POTENTIALS FOR GROWTH AND COHESION
A study of metropolitan initiatives in Sweden

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This paper is based on a study of metropolitan initiatives in Sweden (Stigendal, Jakobsson & Sjöberg, 2013) funded by the ERDF (European Regional Development Fund). More specifically, we have studied how such initiatives have promoted the relationship between increased growth and reduced segregation. These two cornerstones were the goals of the Swedish metropolitan policy, launched in 1998. In this paper, we will treat them in conjunction with the two original objectives of the European cohesion policy, economic and social cohesion. The relationship between economic and social cohesion was promoted by the Lisbon strategy, launched in 2000. The revision of this strategy in 2005 put the focus on growth and economic cohesion one-sidedly, in line with a neo-liberal agenda, which implied a profound change. However, the same name was kept and thus two very different strategies have appeared under the label of the Lisbon strategy, aggravating an understanding of the radical difference between them.

Both these strategies were incorporated, obviously unwittingly, in the national strategy launched by the Swedish government, “A national strategy for regional competitiveness, entrepreneurship and employment 2007-2013” (Näringsdepartementet, 2006). In that way, a duality was introduced and as our first objective with this article, we will clarify the imprints and consequences of this duality in the metropolitan initiatives. Secondly, we claim that this duality has contributed to obscuring successful results of the metropolitan initiatives, in particular the ones which we call collective empowerment. Thirdly, although the revised Lisbon strategy has favoured growth one-sidedly, some local initiatives have yet managed to promote the relationship between increased growth and reduced segregation. To understand this, we will suggest another perspective on growth. Fourthly, promoting the relationship between increased growth and reduced segregation requires an approach which may be called potential-oriented. We will draw upon projects using this approach to explain what it means and contrast it with the predominant approach, which we call problem-oriented.

The use of the ERDF in Sweden is determined by eight regional programmes. These programmes have been designed by regional partnerships, based on local and regional needs and interests. The difference between the programmes can be quite large, although all must remain within the framework of the national strategy guidelines. The metropolitan initiatives studied are included respectively in the programmes for Stockholm, Western Sweden (Göteborg) and Skåne-Blekinge (Malmö). In our study, carried out during 2011-12, we have analyzed project descriptions by a total of 28 projects. Eight of these projects were selected for case studies which included many interviews. Results from three of these case studies will
be presented later in the paper. Our research study has been carried out in an interactive process involving representatives of the programmes and projects. We have arranged a number of conferences where ideas and findings have been discussed. The input from these representatives has been very beneficial for our research.

1. The European cohesion policy

The European cohesion policy was created in 1988, partly in reaction to neo-liberalism. As Hooghe (1998: 459) writes, the 1988 reform was “the bedrock of the anti-neoliberal programme. Though the immediate goal is to reduce territorial inequalities in the European Union, its larger objective is to institutionalize key principles of regulated capitalism in Europe.” In 1996 the European Commission (1996) published the first report on cohesion policy. In line with the regulated capitalism advocated by the promoters of the cohesion policy, the report (1996: 13) refers to a European model which “seeks to combine a system of economic organisation based on market forces, freedom of opportunity and enterprise with a commitment to the values of internal solidarity and mutual support which ensures open access for all members of society to services of general benefit and protection”. Increasing European integration means that the European Union must take greater responsibility and share it with the Member States. This should be done with the support of the cohesion policy.

The cohesion policy makes a distinction between economic and social cohesion. As hinted at in the quote above these two forms of cohesion are to be combined. In the first report (1996: 13) economic cohesion stands for ”convergence of basic incomes through higher GDP growth, of competitiveness and of employment”. Social cohesion is said to be a little harder to define. Based on the concept of solidarity it is about ”universal systems of social protection, regulation to correct market failure and systems of social dialogue” (1996: 14). The report presents economic and social cohesion as interdependent.

The keyword regarding social cohesion is solidarity, and with a special meaning. The first cohesion report expresses a normative concept of solidarity (Liedman, 1999), which calls upon the prosperous and fortunate to be generous towards the poorest and the disadvantaged (European Commission, 1996: 11). In the subsequent cohesion reports the word solidarity gradually disappears. In the fourth report from 2007 it is not mentioned at all. Thus, cohesion policy under the structural funds 2007-13 has mainly been targeted on the conditions of the economy. For sure, the economy puts us in relation to each other as for example employers or employees. But these are certain types of social relations, which have proved to generate increasing inequalities (OECD, 2011) and which many are excluded from because of unemployment. Yet, the cohesion reports do not say anything about these social relations of economic cohesion.

In Encyclopedia Britannica, cohesion is explained as “the act or state of sticking together tightly”. This is not the meaning used in the cohesion reports. In these it is more about the preconditions of social relations, albeit not between people in the same region but between people in different regions. The cohesion policy is place-based and not people-based. The basic problem it deals with concerns the difference between people in different regions, not the difference between people in one and the same region. Thus, in our interpretation, the European cohesion policy concerns place-based preconditions for cohesion, not cohesion itself.

From our point of view, the European cohesion policy has a bearing on two types of social relationships. The first type is that of the market economy, i.e. where we relate to each other as employers, employees, customers, etc. This type is not mentioned at all in the cohesion reports. Instead, the policy of economic cohesion deals with preconditions and not the social
relations of economic cohesion itself. The second type of social relationships constitutes the content of social cohesion and that is the normative solidarity. These are not particularly strong social relationships. For example they do not imply us doing something together and getting to know each other. However they constitute social relationships, characterized by the poor realizing their dependence on the rich who in turn feel sorry for the poor. This is, as far as we can see, the only social relationship in a substantial sense that the cohesion policy addresses.

We have used these definitions in our analyses of the 28 metropolitan projects. A majority of them deals with economic cohesion in the sense of improving the preconditions of economic cohesion and without saying a word about its preferable content, for example regarding working conditions. Interestingly enough, none of the 28 projects can be said to advocate a social cohesion in the sense of normative solidarity. Instead, we have identified another way of thinking about social cohesion in as many as 13 of the projects. They represent a definition of social cohesion which we would like to call collective empowerment. This means strengthening not only the individuals but the group as such. People in an area should be strengthened to jointly do something about their situation.

This notion of social cohesion as collective empowerment has a basis in another way of thinking on solidarity, associated with classical Sociology. Marx used the word solidarity in a way which corresponds to the definition in Encyclopedia Britannica but those who should stick together tightly were the working class. In the view held by Durkheim, solidarity was a concern for the whole of society. However, common to Marx and Durkheim was the emphasis on a reciprocity which we prefer to call collective empowerment. That is another meaning than relating solidarity to the poor and disadvantaged in accordance with a normative solidarity. However, this notion of solidarity and social cohesion is not represented by any of the projects in our study while the notion that almost half of them pursues, collective empowerment, lacks support in the European cohesion policy.

2. An emerging duality

At the European Council in Lisbon in March 2000, the EU adopted a comprehensive strategy that became known as the Lisbon Strategy. It had its roots in the discontent with neoliberalism, which was spreading in the mid-1990s. Unemployment had risen sharply and critics gathered around the new perspective that was developed during the 1990's second half, and came to be called the social investment perspective (Jenson, 2012: 66). Central to this perspective was the relationship between efficiency and equity, or in similar words, increased growth and reduced segregation. The social investment perspective had an impact within the European Commission during the 1990's second half. It came to characterize the European Employment Strategy and underpinned the Lisbon Strategy in 2000.

After a few years an evaluation of the Lisbon Strategy was made by an expert group. In its final report the group was highly critical of how the Lisbon strategy had succeeded. The criticism led the Commission to make a revision of the strategy the following year, in line with the group's proposal. In February 2005 the Commission launched a new start for the Lisbon Strategy, focusing on two principal tasks: delivering stronger, lasting growth, and more jobs. It is this revision that characterises the fourth cohesion report from 2007, which is a basis for the priorities of the structural funds programming period 2007-2013.

According to Robertson (2008: 90) the revision meant a radical break with the previous strategy, “… a significant shift away from a social market/’fortress Europe’ as the means to create a knowledge-based economy toward a newer vision; a more open, globally-oriented, freer market Europe.” The original Lisbon Strategy from 2000 expressed a desire to reconcile
economic and social objectives, in line with the social investment perspective (Lundvall & Lorenz, 2012: 337). According to Robertson neoliberalism took revenge in the revision. However, the name of the strategy was retained, which has made it harder to notice the fundamental change.

The 2005 revision called for member states to draw up national action plans and national strategies for the Lisbon strategy goals to be met. In Sweden, this national strategy has been the basis for the design of ERDF and ESF programmes. At around the same time the government abolished the national metropolitan policy, originally launched in 1998 by the social democratic government, consisting of two main and interdependent goals; increased growth and reduced segregation.

The government, however, refers to the national metropolitan policy in the national strategy. Also, it states four specific guidelines, in line with the relationship in the national metropolitan policy between increased growth and reduced segregation. Moreover, the requirements for the three so-called horizontal criteria can be interpreted as an emphasis on social cohesion. One of these three criteria is equality between women and men which all projects should strive to improve. However, our analysis of the 28 metropolitan projects shows a disappointing result. The great majority of the projects risk preserving the existing order rather than changing it. But why should they bother when only the economic goals ultimately count? The references to the national metropolitan policy and the original Lisbon strategy disguise the supremacy of the revised Lisbon strategy. Furthermore, this radical break is not recognized at all by the regional funds in their programmes.

3. Different types of growth

The rhetoric on growth gives the impression of growth as a normal characteristic of all economic activity. But all production of goods and services do not grow, and should not do so. Why, for example, should the hairdresser in the square serve more customers if the current ones are sufficient for the business to be viable? Then he/she will soon have to employ someone, but maybe he/she does not want to do that. Indeed, economic growth may be not only undesirable but also unsustainable. As the Commission led by Joseph Stiglitz writes in their final report, “the seemingly bright growth performance of the world economy between 2004 and 2007 may have been achieved at the expense of future growth. It is also clear that some of the performance was a ‘mirage’, profits that were based on prices that had been inflated by a bubble.” (Stiglitz et al, 2009: 9) There are indeed strong reasons to be critical of unbridled growth. It is therefore important to ask why we need growth.

The answer is that you need growth in order to remain a capitalist. Capital must grow for it to remain capital (Evans, 2009). In the capitalist part of the market economy, the profit is an end in itself (Stigendal, 2010a). Capitalism is not the same as the entire market economy. It is a type of market economy or a part of what we call a market economy. Another part is made up of self-employed, such as the hairdresser or the bakery on the square, whose activities are not primarily intended to make a profit. And then it cannot be called capitalism. Nor can a municipally owned school where the work is indeed performed by employees, but not established primarily to make a profit. The market economy thus consists of at least three parts.

On the basis of this distinction, we suggest a differentiation between three types of growth. The projects may promote profit-driven, disposable and/or needs-driven growth. Projects that promote profit-driven growth typically include measures that support the growth of existing companies or attract other ones to establish themselves in the area. Measures to promote disposable growth consist of support for individuals to set up their own business. Such
measures contribute to growth when the business is set up, but no longer than that if the business just aims to break even. That is why we call it disposable growth. Needs-driven growth, finally, occurs when the public sector invests on the basis of identified needs.

Using this distinction in our analysis of the 28 project descriptions we have found that growth does not appear unambiguously. Projects may promote different types of growth. Obviously, that has to be taken into consideration in a study of the relationship between increased growth and reduced segregation. In our analysis we have found measures to promote disposable growth in 17 of the project descriptions. Profit-driven growth is promoted by 11 projects. Almost all the projects, 24 of 28, promote needs-driven growth. The three types of growth often occur in combinations. We have found it particularly interesting that almost all the projects that promote profit-driven growth includes elements of needs-driven growth as well.

4. Approaches to segregation

In the Swedish National Encyclopaedia segregation is defined as “the spatial separation of populations. Segregation may occur on the basis of socioeconomic status, colour, religion, ethnicity, etc. It can be involuntary or voluntary.” This means that segregation involves not only one population group but at least two. Moreover, the separation of these population groups is spatial which means that segregation involves not only one spatial area but at least two (Stigendal, 2007). Yet, “while scientists tend to see the city as segregated into rich and poor, Swedish dense and Swedish sparse areas respectively, politics tends to focus on ‘segged areas’, i.e. in practice only the losing side ...” (Andersson, Brämå & Hogdal, 2007: 16)

Andersson, Brämå & Hogdal (2007: 10) are harsh in their criticism and argues that the focus on the “losing side” exacerbates the problems. According to the researchers, it is “difficult to find in the research literature support for the idea that selective, area-based interventions can break segregation.” Yet a focus on the “losing side” has become increasingly common.

We associate this focus with an approach that can be called problem-oriented. Its characteristics include a demarcation to what appears to be. That means taking the problem for granted. There is no emphasis on defining problems, but they are perceived as defined by themselves. For example, if young people are throwing stones at police and rescue services, this is the problem to be solved, not the problems that may be thought of as underlying causes. If a high proportion of young people at school do not get passing grades, a problem-oriented approach would focus on how to make them pass, not on how to solve the problems with the grading system. A problem-oriented approach may contribute to stigmatization and represents one of the main obstacles to promoting the relationship between increased growth and reduced segregation.

An alternative approach is one which may be called potential-oriented. That means that we pay attention not only to what seems to be, but all potential causes. They might be regarded as negative, like the underlying structural causes to why young people are throwing stones, but positive ones exists as well, like the potentials that these young people have but which may be blocked and not actualised. For us, the potential-oriented approach has a basis in the scientific paradigm called critical realism (Jessop, 2005) which distinguishes between the real, the actual and the empirical. The young people need to have the ability to throw stones before they throw them. Critical realism identifies such an ability as a causal force at the level of the real. However, whether they do throw stones (the actualisation of it) depends on various circumstances interacting at the level of the actual. Finally, that should be distinguished from how we perceive it, which as a matter of the empirical.
Of the 28 project descriptions, 14 express problem-oriented approaches. In 20 of the descriptions, we find signs of potential-oriented approaches. Thus, six of the project descriptions include both approaches. As we interpret this duality, the approach in these project descriptions has not been sufficiently considered. On the other hand, as many as 14 of the 28 project descriptions, take a clear stand for a potential-oriented approach. The problem is that such an approach lacks support in the regional programmes and indeed the national strategy. Thus, projects that adopt it are neither getting support in this sense nor being recognised for it. Moreover, the revised Lisbon strategy which characterises the national strategy is clearly consistent with a problem-oriented approach.

5. Increased growth and decreased segregation

Our analysis so far has highlighted the difficulties for projects to promote the relationship between increased growth and decreased segregation. Really, those difficulties should not surprise us as the revised Lisbon strategy from 2005 has favoured growth and economic cohesion unilaterally. However and as we have shown, the national strategy and the regional programmes includes passages which seems to favour social cohesion as well as an interdependent relationship between increased growth and decreased segregation. Thus, elements from the original Lisbon strategy and the national metropolitan policy have been incorporated which means that the projects during the programming period 2007-13 have been guided by a duality. Despite these difficulties, we have found interesting examples of how the relationship between increased growth and decreased segregation can be promoted.

The first example is the project HAMN. The name is an acronym, meaning "harbour" in Swedish and associates with trade, shipping, transport, history, archaeology, people, and Nacka. It is carried out during the period 2010 to 2013 in Fisksätra-Saltsjöbaden, a city district in the municipality of Nacka (Stockholm region). Fisksätra-Saltsjöbaden has an interesting history and a multicultural population representing in total 100 nationalities. ERDF funding has been used to build a museum with the purpose to become an interdisciplinary forum in close cooperation with higher education, industry and local society. Building the museum is an attempt to make the history of the area accessible. The narrow, shallow waterway Baggensstäket has a 1000 year history as a channel between the Baltic Sea and Stockholm. In 1719 Russian and Swedish troops fought there. The idea of the museum has been not just to exhibit the history of the place, but also through interactive and experience-based exhibitions to illustrate how modern society has developed. By capturing stories from the present, from the multicultural population of Fisksätra, the project aims to contribute to updating the diverse picture of what Sweden represents today. In this way, the project combines the history of the place with the history of the people currently living there.

We have interpreted this as an innovative combination of profit-driven and needs-driven growth, based on a clear idea. And the idea is not in the first place to make a profit, but to increase integration and diversity. To make growth firmly anchored in needs, various activities have been carried out, reaching out to the inhabitants and involving them in discussions, for example unemployed women with a foreign background.

The second example is Development North-east, a very large project starting in spring 2011 and continuing throughout 2013. It aims at transforming the north-eastern districts of Gothenburg – Angered and Östra Göteborg – into more attractive areas for both people and companies and the creation of more jobs. The project description focuses on the “losing side”, clearly in line with a problem-oriented approach. Several problems and shortages are identified in the north-eastern districts. In contrast, it does not touch upon the societal
structures and problematize them. The project description portrays explicitly the north-easter

districts as the problem and implicitly the rest of Gothenburg as the solution.

Such a problem-oriented approach has a quite coercive support in the regional programme for

Western Sweden. In our view, this programme is more characterised by the neoliberal agenda

of the revised Lisbon strategy than the other two regional programmes. It aims “to reduce

socio-economic disparities between different neighbourhoods and communities in

Gothenburg by measures to enhance the attractiveness of vulnerable neighbourhoods …” In

contrast, the programme for Skåne-Blekinge aims at a sustainable development in the

metropolitan city of Malmö as a whole. Such formulations have enabled more experimental,
diverse and innovative projects than in Gothenburg.

Yet, in our interviews and meetings with the staff of the project Development North-east we

have got another impression, more in line with a potential-oriented approach. There is an

awareness of the risk to further stigmatize the city districts by addressing them and their

populations as problems. There is a resistance to the “jobs at any cost philosophy” which for a

number of years has grown strong. The project clearly works with social cohesion, both as a

value in itself and as a means for growth, primarily through investment in culture, aesthetics

and physical improvements to foster creativity and the community.

The third example is the Little Greenhouse (see also Stigendal, 2010b). It has its background

in the riots in the area of Hermodsdal in Malmö which culminated in January 2006 when a

part of the local school was burnt down. Besides police measures to restore order, four

workshops were arranged during 2006 and 2007 where representatives from the local

administration and associations met young people to discuss the problems and possible

solutions. That led to the idea about establishing a meeting place for and by young people.

Funding was provided by the ERDF and the Little Greenhouse was opened officially at the

end of September 2008. At that time a lot of young people from the area had been involved to

create it through carpentry, painting, decorating, furnishing etc. Four of them became

employed by the project. As one of them said, Little Greenhouse was not meant to be an

ordinary leisure centre, but a place where you could go to get included in society.

Little Greenhouse came to offer a variety of activities for youth in the area, in particular

creative activities with music and art as important elements. Among the facilities were a

number of Internet-connected computers that young people could use to search for jobs or just

enjoy surfing. “The Little Greenhouse is a place where you can get the nutrients to your

dreams and ideas,” said one of the employees. Great emphasis was placed on collaboration

with other stakeholders. In our interpretation, Little Greenhouse promoted social cohesion,

not only the preconditions for it, but substantially in the shape of what we call collective

empowerment by rechanneling and rebuilding the destructive forces manifested in the riots.

6. Concluding remarks

Why have we bothered doing this study and writing this paper when our object of research

seems to be outdated? The revised Lisbon strategy in 2005 replaced the emphasis on the

relationship between increased growth and reduced segregation with a unilateral focus on

growth and economic cohesion. However, since then the Lisbon strategy has been replaced by

Europe 2020, with demands on growth to become not only smart but also sustainable and

inclusive. That is why organizations like European Anti-Poverty Network (2010) has argued

that “the inclusion of an EU poverty target, Flagship program and process, represents a

potentially historic step forward for the EU fight against poverty ...” Thus, even if our study

and paper deals with the period 2007-13 characterised by the revised Lisbon strategy, it

should be seen in the light of the subsequent and new period 2014-20, characterised by
Europe 2020. And in this period, we believe there is a strong need to learn from how projects during the period 2007-13 have managed to promote the relationship between increased growth and reduced segregation, despite the counteracting force of the revised Lisbon strategy.

Our first conclusion is that the national strategy has contained an obstructive duality. Projects have to some extent been encouraged to reduce segregation and thus increase equality, however not in an interdependent relationship with growth but under its auspices. In the end, only growth counts. Secondly, that has concealed important successes and we have highlighted one which we call collective empowerment and which we hope will get much more attention in the next period. Thirdly, promoting the relationship between increased growth and reduced segregation has proved to be possible, but the understanding of that requires a more developed view of growth. We have problematized the concept of growth and suggested a distinction between three types. Using that distinction we have tried to show how the relationship between increased growth and reduced segregation may be promoted by a combination of needs-driven and profit-driven growth, on the basis of an elaborated idea. Fourthly, we have emphasised the association of the revised Lisbon strategy with a particular approach, called problem-oriented. In contrast to this and inspired by the work in the projects, we have suggested another approach called potential-oriented, based on critical realism, which we hope will become predominant during the next programming period.

References


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