose situation. A risk is that the people most marginalised are forgotten in the process, while people that already have enough resources or are on the border between marginalised and socially included are the ones that access the benefits from the value created, as they are more visible and easier to engage. When regarding all residents as a single unified actor, as I have done in the analysis of the case studies, this risk is obvious and could benefit from a deeper investigation. A next step could be to take Sandercock’s (2000) notions about the diversity of culture into account and investigate the value-creating process with regard to diverse groups. Similarly, I have considered other actors in a somewhat aggregate way. It would be interesting to explore how the diversity between MKB and other professional actors in the neighbourhood, as well as between different positions within the company, have influenced the process of developing the initiatives.

While working with the case studies and analysing the results, many issues that could have been interesting to investigate further have come to the surface. For instance, a longitudinal study of the individuals involved in the initiatives could explore the following questions: How sustainable is the impact from the initiatives from a long-term perspective? What effects in terms of inclusion in different sectors of society have the initiatives had and will have? How do the individuals evaluate the initiatives’ impact after some time has passed? There are many questions in relation to this that are interesting and that may give more substance to the results from this study.
In the case of Holma, one result from the self-maintenance was that people felt more responsible, and that the work increased their self-esteem as others confirmed their work as positive. This study has focused more on the relational aspects concerning how to improve segregation rather than on the psychological well being among the actors. However, to achieve positive social change, knowledge about these effects is also important. Another study could focus on the social psychology as a base to create social capital, using the case of Holma. Concepts of interest in such a study are e.g. ‘self-reliance’, and ‘identity’. Perhaps the lack of self-reliance among some residents is one of the fundamental problems that need to be resolved in order to effectively promote social inclusion and integration?

The concept of identity explores what a person identifies with and is significant in this discussion. Negative social identity leads to poor social capital in the neighbourhood. Many of the residents in vulnerable areas might identify themselves with their compatriots or their religion rather than the neighbourhood they are living in or with the Swedish society. This identity fosters strong social ties within the group, and thus creates important resources in form of social capital, but still hardly a capital that can be used for developing and increasing the integration process if it is not recognised by other actors for this purpose. Thus, when discussing ways to create social capital and promote inclusion, we can see a need for people to find identification with aspects other than background, origin or religion. In relation to governance aspects, the importance of identification with the collective actor and the goals this actor strives toward is also important.

In addition, the development of trust is also important. What make trust appear and how can it evolve to permeate relations so that social capital appears? This is one question that I wanted to explore further in this study but could not due to time constraints. It is important to understand what trust is and if and how we can encourage its growth. In the case studies, the housing company worked hard to achieve trustful relations with their residents, and they seemed to succeed. But there are always at least two parties involved: How did the residents contribute to increasing trust in the relationship? Is it enough that one party alone makes the effort? Must the most powerful actor prove to the more dependent one and that it is honest, and wants to have a positive and trustful climate before the other actor answers and begins to actively work for the same goal?

**Final comment**

Beyond the primary purpose of the thesis, this has also been a study of concepts. The number of concepts that are closely connected to each other and sometimes intertwined have been both a source of inspiration and confusion. Moreover, the array of concepts and definitions has given me an understanding of why confusion and misunderstanding often appear in discussions, and that it can be part of the reason for why formulated objectives often fail to be reached. Most of all, this has
made me realise the importance of defining the concept used to be aware of what we are talking about.

I regard social inclusion and integration as something worth striving for, something that all people and actors are mutually responsible for, but also something mutually beneficial - a statement coincides the national official policy goal.

My study was conducted within a research environment of urban and regional planning. The political strivings for social inclusion and integration and the priority of these issues on the political agenda indicate that they are crucial to take into account in planning as well. Social complexities need to be explored and knowledge should be used in planning to prevent socially negative development. Often this perspective is neglected in issues related to planning. This study is therefore a contribution specifically to the planning field, e.g. in urban planning.

Rather than to recommend a certain strategy to successfully promote social inclusion and integration, the challenge lies in changing our way of thinking. Experience has shown that it is impossible to find a universal 'miracle-strategy' that will solve the problems in vulnerable neighbourhoods. But if we focus on attitudes, norms, values and ways of thinking, possibilities are created to develop new relationships and use them for purposes of societal relevance.

The importance of treating people with respect is stressed. MKB is an example of an actor that consciously has worked to change the attitudes within the company towards respectful treatment of all residents and co-workers. It is also about daring to give and receive trust, without expecting immediate return from a relation, but having a long-term perspective. If this permeates society, power-relations and positions will be less important. Instead the value of the human beings becomes central, which means that all people, in spite of origin, income or childhood experiences, are equal.

Is this something that goes without saying? Yes, it may be. But even if it sounds obvious, it is very difficult to apply, and therefore needs to be repeated over and over again. Structures and norms involve inertia, and a clearly articulated goal must be created to change this. If it is a goal that companies or other institutions in society take seriously and really work for, I think it can have surprisingly positive effects and ease the process of inclusion of marginalised groups into society. It may also decrease the moral uncertainties in terms of value-creation. Changing our way of thinking will spill over into our actions and thus into strategies, initiatives and policies to combat social problems.

The initiatives launched by MKB stand as examples of unconventional approaches that seem to be quite successful in terms of building social capital and creating values used for social inclusion and integration and they have been important examples of how social capital can be created in vertical relations. However, the problems in the case study neighbourhoods have not been solved. The case studies are still relevant as they represent a new approach, a new way of thinking around these issues that considers social relations as central to improvement.
The ‘individual myth’ of our time, that everyone is the architect of one’s own fortune, does not work. We need each other, and the positive values that can be created through relations and networks filled with trust and reciprocity are numerous and will lead to mutual benefit for everyone willing to get involved.
References


Bet. 2002/03:BoU1.


Motion 1996/97: Bo 211. (Marie Granlund & Kurt Ove Johansson, Social Democrats).


Rskr. 2002/03:66.


Ska MKB syssla med detta? (1997, 6 november). *Sydsvenska Dagbladet*


Internet sources

http://www.migrationsverket.se, 2002-12-02.
Interviews

Residents
H1: Man (Sweden) self-maintainer 2001-04-02.
H2: Woman (Sweden) self-maintainer 2001-04-02.
H3: Man (Danmark) self-maintainer 2001-04-03.
H4: Woman (Sweden) self-maintainer 2001-04-04.
H5: Man (Sweden) self-maintainer 2001-04-04.
H6: Woman (Sweden) previous self-maintainer 2001-04-03.
H7: Man (Sweden) previous self-maintainer 2001-04-05.
H8: Woman (Sweden) previous self-maintainer 2001-04-04.
H9: Woman (Syria) 2001-04-04.
H10: Man (Sweden) 2001-04-02.
H11: Woman (Sweden) 2001-04-02.
H12: Group interview 12 residents (mixed ethnicities) self-maintainers 2001-04-02.
R1: Woman (Kosovo-Albania) JEW 2001-05-16.
R2: Woman (Somalia) CO 2001-05-16.
R3: Woman (Somalia) CO 2001-05-16.
R4: Woman (Bosnia and Herzegovina) JEW 2001-05-16.
R5: Woman (Bosnia and Herzegovina) CO 2001-05-16.
R6: Woman (Bosnia and Herzegovina) CO 2001-05-16.
R8: Man (Sweden) House of Entrepreneurs 2001-05-17.
R9: Woman (Denmark) JEW 2001-08-31 (telephone).
R10: Woman (Sweden) JEW 2001-09-14.
R12: Man (Sweden) 2001-09-13.
R14: Man (Lebanon) 2001-09-13.

Professionals
Cm, 2001: Child minder, Holma 2001-04-05.
MKBdd: Continuous contact 2003, 2004 (telephone, e-mail).
MKBdp: Continuous contact 2003, 2004 (telephone, e-mail).
MKBhm1, 2001: house manager, Holma 2001-04-03.
MKBhm2, 2001: house manager, Holma 2001-04-03.
National Migration Office [Migrationsverket], 2003-04-22 (e-mail).
Pead, 2004: Director, the public employment agency 2004-03-31.
Sammanfattning på svenska
[Summary in Swedish]


Syftet med avhandlingen är att ompröva och tänka nytt när det gäller strategier för att främja social inkludering och integration genom att tillhandahålla en diskussion om värdeskapande. Ett antagande som analyseras är att i situationer där makt och andra resurser är ojämst fördelade kan alla inblandade parter dra nytta av förtroendefullt samarbete. Ambitionen är att kritiskt undersöka teoribildningarna kring begreppen 'governance' och 'socialt kapital' och att diskutera dessa begrepps möjligheter och problem relaterade till värdeskapande processer. Användbarheten och nytan av det teoretiska ramverket testas genom att analysera två okonventionella initiativ för att främja social inkludering och integration i samhället.

Governance

Governance bör inte ses som en ersättning av staten eller den offentliga sektorn, utan som ett complement med egna möjligheter och problem. Att arbeta i govern ance-arrangemang kan ibland vara ett effektivt sätt att nå sina mål jämfört med traditionella offentligt organiserade och styrdas instutser. Att aktörer av olika slag samlas i nätverk innebär dock inte automatiskt att demokratin främjas. En risk är
att insynen försvåras i och med att det som sker i nätverken inte nödvändigtvis är offentligt. Det finns också en risk att vissa aktörer exkluderas.

**Socialt kapital**

Avhandlingen diskuterar om governance arrangemang där ‘nya’ aktörer engagerar sig för att främja social inkludering och integration kan vara mer effektiva än traditionella försök där den offentliga sektorn haft det största ansvaret. För att undvika problemen och riskerna med governance och nå tillfredsställande resultat måste relationerna mellan de involverade aktörerna vara starka och bygga på tillit. Vidare måste perspektivet vara att samarbetet ska leda till nytta för de inblandade och att det är långsiktigt. Av det skälet är **socialt kapital** en central teori, eftersom den fokuserar på sociala relationer mellan människor och betonar nätverk, förtröende och ömsesidiga normer som grundläggande ingredienser i relationerna.


Socialt kapital kan inte åges av en enskild aktör, utan är en gemensam tillgång för de aktörer som utgör ett nätverk där länkarna (relationerna mellan aktörerna) är fyllda av förtröende och gemensamma normer och värderingar. Det sociala kapitalet leder till positiva effekter för dem som är inblandade, men inte alltid för samhället i stort. Därför kan det snarare än ’public good’ (allmän nytta) sägas vara ’club good’ (nytta för dem som tillhör ’klubben/nätverket). De flesta forskare inom detta fält är överens om att ett samhälle som genomsyras av socialt kapital har bättre förutsättningar för demokrati och ekonomisk tillväxt i allmänhet.


Det sociala kapitalet kan användas på lite olika sätt beroende på typ av relation. Ju mer homogena relationerna är desto mer troligt är det att socialt kapital uppstår, eftersom förtröende är naturligt mellan de som känner varandra väl. Socialt kapital i strong ties leder främst till expressiva utfall, t ex att aktörerna känner sig trygga och har en tillhörighet i gruppen. För att bygga socialt kapital i heterogena relationer krävs en större ansträngning, men det kan leda till stora fördelar för de inblandade aktörerna av instrumentell karaktär, eftersom de får tillgång till en mängd nya resurser som finns inhärdade i nätverket/strukturen. Ju mer lika aktö-
Svensk sammanfattning · 299

rerna är desto mer lika är resurserna hos de inblandade medan chansen att få tillgång till nya resurser ökar ju mer heterogent nätverket är.

I avhandlingen behandlas socialt kapital både i civilsamhället och i företagsvärlden och hur dessa två sfärer kan mötas och ta del av varandras sociala kapital. Putnam anser att det är svårt, kanske till och med omöjligt, att skapa socialt kapital i vertikala relationer, alltså mellan t ex arbetsgivare och arbetstagare eller mellan bostadsföretag och hyresgäst. Han menar att sådana relationer alltid bygger på beroendeförhållanden åt ena eller andra hålet och därför kan inte förtroende uppstå, vilket är avgörande för att socialt kapital ska kunna skapas. Lin (2001), som är en annan central teoretiker i avhandlingen, menar dock att även vertikala positioner är viktiga att ha med i diskussionen om socialt kapital, eftersom det finns resurser kopplade även till positionerna, inte bara till individerna, och om socialt kapital byggs i en vertikal relation kan de inblandade även få tillgång till andra positioner än de tidigare haft. Det krävs dock en stor ansträngning och ett risktagande för att skapa förtroendefulla relationer på den vertikala ledden, men om det fungerar kan de positiva effekterna bli stora.

Fallstudier

De initiativ som undersöks och analyseras i avhandlingen är tagna av Malmös kommunala bostadsföretag, MKB Fastighets AB (MKB) för att öka attraktiviteten i två av deras bostadsområden. I början på 1990-talet var MKB i ett allvarligt läge. Både ekonomin och de boendes förtroende för företaget hade nått botten. För att undvika konkurs satsade de på att genomföra genomgripande förändringar i verksamheten. Organisationen planades ut, de tillsatte husvärden som MKB:s ansikte utåt med ansvar för särskilda kvarter, och de antog ett ’lyssnande angreppssätt’ gentemot hyresgästerna som också blev till centrala aktörer i organisationen. Det var i denna anda som de initiativ som i avhandlingen utgör fallstudierna kom till.


I ett annat område i Malmö, Örtagården i stadsdelen Rosenård, har MKB startat det som i avhandlingen kallas jobbinitiatet. I detta område är arbetslösheten med åttagande sociala problem ett av de allra största problemen. MKB bedömde att om fler hyresgäster kom ut i arbetsetivet skulle området bli mer stabilt och möjligheten för att öka attraktiviteten skulle öka. Därför startade de ’Företagshuset’ som på flera sätt hjälper nyföretagare att starta upp sin verksamhet. I jobbinitiativet ingår också ’Jobbakuten’ som är en privat arbetsförmedling riktad till MKBs
egna hyresgäster samt ’Uppdragssförmedlingen’ som tar vara på utnyttjat kompetens i form av konsultverksamhet.

Dessa två initiativ visar hur en aktör går utanför sina ordinarie arbetsuppgifter och ger sig in i områden som traditionellt sköts av myndigheter inom den offentliga sektorn. MKB insåg att om de engagerar sig i de boendes välmående, något som inte primärt tillhör deras arbetsuppgifter, så kan de få tillbaka detta i andra former av nytta.

Studien visar att trivseln och tryggheten i Holma har ökat, de boende känner ansvar och stolthet för sitt arbete och sitt område och den sociala sammanhållningen har förbättrats. För de boende i Örtagården leder möjligheten till arbetsstillfällen till viktiga länkar till arbetsmarknaden och samhället i stort.

Värdeskapande

De två teoretiska perspektiven presenterade ovan, governance och socialt kapital, möjliggör en operationaliserad teoretisk diskussion om värdeskapande där fallstudierna (initiativen) utgör en viktig inspirationskälla. Med värdeskapande menas att aktörer som är inblandade i arbetet med att främja social inkludering och integration på olika sätt kan tjänas på det genom att värden skapas som de kan ha nytta av.

Genom att skapa governance arrangemang där aktörer med olika positioner och från olika sektorer samarbetar och har förtroende för varandra kan vertikala relationer där det blir möjligt att bygga socialt kapital uppstå. Detta sociala kapital kan sedan användas för att öka tillgången till resurser och på så sätt skapa värden för dem som finns i nättverket.


Initiativen har på olika sätt skapat värden både för de boende och för MKB. Några av målen med initiativen - att skapa stabilitet och främja social inkludering och integration - är mål som också samhället i stort har satt upp och därför är all aktivitet som leder i den riktningen högt värderade och viktiga både för kommunen och för resten av samhället - alltså även för Malmö kommun trots att aktörer från den inte varit direkt delaktig i initiativen.

Governance arrangemanget i fallstudieinitiativen består i princip av MKB och hyresgästerna (i jobbinitiativen är även ett par privata aktörer delaktiga). Man kan fråga sig huruvida värdeskapandet skulle ha blivit större om fler aktörer varit

Appendix 1: The NEHOM (Neighbourhood Housing Models) project.

Project home page: http://www.nhh.no/geo/NEHOM

Financing

The NEHOM project is a cross-national research project co-financed by EU through the fifth framework programme (1998-2002), and is part of Key Action 4 “City of Tomorrow and Cultural Heritage”.

Aim and expectations

The proper long title of the project is: Evaluating housing and neighbourhood initiatives to improve the quality of life of deprived urban neighbourhoods and assessing their transferability across Europe.

The problems treated in the project are the increasing social exclusion that threatens the quality of urban life. Comparative studies assessing the transferability of innovative and effective neighbourhood management and housing initiatives have been lacking in this research field.

The objectives

1. To build a database of innovative and effective housing initiatives and neighbourhood practices which have been developed by local communities, governments and the private sector; are effective in improving the quality of life in deprived urban neighbourhoods, and; build the capacity and social entrepreneurial skills of local residents and actors.
2. To develop guidelines for transferring effective housing initiatives and neighbourhood practices between countries and localities;
3. To identify a tool kit of principles, quantitative and qualitative measures for assessing the relationships between housing initiatives and the quality of life in urban neighbourhoods.
4. To provide information for feasible strategies of EU urban policies.

Expected impacts

Through the evaluation of case studies the consortium aims at creating tools for better management of neighbourhoods and housing initiatives in order to improve the quality of life in deprived urban settings, e.g. reduce poverty, provide shelter, protect the environment and support economic development. To achieve this the consortium of 9 academic partners have established co-operative links with national/local networks of public and private housing agencies. The project will produce:
1. Handbook/CD-ROM database of good and innovative neighbourhood housing practices containing guidelines on how such practices can be transferred to neighbourhoods in other European countries.
2. A standard research tool to assess and analyse neighbourhood conditions.
3. Recommendations for a European housing policy, which combines neighbourhood solutions with broader measures to achieve social cohesion.

**Partner countries/case studies**

Eight countries have been involved in the NEHOM project: Estonia, France, Germany, Great Britain, Hungary, Italy, Norway, and Sweden. Norway had the coordinating role in the project. Two different partners represented Great Britain, which made up nine partners in total.

Each country carried out 3-4 case studies each, resulting in 26 final case study reports.

In a late phase of the project, an extension of the project has been made with two more partners, one from Estonia and one from Hungary. They represented professional actors, while the other partners were researchers.

**Proceeding**

NEHOM had its start-up meeting in Budapest, Hungary, in January 2000. It proceeded until the end of 2003, with a closing meeting in October 2003, also in Budapest. Before the start-up meeting, three pilot studies were carried out.

During the project-period, all partners have carried out case studies, reports have been written, and meetings held. Apart from meetings (1-2 per year), communication has primarily occurred by e-mail. The coordinating partner has maintained contact with the financier.

Four Post-doctoral duties have been financed by the project, where young researchers (from four of the partner countries) have been employed during the latter half of the project. Together with the coordinating team, they were responsible for transferability issues: handling and arranging the final results into a handbook and a CD-ROM that is meant to be suitable for practitioners across Europe.

**Work Phases**

1. Evaluation of the pilot studies to structure the case study research tool, which will provide a methodology for the comparative research of the selected cases.
2. Urban neighbourhood case studies in the partner countries resulting in national reports to be debated in local workshops involving the relevant actors.
3. National workshops with broad participation to discuss the transferability of the case study results. Evaluating the national studies on the basis of experiential feedback and identifying the transferable lessons. Re-evaluating and improving
the case study research tool to generate a database of effective housing initiatives and neighbourhood management practices.

4. Analysing the cross-national transferability of innovative practice solutions.
5. Creating a handbook and CD-ROM of innovative practices, guidelines for transferability and policy recommendations.
6. Dissemination in close cooperation with public and private housing agencies of transferable lessons through national workshops, international meetings and conferences, through professional and popular publications, an Internet Forum and other media.

Methodology
The methodology used in the project was case studies, and the research method was primarily qualitative with interviews as the main source of information. Some statistical and other ‘hard-ware’ facts were also used in the description of the case study areas and initiatives.

Interviews
Each case study involved in-depth interviews (1-2 hours) with residents and professionals with knowledge about the initiatives:

- 15-20 interviews with residents, as varying as possible in terms of gender, cultural background, age, household situation etc. Both residents personally involved in the initiative and residents not involved were targeted.
- 4-6 interviews with professionals representing agencies and sectors of different categories.

An interview guide were set up for the pilot studies and revised for the further case studies. Each partner also made some changes to make the guide suit the specific context (see the interview guides in appendix 2).

Statistics
To manage comparisons across the different cases, statistic variables were presented in the reports. The variables each country had to contribute with were: population size in age groups, types of tenures in the neighbourhood, household composition, turn-over rate, unemployment rate, social benefit dependency, share of people with foreign background, etc.

The statistical figures were collected at two different occasions – one before or just in the beginning of the initiatives existence, and one as recent as possible. This was used to see if the impact of the initiatives could be stated in figures.
Appendix 2: Interview guides for the NEHOM project

Residents

a. Introduction
Name:
Address:
Telephone:
Time and place for interview:
Number of tape (recording):

Interview leader:
• Explain the reason for the interview and the project
• Introduce the Royal Institute of Technology and the department of Regional Planning
• Announce the anonymity of the interviewee. Ask of permission to record the interview

1. Personal housing experiences
• What year did you move into your flat?
  neighbourhood?
  city/city district?
• Where did you live before?
• Why did you move to the flat?
  neighbourhood?
• How big is the flat (no of rooms, m²)? How many people live in the flat? Is the flat suitable for your everyday life?
• What is your monthly housing cost?
• Have there been any large changes in your flat or house?
• How much contact do you have with other residents in the house? How would you describe the relation to your neighbours?

2. Perception of the housing situation and the neighbourhood
• How would you describe your neighbourhood to a person from outside the city?
Which are the three best and worst things about living in this neighbourhood?

Best: 1 2 3
Worst: 1 2 3

How would you assess your current housing situation? Do you miss anything?

1. Public service 1 2 3 4 5 Why?
2. Commercial service 1 2 3 4 5 Why?
3. Architecture 1 2 3 4 5 Why?
4. Communications 1 2 3 4 5 Why?
5. Meeting places 1 2 3 4 5 Why?
6. Green spaces 1 2 3 4 5 Why?
7. Localization 1 2 3 4 5 Why?
8. Your flat 1 2 3 4 5 Why?
9. Your house 1 2 3 4 5 Why?
10. The neighbourhood 1 2 3 4 5 Why?

How do you experience the contact/relations between the residents in the neighbourhood?

Do you have family and friends (people like you) living in the neighbourhood? Do you have your closest social relations with people inside or outside the neighbourhood?

Show on the enclosed map what parts you like/dislike. What do you identify as 'your' neighbourhood (whole, parts of it etc.)?

Do you recognize any specific social problems or conflicts in the neighbourhood? Which? What are the reasons for these?

Are you safe or do you fear from crimes and violence in the neighbourhood? Any special parts of the neighbourhood?

How do people not living here experience the neighbourhood?

3. Perceptions of changes of the quality of life in the neighbourhood

Tell me about your experience of the neighbourhood and how it has changed generally the last years.

In your opinion, is there any group of population especially affected by these/one of these changes?

Who do you think is responsible for these changes?

4. Involvement in decision-making process

Who do you believe is the main actors to determine your neighbourhood’s development? What are the driving forces?

Do you feel that the residents can have influence on the development of the neighbourhood? Why/why not? How? Is there any proper forum for that?
- Do you think more participation of the residents is needed to improve everyday life? How could that become real?
- Is it important for you to be able to participate in the development?
- Who do you spend most of your free time with? What do you do (formal/informal groups)? Do you have the capability and opportunity for participation?
  - inside the neighbourhood
  - outside the neighbourhood

5. Knowledge of the analysed initiative/project
- Have you been personally involved in the initiative? If yes, how?
- How did you get to know about the initiative (newspaper, advertisement, friends, radio, internet, etc.)?
- Do you find the information about the initiative sufficient?

6.1. Specific questions concerning only the respective case-study (Holma)
- Why do you think your housing company wanted you to take care of the maintenance?
- Was the reorganisation and self-management mostly a way for the housing company to ease their work burden or did they have some other reason for doing it?

6.2 Specific questions concerning only the respective case-study (Ortagården)
- Why do you think your housing company has started the initiative to provide help to get employment to their residents?
- Does this initiative offer anything different from the ordinary ways to get employment? In what way?
- Has employment have anything to do with improving the quality of life in the neighbourhood? How?

7. Assessment of the initiative’s impact
- How do you experience the effect of the initiative? Long term, short term, side effects...?
  - What part does it play in the general change of the neighbourhood?
  - Has it helped the networking in the neighbourhood? Have the relations in the neighbourhood changed?
  - Do you experience it as a contribution to improvement of the quality of life in the neighbourhood generally? Has it strengthened the stability?
  - Has it meant positive effects also for the not involved residents?
- Do you experience an improvement of the neighbourhood’s reputation?
- What is good/bad about the initiative?
- Is it worth trying this initiative on other places?
- What has the initiative meant to you personally?
  - Fellowship, changes in relationships?
  - Have the initiative strengthened your/other involver’s self esteem?
  - Has there been any change in the rate of crime and violence? Do you feel more safe/less safe?
  - How is the relationship between you and the housing company? Is there a difference from before the initiative?
8. Future expectations
   ▪ How do you think this neighbourhood will change over the following five years?
   ▪ Have you tried to move away from here? Would you like to move? How possible is it that you could move from here?
   ▪ What do you see as the most urgent problem to tackle in this neighbourhood?

9. Personal data on the interviewee and his/her household

Structure of household:

<table>
<thead>
<tr>
<th>Role in hh</th>
<th>1 interviewee</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status empl</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rel. to I</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Level of education:
Profession/branch:
Working place:
Ethnic background:
Receiver of benefits:
Professionals/Key actors

0. Introduction
Name:
Telephone:
Time and place:
Number of the tape (recording):

Interview leader:
- Explain the reason for the interview and the project
- Introduce the Royal Institute of Technology and the department of Regional Planning
- Ask of permission to record the interview

1. Background and experience in the neighbourhood
   a) Personal
      Age group
      Education
   b) Professional
      Career
      Present organisation/institution
      Status (title within the organisation/institution)
   c) Local:
      Previous experience in the neighbourhood
      Autonomy
      Mandatory mission

2. Perceptions of the neighbourhood and the residents
   - Which strengths and weaknesses can you see in the neighbourhood? List the three best and worst.
     Best: 1   Worst: 1
     2   2
     3   3
   - How has the neighbourhood developed? Towards increased attractiveness/deprivation?

3. About the local initiative
   - What do you know about the initiative? How has it developed?
   - What influences has the initiative (had) to you and your organisation? Is it outweighing positive or negative effects? Why?
What influences has the initiative for cooperation between different actors in the neighbourhood?

4. Assessment/impact of the initiative

- How would you assess the initiative hitherto?
  - Positive or negative influence on the local society and in a wider perspective?
  - Long term or short term effects? How? Why?
  - How sustainable is it in a long perspective?
  - Have any of the effects surprised you?
  - Has the initiative had any influences outside the neighbourhood?
  - Is it possible to transfer this initiative to other places (neighbourhoods, cities, countries)?
  - How great importance have other (external) factors had, concerning the initiative’s impact/successes/failures?
  - Has the initiative changed the common opinion of the neighbourhood, the problems within the neighbourhood, other factors (such as the local empowerment/participation)?
  - Has the initiative had impact on the way you work (organizational or in cooperation with others)?
  - Which relation has the neighbourhood to surrounding areas and the city?

5. Changes in neighbourhood over time

- Have there been (other) changes in the neighbourhood (concerning e.g. economy, social situation, politics)? Positive or negative?
- How have these changes been initiated (filtering up/down)?

6. Institutional structure

- How do roles and distribution of roles look like concerning the management of the neighbourhood? (How is it maintained and cared for and by whom?)
- Is there a functional cooperation between the municipality (city district), the housing company, organisations, etc.? Which role has the city district council? Is there anything in this cooperation that makes a difference from other city districts?
- What important changes have occurred in the cooperation and distribution of roles (including the housing company and their management of the neighbourhood) the last decade? How has this influenced the neighbourhood?
- Has the housing company contributed to social changes in the neighbourhood? How?
In what ways do the residents participate in the local decision making process (now/previoiusly)? To what extent can they and the local organisations influence policies related to the management, housing and service in the neighbourhood?

7. Future expectations
   ▪ What do you believe will happen in the neighbourhood the following five years?
   ▪ Is this initiative functional in the future? Is there a need for new initiatives to tackle new problems?
   ▪ What problem is the most important to tackle at this moment?
Appendix 3: List of interviewees

i = involved in the initiative
ni = not involved in the initiative
pi = previously involved in the initiative

JEW = Job emergency ward
CO = Commission office
HoE = House of entrepreneurs

app = approximately
y = years old
r&k = rooms and kitchen (number of rooms in apartment)
H = Holma
RG = Rosengård
(within brackets) = the origin country

Residents in Holma, NEHOM 2001 (anonymous)

2001-04-02: (i) M, app 70 y, single (in 2 r&k), retired, H since 1994 (Sweden)
2001-04-02: (i) F, app 55 y, single (in 2 r&k), sickness pensioner, H since 1986 (Sweden)
2001-04-03: (i) M, app 65 y, married (2 persons in 3 r&k), early retired, H since 1993 (Danmark)
2001-04-04: (i) F, app 55 y, married (2 persons in 3 r&k), working, H since 1974 (Sweden)
2001-04-04: (i) M, app 70 y, married (2 persons in 3 r&k), retired, H since 1994 (Sweden)
2001-04-03: (pi) F, app 75 y, widow (in 2 r&k), retired, H since 1993 (Sweden)
2001-04-05: (pi) M, app 80 y, married (2 persons in 3 r&k), retired, H since 1993 (Sweden)
2001-04-04: (pi) F, app 80 y, single (in 2 r&k), retired, H since 1993 (Sweden)
2001-04-04: (ni) F, app 35 y, married, (5 persons in 4 r&k), working, H since 1985 (Syria)
2001-04-02: (ni) M, app 75 y, single (in 2 r&k), retired, H since 2000 (Sweden)
2001-04-02 (ni) F, app 50 y, divorced (single in 3 r&k), working, H since 1979 (Sweden)
2001-04-02: (i) Group interview with 12 residents, some working and some unemployed (mixed)
Key persons/professionals in Holma, NEHOM 2001
2001-04-02: MKB’s director of properties in Holma
2001-04-03: MKB-employee (house manager)
2001-04-03: MKB-employee (house manager)
2001-04-05: Child mänter at one of Holma’s nurseries
2001-04-09 (telephone): Youth recreation leader in Holma
2001-04-10 (telephone): Headmaster of the school in Holma
2001-04-19 (telephone): Social welfare secretary, responsibility area: housing

Professionals in Holma, 2004
2004-03-30: Headmaster of the school in Holma
2004-03-31: Police officer in the district of Limhamn
2004-03-31: Employee at Hylle city district

Residents in Örtagården, NEHOM 2001 (anonymous)
2001-05-16: (i JEW) F, app 45 y, married (6 persons in 4 r&k), RG since 1997 (Kosovo-Albania)
2001-05-16: (i CO) F, app 35 y, married (2 persons in 2 r&k), RG since 1991 (Somalia)
2001-05-16: (i CO) F, app 35 y, divorced (7 persons in 4 r&k), RG since 1994 (Somalia)
2001-05-16: (i JEW) F, app 45 y, married (3 persons in 3 r&k), RG since 1993 (Bosnia and Herzegovina)
2001-05-16: (i CO) F, app 40 y, married (4 persons in 3 r&k), RG since 1999 (Bosnia and Herzegovina)
2001-05-16: (i CO) F, app 40 y, married (3 persons in 3 r&k), RG since 1994 (Bosnia and Herzegovina)
2001-05-16: (i HoE) M, app 40 y, married (4 persons in 4 r&k), not in RG anymore (Iraq)
2001-05-17: (i HoE) F, app 40 y, married (3 persons in house), not living in RG (Sweden)
2001-08-31 (telephone): (i JEW) F, app 30 y, married (6 persons in 3 r&k), not living in RG (Denmark)
2001-09-14: (i JEW) F, app 45 y, divorced (2 persons in 2 r&k), not living in RG (Sweden)
2001-05-15: (ni) M, app 45 y married (4 persons in 3 r&k), unemployed, RG since 1996 (Iraq)
2001-09-13: (ni) M, app 75 y, married (2 persons in 2 r&k), retired, RG since 1968 (Sweden)
2001-09-13: (m) M, app 40 y, married (7 persons in 5 råk), working full time, RG since 1990 (Lebanon)
2001-09-13: (m) M, app 40 y, married (9 persons in 5 råk), working part time, RG since 1987 (Lebanon)
2001-09-13: (f) F, app 50 y, married (7 persons in 4 råk), working full time, RG since 1990 (Syria)
2001-05-15: (m) Group discussion, 10 unemployed (mixed)

Key persons/professionals in Örgård, NEHOM 2001
2001-05-17: MKB’s director of development
2001-05-14: Employment officer at the JEW (Personalservice/personalpartner AB)
2001-05-14: Employment officer at the JEW (Personalservice/personalpartner AB)
2001-05-16: Employment officer at the public employment agency in Malmö
2001-05-17: Employee at Rosengård city district
2001-05-17: Social welfare secretary in Rosengård
2001-05-16 and 2001-05-18: The managing director of MNC
2001-05-15: Project employed (AUC) from the public employment agency
2001-05-15: Project employed (AUC) from the city district

Professionals in Örgård, 2004
2004-03-30: Police officer in the district of Rosengård
2004-03-30: Employee at Rosengård city district (‘work and education’)
2004-03-31: Employment officer at the public employment agency (located in Rosengård)
2004-03-31: Director of ‘work and integration’ at the public employment agency (located in central Malmö)

In addition
Continuous contact by e-mail and telephone:
- The director of properties in Holma, MKB
- The director of development, MKB
- Staff at the JEW and MNC
Appendix 4: MKB’s organisation

Malmö Kommunala Bostads AB 1990
### Appendix 5: Statistics of Holma

#### Table 1. Average annual income, 18-64 year olds (SEK)

<table>
<thead>
<tr>
<th>Year</th>
<th>Holma</th>
<th>Malmö</th>
<th>Sweden*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>122,600</td>
<td>147,900</td>
<td>164,500</td>
</tr>
<tr>
<td>1998</td>
<td>135,800</td>
<td>166,800</td>
<td>207,400</td>
</tr>
<tr>
<td>2000</td>
<td>144,000</td>
<td>189,400</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office and SCB.

#### Table 2. Unemployment, 18-64 year olds

<table>
<thead>
<tr>
<th>Year</th>
<th>Holma</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>3% (58)</td>
<td>1.6% (2256)</td>
<td>1.5% (66,000)</td>
</tr>
<tr>
<td>1996</td>
<td>11% (207)</td>
<td>8% (11,974)</td>
<td>8.1% (347,000)</td>
</tr>
<tr>
<td>1999</td>
<td>10% (199)</td>
<td>7% (11,597)</td>
<td>5.6% (241,000)</td>
</tr>
<tr>
<td>2001*</td>
<td>8.8% (180)</td>
<td>5.7% (9374)</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>6.5% (135)</td>
<td>5.7% (9327)</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>7% (152)</td>
<td>5% (9048)</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office and SCB.

#### Table 3. Social assistance (individuals receiving social benefit)

<table>
<thead>
<tr>
<th>Social assistance</th>
<th>Holma</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>36% (1116)</td>
<td>11% (25831)</td>
<td>5.9% (505129)</td>
</tr>
<tr>
<td>1995</td>
<td>37%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>45% (1473)</td>
<td>18% (23449)</td>
<td>8.5% (749104)</td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office and SCB.

#### Table 4. Employment rate. Share of population (20-64 years) in employment at least one hour/week

<table>
<thead>
<tr>
<th>Employment rate</th>
<th>Holma</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>1991</td>
<td>1999</td>
<td>2001</td>
</tr>
<tr>
<td></td>
<td>9%</td>
<td>39%</td>
<td>44%</td>
</tr>
<tr>
<td></td>
<td>75%</td>
<td>62%</td>
<td>65%</td>
</tr>
<tr>
<td>Women</td>
<td>1991</td>
<td>1999</td>
<td>2001</td>
</tr>
<tr>
<td></td>
<td>57%</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>74%</td>
<td>61%</td>
<td>64%</td>
</tr>
<tr>
<td></td>
<td>79%</td>
<td>71%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office and SCB.

89 For Sweden, the figure relates to people 20 years or older (SCB).
90 The figures for 2001 differ concerning measurement occasions. Holma’s unemployment is measured in March 2001 (share of population aged 20-54), while the figure for the total of Malmö is calculated in May 2001 (share of population aged 16-64).
Table 5. Foreign background (persons born outside of Sweden)

<table>
<thead>
<tr>
<th>Foreign background</th>
<th>Holma</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>49% (1575)</td>
<td>20% (47068)</td>
<td>9% (790445)</td>
</tr>
<tr>
<td>1995</td>
<td>55% (1660)</td>
<td>26% (62169)</td>
<td>11% (936022)</td>
</tr>
<tr>
<td>2000</td>
<td>49% (1733)</td>
<td>23% (60244)</td>
<td>11% (981633)</td>
</tr>
<tr>
<td>2003</td>
<td>50% (1840)</td>
<td>24% (64476)</td>
<td>11% (971633)</td>
</tr>
</tbody>
</table>

Source: Malmö statistical office and SCB.

Table 6. Age profile, 2000

<table>
<thead>
<tr>
<th>Age profile</th>
<th>Holma</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>359 (10%)</td>
<td>16,454 (6%)</td>
<td>561,933 (6%)</td>
</tr>
<tr>
<td>6-15</td>
<td>554 (16%)</td>
<td>29,581 (11%)</td>
<td>1,174,723 (13%)</td>
</tr>
<tr>
<td>16-24</td>
<td>418 (12%)</td>
<td>28,480 (11%)</td>
<td>919,444 (10%)</td>
</tr>
<tr>
<td>25-44</td>
<td>992 (28%)</td>
<td>77,946 (30%)</td>
<td>2,436,999 (27%)</td>
</tr>
<tr>
<td>45-64</td>
<td>751 (21%)</td>
<td>59,289 (23%)</td>
<td>2,259,206 (25%)</td>
</tr>
<tr>
<td>65-79</td>
<td>337 (10%)</td>
<td>32,880 (13%)</td>
<td>1,078,325 (12%)</td>
</tr>
<tr>
<td>80-</td>
<td>148 (4%)</td>
<td>14,049 (6%)</td>
<td>452,562 (5%)</td>
</tr>
<tr>
<td>Total population</td>
<td>359</td>
<td>25,9579</td>
<td>8,882,792</td>
</tr>
</tbody>
</table>

Source: Malmö statistical office and SCB.

Table 7. Occupancy rate, number of residents per flat

<table>
<thead>
<tr>
<th>Occupancy rate</th>
<th>Holma</th>
<th>Malmö</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1.94</td>
<td>1.79</td>
</tr>
<tr>
<td>2000</td>
<td>2.27</td>
<td>1.88</td>
</tr>
</tbody>
</table>

Source: Malmö statistical office.

Table 8. Turnover rate, number of residents moving in and out

<table>
<thead>
<tr>
<th>Turnover of residents</th>
<th>Holma</th>
<th>Malmö</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>-171</td>
<td>+969</td>
</tr>
<tr>
<td>In</td>
<td>618 (19.6%)</td>
<td>11602 (5%)</td>
</tr>
<tr>
<td>Out</td>
<td>789 (25%)</td>
<td>10633 (4.5%)</td>
</tr>
<tr>
<td>1998</td>
<td>+90</td>
<td>+3563</td>
</tr>
<tr>
<td>In</td>
<td>587 (18.1%)</td>
<td>15094 (6%)</td>
</tr>
<tr>
<td>Out</td>
<td>497 (15.3%)</td>
<td>11531 (4.6%)</td>
</tr>
<tr>
<td>2002</td>
<td>+10</td>
<td>+2890</td>
</tr>
<tr>
<td>In</td>
<td>421 (11.6%)</td>
<td>15691 (6%)</td>
</tr>
<tr>
<td>Out</td>
<td>411 (11.3%)</td>
<td>12801 (4.9%)</td>
</tr>
</tbody>
</table>

Source: Malmö statistical office.
### Appendix 6: Statistics of Örtagården

**Table 1. Occupancy rate. Number of residents per flat**

<table>
<thead>
<tr>
<th>Year</th>
<th>Örtagården</th>
<th>Rosengård</th>
<th>Malmö</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>2.77</td>
<td>2.24</td>
<td>1.79</td>
</tr>
<tr>
<td>2000</td>
<td>3.38</td>
<td>2.7</td>
<td>1.88</td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office.*

**Table 2. Age profile, 2000**

<table>
<thead>
<tr>
<th>Age profile</th>
<th>Örtagården</th>
<th>Rosengård</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>719 (15%)</td>
<td>2052 (13%)</td>
<td>16,454 (6%)</td>
<td>561,933 (6%)</td>
</tr>
<tr>
<td>6-15</td>
<td>1173 (25%)</td>
<td>4119 (20%)</td>
<td>29,581 (11%)</td>
<td>1,174,723 (13%)</td>
</tr>
<tr>
<td>16-24</td>
<td>561 (12%)</td>
<td>2436 (12%)</td>
<td>28,480 (11%)</td>
<td>919,444 (10%)</td>
</tr>
<tr>
<td>25-44</td>
<td>1419 (30%)</td>
<td>5797 (28%)</td>
<td>77,946 (30%)</td>
<td>2,436,599 (27%)</td>
</tr>
<tr>
<td>45-64</td>
<td>626 (13%)</td>
<td>3731 (18%)</td>
<td>59,289 (23%)</td>
<td>2,259,206 (25%)</td>
</tr>
<tr>
<td>65-79</td>
<td>220 (5%)</td>
<td>1700 (8%)</td>
<td>32,880 (13%)</td>
<td>1,078,325 (12%)</td>
</tr>
<tr>
<td>80-</td>
<td>57 (1%)</td>
<td>592 (3%)</td>
<td>14,949 (6%)</td>
<td>452,562 (5%)</td>
</tr>
<tr>
<td><strong>Total population</strong></td>
<td><strong>4775</strong></td>
<td><strong>21,027</strong></td>
<td><strong>259,579</strong></td>
<td><strong>8,882,792</strong></td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office and SCB.*

**Table 3. Foreign background (persons born outside of Sweden)**

<table>
<thead>
<tr>
<th>Foreign background</th>
<th>Örtagården</th>
<th>Rosengård</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>71% (2664)</td>
<td>45% (10,389)</td>
<td>20% (47,068)</td>
<td>9% (790,445)</td>
</tr>
<tr>
<td>1995</td>
<td>85% (3549)</td>
<td>72% (13,234)</td>
<td>26% (62,169)</td>
<td>11% (936,022)</td>
</tr>
<tr>
<td>2000</td>
<td>61% (2903)</td>
<td>58% (12,249)</td>
<td>23% (60,244)</td>
<td>11% (981,633)</td>
</tr>
<tr>
<td>2003</td>
<td>60% (2922)</td>
<td>59% (12644)</td>
<td>34% (64476)</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office and SCB.*

**Table 4. Average annual income, 18-64 year olds (SEK)**

<table>
<thead>
<tr>
<th>Income</th>
<th>Örtagården</th>
<th>Rosengård</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>125,000</td>
<td>127,500</td>
<td>147,900</td>
<td>164,500</td>
</tr>
<tr>
<td>1998</td>
<td>145,500</td>
<td>144,400</td>
<td>166,800</td>
<td>207,400</td>
</tr>
<tr>
<td>2000</td>
<td>154,700</td>
<td>153,800</td>
<td>189,400</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Malmö statistical office and SCB.*

91 For Sweden, the figure relates to people 20 years or older (SCB).
Table 5. Employment rate. Share of population (20-64 years) in employment at least one hour/week

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>48%</td>
<td>27%</td>
<td>35%</td>
<td>62%</td>
<td>33%</td>
<td>39%</td>
<td>74%</td>
<td>62%</td>
<td>65%</td>
<td>83%</td>
<td>75%</td>
<td>Women</td>
<td>45%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Women</td>
<td>45%</td>
<td>20%</td>
<td>25%</td>
<td>60%</td>
<td>28%</td>
<td>33%</td>
<td>75%</td>
<td>61%</td>
<td>64%</td>
<td>79%</td>
<td>71%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Malmö statistical office and SCB.

Table 6. Unemployment, 18-64 year olds

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>2.6% (57)</td>
<td>1.5% (211)</td>
<td>1.6% (2256)</td>
<td>1.5% (66000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>12% (269)</td>
<td>10% (998)</td>
<td>8% (11974)</td>
<td>8.1% (347000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>11.6% (283)</td>
<td>9.9% (1095)</td>
<td>7.4% (11597)</td>
<td>5.6% (241000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>9.5% (230)</td>
<td>7.1% (947)</td>
<td>5.7% (9374)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>8.8% (219)</td>
<td>7.2% (833)</td>
<td>5.7% (9327)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Malmö statistical office and SCB.

Table 7. Turnover rate (number of persons moving in and out)

<table>
<thead>
<tr>
<th>Turnover of residents</th>
<th>Örtagården</th>
<th>Rosengård</th>
<th>Malmö</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>+7</td>
<td>+66</td>
<td>+3563</td>
</tr>
<tr>
<td>In</td>
<td>767 (19.9%)</td>
<td>11602 (5%)</td>
<td></td>
</tr>
<tr>
<td>Out</td>
<td>760 (19.7%)</td>
<td>10633 (4.5%)</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>-66</td>
<td>+364</td>
<td>+3563</td>
</tr>
<tr>
<td>In</td>
<td>599 (12.9%)</td>
<td>2408 (12.1%)</td>
<td>15094 (6%)</td>
</tr>
<tr>
<td>Out</td>
<td>655 (14.3%)</td>
<td>2044 (10.3%)</td>
<td>11531 (4.6%)</td>
</tr>
<tr>
<td>2002</td>
<td>-61</td>
<td>-46</td>
<td>+2890</td>
</tr>
<tr>
<td>In</td>
<td>391 (8%)</td>
<td>1771 (8%)</td>
<td>15691 (6%)</td>
</tr>
<tr>
<td>Out</td>
<td>452 (9%)</td>
<td>1817 (9%)</td>
<td>12801 (4.9%)</td>
</tr>
</tbody>
</table>

Source: Malmö statistical office.

92. The figures for the year of 2001 differ concerning measurement occasions. Örtagården’s and Rosengård’s unemployment is measured in March 2001 (share of population aged 20-54), while the figure for the total of Malmö is calculated in May 2001 (share of population aged 16-64). Information about the total unemployment in Sweden 2001 is not available.
Table 8. Social assistance (individuals receiving social benefits)

<table>
<thead>
<tr>
<th>Social assistance</th>
<th>Örtagården</th>
<th>Rosengård</th>
<th>Malmö</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>39% (1424)</td>
<td>21% (4821)</td>
<td>11% (25831)</td>
<td>5.9% (505129)</td>
</tr>
<tr>
<td>1997</td>
<td>61% (940)</td>
<td>54% (3989)</td>
<td>18% (23449)</td>
<td>8.5% (749104)</td>
</tr>
</tbody>
</table>

Source: Malmö statistical office and SCB.