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**Local development  
agreements as a tool  
to stop segregation  
in vulnerable  
metropolitan areas**

Synthesis Report





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## 1. EXECUTIVE SUMMARY

### **The context**

A brand new programme of peer reviews in the field of national social inclusion policies was launched in Stockholm, Sweden on 22-23 April 2004, heralding the start of a new approach to evaluating and – where possible – transferring innovative examples of good practice in different EU Member States. The Swedish government hosted this first meeting, attended by representatives from seven peer countries: Belgium, Finland, Italy, Lithuania, the Netherlands, Portugal and Spain. Mr Armindo Silva and Mr Hugues Feltesse took part on behalf of the European Commission (DG Employment) while the European Anti-Poverty Network and Eurocities represented stakeholders and NGOs.

The meeting set out to evaluate the success of the Local Development Agreements implemented in Sweden since 1998 in order to stop segregation in vulnerable metropolitan areas, and to assess the possibilities for transfer of these initiatives to other EU Member States. The agreements themselves cover over 1 000 different projects, which vary widely according to local circumstances and needs. To better understand what these measures entail in concrete terms a site visit to the local Job Centre of Skärholmen was included on Day 1 of the meeting.

### **The good practice**

The Swedish Metropolitan Policy, which was adopted in 1998 with the aim of ending social, ethnic and discriminatory segregation in metropolitan areas and promoting equal and comparable living conditions for people living in the cities, is implemented through Local Development Agreements, LDAs. Since 1999, the Swedish government has concluded such agreements with seven metropolitan municipalities, which in turn identified 24 housing districts that were severely hit by the crisis during the 1990s. The common features of the geographically defined housing districts are an overrepresentation of people on low incomes and residents dependent on social assistance, and a high proportion of people born outside Sweden. Seventy percent of the inhabitants are under the age of 45.

The government allocated approximately €230 million for LDAs during 1999-2003. The metropolitan authorities committed themselves to contributing the same amount.



Local Development Agreements are the main tool for achieving sustainable development. The agreements are based on the assumption that the best result will be achieved if efforts are coordinated and spring from the inhabitants' perspective of what will work in their own community. The main objective is to promote a holistic approach in development work. Four key methods are applied: management by objectives, cross-sector cooperation, long-term work and the 'bottom-up' approach.

The LDAs consist of an overall agreement regulating the tasks of the state and the municipality, laying down objectives and evaluation procedures and indicating how the agreed measures shall be financed. The LDAs are signed by the state and the respective municipalities and approved by the government. They are revised annually through dialogue between local and national authorities. The agreements are coupled with appendices comprising local action plans formulated by the residents and community groups. The action plans lay down locally agreed objectives, with baseline descriptions of the situation and a strategy drawn up in close cooperation with the residents, on the basis of their specific needs.

The results of the LDAs are very encouraging. More than 1 000 measures have been implemented in the 24 housing districts, with 250 000 residents. The overall impression is that the holistic approach and cross-sector cooperation have made a positive contribution to achieving the objectives of the Metropolitan Policy as well as goals in other policy areas. Evaluations show that Metropolitan Policy measures can reverse negative trends. The employment rate has increased more in the 24 districts involved than in other similar districts, while dependence on social benefits decreased in 21 districts by 1-13%, remained at the same level in two districts, and increased in one district.

Measures within pre-schools and compulsory schools are the most developed and successful actions. New working methods have been created. Pupils have improved their results and schools have gained better reputations. In addition, some of the housing districts have become more attractive, since they are safer because crime has been reduced. A focus on cultural life has brought more meaningful leisure activities, and also improved language skills and strengthened community spirit and a sense of identity. Cross-sector cooperation has increased and resulted in better service delivery and more focused and individually tailored work. The schemes where companies, educators and recruitment agencies work together with motivated job seekers have proved to be very successful.



The LDAs can contribute to positive changes in a geographical area, improve the quality of life of the residents and foster social cohesion. But the impact on structures that create and maintain segregation is so far weak. The question is whether local measures targeted at residents in a geographical district can affect those mechanisms. Combating poverty and exclusion effectively means not only investing in individuals but also in the community.

A multidimensional approach requires strong integration between economic, employment, lifelong learning, cultural, housing and social policies. In Sweden, an inclusive society is at the heart of the policy-making system, and that is why the Metropolitan Policy implemented by the LDAs has achieved broad political commitment, additional funding and is developed jointly by several ministries. This is a prerequisite for successful policy implementation.

#### **The relevance for transferability**

The LDA concept is not possible to transfer, as such, to other European countries due to the different models of governance. LDAs will not work in countries where social protection is weak. The Scandinavian social protection model is the basis for the success of the LDAs. Representatives of the peer countries regarded the holistic approach, the long-term development process and a very strong political commitment as crucial. The importance of additional funding was underlined, explicitly when creating conditions at national level for a horizontal approach. The final challenge is to mainstream the policy and measures and to adapt to a situation with much less money available.

The members concluded that many aspects of the LDAs are relevant to their own efforts to combat social exclusion, although in countries with highly autonomous levels of devolved government, such as Belgium, Spain and Italy, the exact Swedish model would be difficult to emulate. While most felt LDAs by themselves could not resolve the broader causes of segregation, they were especially interested in the examples of local partnership and cross-sector dialogue. Several participants said they could also learn from the stringent monitoring and evaluation procedures.

The Swedish example, highlighting a multidimensional approach to segregation and social exclusion, the importance of mobilising all relevant actors and cross-sector cooperation as well as empowering local residents, management by objectives and continuous evaluation, is very much in tune with the objectives of the EU's Community Action Programme for combating social exclusion.



## 2. INTRODUCTION: SOCIAL EXCLUSION AND SPATIAL SEGREGATION

Social exclusion is often described as comprehensive, multidimensional and dynamic. Generally it refers to limited opportunities for individual participation in society – economically, socially, culturally and politically. It also addresses issues of reinforcing processes of accumulated disadvantages and weakening of social rights. Long-term unemployment, poverty or multiple deprivation tend to threaten social integration while income, health, employment, social and family support help people to achieve integration and belonging.

Social exclusion can affect individuals and groups of individuals regardless of where they live, be it in a rural or an urban environment, a small village or a big city. However, it is not equally distributed but concentrates in vulnerable urban areas where problems like poverty, homelessness, social isolation, bad housing conditions, drug abuse, and criminal behaviour are more frequent amongst the population. In many cities, social exclusion overlaps the cultural and linguistic diversity of some neighbourhoods where the educational system faces specific demands.

This phenomenon is a result of spatial segregation, i.e. the territorial separation of different groups of people defined by economic, social, ethnic and demographic characteristics. The physical separation is also a manifestation of social distance between inhabitants. Spatial segregation is not only a social problem in terms of employment, education and low-quality housing. The socially deviant behaviour that results from segregation can also harm the general economic attractiveness of a city.

Even though large-scale housing areas are part of the problem, they are not the only cause of segregation. Segregation is to be found in urban city centres as well as in suburbs. It is strongly present in cities where no public measures are developed for solving housing problems and where social protection is weak.

What makes spatial segregation a major issue in the development of social inclusion policies is not only the fact that the different faces of social exclusion become most visible in vulnerable urban areas. It is also due to the vicious circle that is generated in deprived urban areas. Those who are better off leave, while people with little or no income move in. The tax yield declines and infrastructure gets neglected. At a certain point the problem derives not only from so many socially excluded people live in the area, it is the area itself that gen-



erates social exclusion by offering only poor educational, health and social services, few and bad jobs, and stigmatising its inhabitants who have more difficulty accessing the labour market simply because they live in such a neighbourhood.

For Europe, the obvious interdependence between spatial segregation in urban areas and the different manifestations of social exclusion is of great importance. Some 80% of the European population lives in towns or cities, making Europe the most urbanised continent in the world. About 20% of Europeans live in large conurbations of more than 250 000 inhabitants, 20% in medium-sized cities, and 40% in towns of 10-50 000 inhabitants. Demographic data confirm that the urbanisation of European cities is continuing, but not as fast as in previous decades. The population grows as a result of inflow from rural or less prosperous areas and of migration, especially from third countries.

Therefore, the reduction and prevention of spatial segregation in urban areas is a key to successful social inclusion policies in Europe.



### **3. LOCAL DEVELOPMENT AGREEMENTS – THE SWEDISH CASE**

The Swedish National Action Plan against Poverty and Exclusion 2003-2005 addresses future challenges in Swedish society, related to declining growth, a lower employment rate, increasing unemployment and dependence on social assistance. The strategic approach adopted for 2003-2005 indicates that the focus is on raising awareness of the social integration process in accordance with the Open Method of Coordination, and on encouraging and supporting the establishment of local schemes for social participation through partnerships between local authorities, other relevant authorities and organisations.

The implementation of the plan is based on closer collaboration between various bodies, both non-profit and professional, and various levels of society, with the focus on the needs of the individual. At national level, it is a question of facilitating and supporting collaboration at regional and local levels, and eliminating legislative obstacles. Another area of collaboration is the Metropolitan Policy.

In 1998 the Swedish Parliament adopted a Metropolitan Policy aiming to “end the social, ethnic and discriminatory segregation in the metropolitan areas and to work for equal and comparable living conditions for people living in the cities”. The integrated Metropolitan Policy was presented in the Bill “Development and justice – A policy for the 21<sup>st</sup> century” (Gov.Bill 1997/98:165).

In adopting the Metropolitan Policy, the government signalled the importance of tackling the problem of segregation, which exists in Sweden and – like in many other countries – has developed over a long period of time. Swedish segregation is found especially in metropolitan areas like Stockholm, Göteborg and Malmö, where social differences increased during periods of economic growth as well as of recession. The influx of refugees and immigrants to Sweden during recent decades also introduced the ethnic dimension. The government regarded the Bill as the start of a process of cooperation between central government and the municipalities, county councils and regions concerned, with a view to promoting growth in disadvantaged neighbourhoods in metropolitan regions.

#### *3.1. The Swedish Metropolitan Policy*

The Metropolitan Policy builds upon experiences of local mobilisation work in certain metropolitan municipalities carried out in 1995-1998 with the support



of central government grants for special measures. These were intended to end negative segregation by, for instance, developing action plans for these areas. The municipalities are responsible for tackling and solving the problems but, during the past 10 years, central government has been increasingly involved.

The Swedish Metropolitan Policy has two objectives:

- to provide the foundations for sustainable growth in the metropolitan regions: in this way, metropolitan policy should be able to contribute to the creation of new employment opportunities in both the metropolitan regions and the country at large;
- to stop social, ethnic and discriminatory segregation in metropolitan regions, and to work for equal and comparable living conditions for people living in the cities.

These are to be achieved by

- increasing employment rates
- reducing benefit dependency
- strengthening Swedish language skills
- raising the adult education level
- raising secondary school performance
- making environments safer and more attractive
- improving public health
- increasing democratic participation.

In order to achieve these targets, coordinated and long-term measures are needed to reinforce the abilities of inhabitants in the most vulnerable housing areas and to empower and take full advantage of the capacities of those residents. The mechanisms of segregation are very complex. International experience demonstrates that segregation can be reduced and stopped only by long-term programmes, based on a holistic view of development in an area, involving a variety of public and private actors, and building upon the participation and involvement of local inhabitants in the development processes. Cross-sector cooperation is a central prerequisite for the Metropolitan Policy.

The Commission on Metropolitan Areas in Sweden is the drafting body in the government offices whose task is to develop and coordinate the Metropolitan Policy. Members of the Commission are State Secretaries from seven ministries and the Political Advisor in the Prime Minister's Office. The Office for Metropolitan Affairs is a division of the Ministry of Justice.



### *3.2. Local Development Agreements*

The Swedish Metropolitan Policy is implemented through Local Development Agreements (LDA) concluded by the government with seven metropolitan authorities: Botkyrka, Göteborg, Haninge, Huddinge, Malmö, Stockholm and Södertälje. These authorities have, in turn, identified 24 housing districts that were severely hit by the economic crisis during the 1990s. The 24 housing districts are geographically defined according to somewhat varying principles. The common feature is that, in relation to surrounding districts, people with low incomes, dependent on social assistance, or born outside Sweden are over-represented. The inhabitants are young: 70% are under the age of 45.

In 1999-2003 the Swedish Government allocated approximately 2.1 billion SEK (€233 million) for Local Development Agreements. The metropolitan authorities have committed themselves to contributing the same amount as the government, creating a total investment of 4 billion SEK (€432 million) for the Metropolitan Policy. Some 700 million SEK (€78 million) is earmarked for specific areas of operation, such as pre-schools, compulsory schools and culture and leisure activities. In 2001, the Commission on Metropolitan Areas proposed concentrating future actions on employment and education.

Local Development Agreements are the main tool for achieving sustainable development. The agreements are based on the assumption that the best results will be achieved if efforts are coordinated and spring from the inhabitants' perspective of what will work in their own community. The LDAs consist of an overall agreement regulating the tasks of the state and the municipality, laying down objectives and evaluation procedures and indications on how the agreed measures shall be financed. The agreements are signed by the state and the respective municipalities and approved by the government. They are revised annually through dialogue between the local and national authorities.

Along with the agreements are appendices comprising local action plans drawn up by residents and community groups. The action plans set locally formulated objectives built on baseline descriptions and analysis of the situation in the district, and a strategy of measures agreed in close cooperation with the residents, on the basis of their special needs.



### 3.3. Key Methods

The LDAs take a holistic approach to the development work. The state, the municipalities and the districts apply four key criteria in elaborating and implementing the agreements and action plans:

- **Management by objectives** means that the national Metropolitan Policy objectives can be linked to the local objectives in a continuous chain. These are put into action in the local development agreements, which fit them to the local context. Each appendix offers an in-depth description of how different actors have formulated the objectives together. Management by objectives forms the basis for monitoring and evaluation.
- **Cross-sector cooperation** is particularly important in the Local Development Agreements. Overall and specific arrangements for cross-sector cooperation are described in an appendix to the agreements. Several new forms of cooperation have been developed within the LDAs. Much of the work is carried out within the framework of local partnerships.
- The baseline descriptions, analyses and strategies in the action plans create conditions for **long-term work** and assessment of future actions. The choice of measures is based on the assessments of previous work. In projects, the focus is usually more on the idea than on the long-term results. In the Metropolitan Policy, the long-term development programmes form the foundation for future activities in the districts. The development process will thus extend over a longer period of time.
- **The bottom-up approach** means that all the measures take the inhabitants' interests and participation as their first priority. This perspective is crucial for making a long-term impact. The bottom-up perspective is implemented throughout the whole action plan, starting from the baseline description, analysis and strategy to the choice of measures. That means finding out what people want for themselves, rather than switching control of their lives to services-providers. The key question in community development work is participation, and there is a strong focus on structures and mechanisms that increase participation.

The planning and development of the LDAs is founded on cooperation between different stakeholders. The main bodies responsible for the development work are the district groups/neighbourhood groups with representatives from the municipalities, local state authorities, health care services, housing companies and associations and councils of associations. Each district has its own process leader, and these may be people from very different backgrounds, includ-



ing teachers, journalists, priests, engineers or social workers. The question of whether this approach requires social workers to have a specific, new kind of training was raised, and universities are examining this issue as a part of the evaluation process.

The departments or sector authorities are responsible for the execution of the LDAs. The municipality is responsible for coordination, and decisions are taken by the city council after the introduction of the district group.

The districts have organised the development work in different ways according to the situation and needs of each area. Each district has involved local inhabitants in the work in its own way. In some cases they use existing structures – for example, public authorities have invited residents to their meetings in the districts. As meeting places they have used district offices, schools, housing companies etc. Others have created new structures, working groups and sub-structures, such as resident councils, that work more on the terms of the inhabitants. Some have arranged big meetings open to all residents, but more informal gatherings have also taken place at events and places where people usually get together, like pre-schools, cultural events and social centres.

#### *3.4. Annual revisions*

Annual revisions of the Local Development Agreements are the core element in the learning and improvement processes. These revisions are based on a dialogue between representatives of the districts, municipalities and the state. There are three levels in the revision process: local, municipal and national.

First, the districts revise the local action plans that form the basis for the municipal revision. In parallel, revision takes place on national level through a continuing dialogue between the state and the municipality. This dialogue is very important as a way of facilitating direct communication with the local residents. Additionally, there are monitoring conferences and seminars for dissemination and exchange of experiences. The Commission on Metropolitan Areas makes annual progress reports on the work to the government, as part of the evaluation process.

Evaluation is an important part of the development process. Since June 1999, the Swedish Integration Board has been engaged in coordinating the national evaluation of the work of the Local Development Agreements for the govern-



ment. Additionally, the Commission has allocated funds to the Multicultural Centre in Botkyrka for a study of the long-term development of a local society. NUTEK, the Swedish National Board for Industrial and Technical Development, will carry out a review of all the development agreements from the growth perspective. There are, in total, 150 evaluation reports and several other studies available on the website of the Commission: [www.storstad.gov.se](http://www.storstad.gov.se). During 2004, an evaluation of the Local Development Agreements will be launched to assess the 150 evaluation reports and studies in order to convert experiences into knowledge and to propose a long-term national evaluation programme.

### *3.5. The results so far*

The numerous actions in the framework of the Local Development Agreements are well documented, evaluated and reported since they started in 1998. Some 1 000 actions have been implemented in 24 housing districts with 250 000 residents. The overall impression is that the holistic approach and cross-sector cooperation have contributed to positive development towards achieving the objectives of the Metropolitan Policy, as well as the objectives in other policy areas. Evaluations show that negative trends can be changed by Metropolitan Policy measures. It is not certain whether positive changes in the local areas can be put down to the LDAs, but ongoing research should give a more accurate indication by 2005.

#### **3.5.1. Employment and dependence on social benefits**

The **employment rate** has increased more in the districts involved than in other similar districts. According to the annual report for 2003, between 1998 and 2001 the employment rate increased in all 24 districts by between 2% and 11%. During 1998-2002 the employment rate of people with three years of high school education increased by 6-15%. In the same period, the **dependence rate on social benefits** decreased in 21 districts by 1-13%, remained at the same level in two districts, and increased in one district.



Figure 1. Benefit Dependency, 18-64 years, 1998-2001 (%)

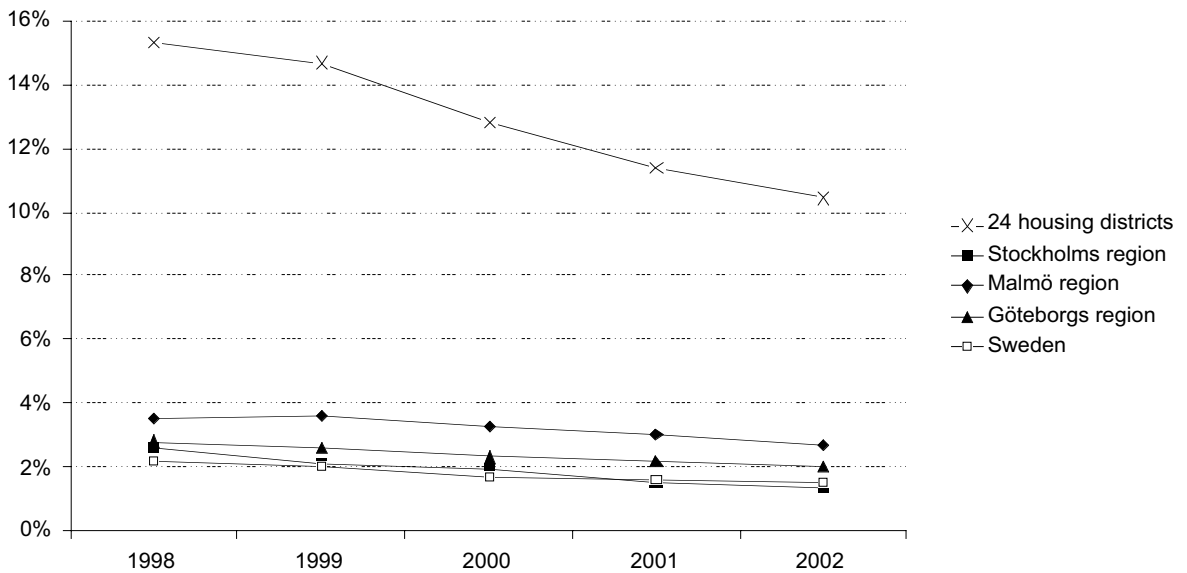
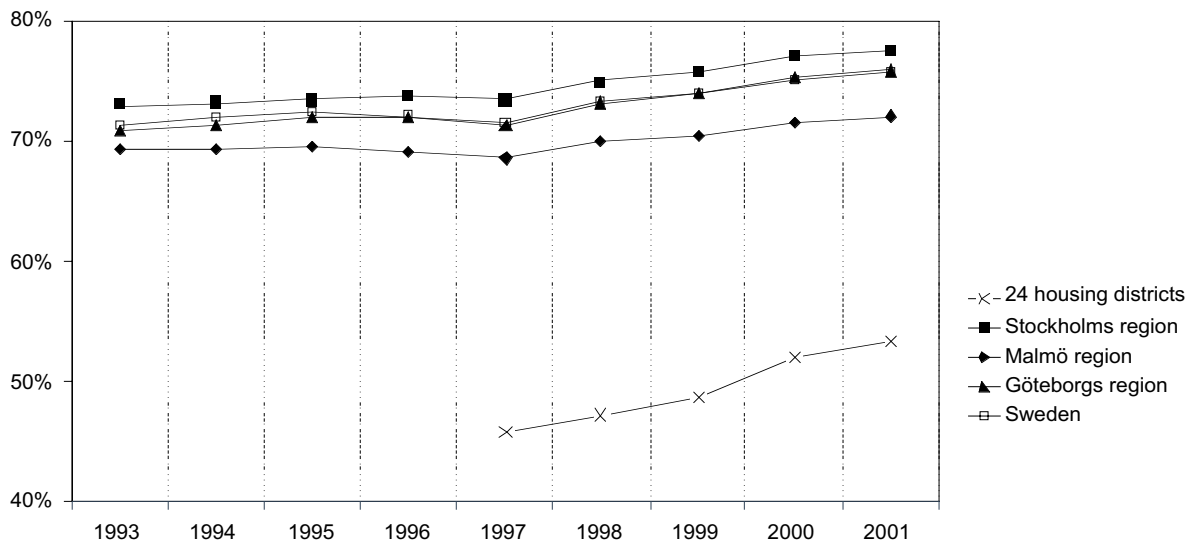


Figure 2. Employment Rate, 20-64 years, 1993-2001





### 3.5.2. New approaches

The impact of the new working methods implemented and adopted is encouraging, and they are being mainstreamed into general labour market policy. Local actors dealing with employment and insurance issues have been able to work with a **tailored approach** as a result of both increased cooperation and additional personnel resources. Without additional funding through the LDA, the very positive experience of the Job Centre in Skärholmen, which Peer Review participants visited, would not have been possible. The Job Centre is no longer reliant on extra funding, and now serves four city districts in southwest Stockholm, in partnership with Skärholmen employment and social insurance offices, local industries and associations. The Job Centre adopts a **solution-based approach** that emphasises motivation and the individual's determination to achieve a goal instead of focusing on finding problems and offering support. Focusing on problems is considered to create a negative spiral of accusations and defences. The priority is to help people to join society rather than to claim benefits. Staff never question people's choice of goal, but build on the skills and resources needed to reach it.

In 2003, 75% of the 1 500 new job seekers found work. The 23 counsellors are crucial to the success of the centre's approach. Every client who comes to the centre becomes the focus of a collaborative effort, with the common goal of finding him or her a job. Each job seeker gets a **personal coach**, whose aim is to boost self-esteem and make the individual attractive to employers. Each coach is responsible for up to 80 people, but 30 of these may be on training programmes and others off sick or starting work. Realistically, staff can give personal attention, to about 20 clients at a time. The successful 'Kista Matching' project involved collaboration between business, educators and recruitment agencies. Participants who submitted a written application and demonstrated motivation were guaranteed a job. In the end, 80% of those who took part obtained permanent work.

According to the experiences of Stockholm the new forms of cooperation at different levels have enlarged the potential for development. People are more inclined to question routine measures, and there is a greater awareness of the need to involve local residents. Regular reporting and evaluation leads to more efficiently structured work. However, building lateral cooperation and breaking down old structures take time. Many of the measures have had an impact on the lives of individuals, but not on the status on different city areas, on discrimination or on housing policies.



### 3.5.3. New roles

The measures targeting **pre-school and compulsory school** are the most developed and successful actions within the agreements. New methods and ways of working have been created, that enhance the positive development of language skills and learning among children, youths and adults. In many schools in the districts concerned the pupils have improved their results and schools have acquired a better reputation. The government contributed with additional resources and provided more support for weak pupils who obtained better results.

One important objective is to **reduce crime and increase safety** in the districts in order to achieve the overall objective of the Metropolitan Policy: to increase growth and end segregation. There is a tendency for residents to move out of the districts to more attractive areas when they get jobs and secure higher incomes, because the district or its environment is not very pleasant, or they do not feel safe. This gives rise to a movement spiral, with even weaker groups finding their way into the district as those who are better off move out. The Swedish Integration Board underlines in an evaluation report how important it is for the districts to be attractive and safe, and for crime to be prevented. As a result of the local development work, crime prevention has been implemented through 'centre hosts' and 'residents hosts'. Several local councils on crime prevention have been founded in the districts and they should have a central role in future policies.

**Culture**, interpreted in a broad sense, makes a crucial contribution to achieving the overall objectives of the Metropolitan Policy. Culture is addressed in many action plans as a means of enhancing positive development in the districts. Culture can contribute to meaningful leisure activities for the inhabitants, and also to improved language skills, community spirit and stronger identity. Many evaluations and studies show that cultural events and fora are the most effective way of bringing residents together, involving them in activities and increasing participation, rather than organised structures.

The roles of the housing companies, as well as relations between the housing companies and the residents have changed a lot over recent years. New working methods and forms of organisation have developed. According to the evaluation, this is particularly important from the integration perspective since the housing companies have been involved in activities that go beyond their tradi-



tional roles. The housing companies, through their employed staff, come closer to the inhabitants than many other actors due to their continuous presence in the districts. They are able to create informal relations with the inhabitants and should be given a much clearer role in the integration process, taking full advantage of their experience of the everyday life of residents.

#### **3.5.4. Gender equality**

Women are a priority target group for several measures in the Local Development Agreements. The national evaluation report published in 2002 highlighted the lack of such measures. In 2003, the municipalities reported on steps to improve the situation of women in society. Special efforts are now made to involve girls. Many measures are designed to increase the employability of women, especially from foreign backgrounds and with low education levels. Evaluations show considerable improvement in women's position in the labour market. Improvements in the position of women at work have been more marked among those living in the districts that are part of the development work than in Sweden in general.

The Metropolitan Policy addresses gender equality. Future development actions in the districts will be based on gender statistics or other data that take account of the differences between men and women.



## 4. KEY ASPECTS

Two aspects of the programme were selected for in-depth discussion at the Peer Review meeting: the mobilisation and involvement of the beneficiaries and the institutional arrangements of the programme.

### *4.1. Local mobilisation and involvement of beneficiaries*

The **involvement of local actors** is the most challenging and most difficult aspect of the LDA programme, but is crucial to successful local development. The greatest shortcomings of the scheme relate to this issue – not because of a lack of will but because of a shortage of methods and experience.

**Democratic participation** and involvement are both objectives and measures in the Metropolitan Policy. As a measure, participation is the method that ensures long-term sustainable and successful development of the policy. Measures in other fields will affect mobilisation, involvement and participation in the districts. The Local Development Agreement should be formulated on the basis of conditions and needs in the districts. There must be space for local initiatives, for use of resources according to needs and for the bottom-up perspective.

**Achieving participation and the bottom-up perspective** has not been easy. Enquiries among residents, meetings, and ‘future workshops’ – a planning and participation method – were designed to involve local people, who received information about the project and were invited to submit comments, proposals and requests. The central philosophy is that “everybody wants to assume responsibility for their own lives”. The job of social workers is to support them. They have to work on the basis of three principles: identify measures that work; when they do not work do something different; and do not repair what is not broken. As platforms for the ‘residents’ dialogue’, meeting points have been supported and even created. At local centres, idea and information offices, people can meet each other as well as politicians, officials, administrations and organisations.

Several studies show that local people are more likely to become involved in issues related to their everyday lives than in formulating objectives and strategies for the action plan. It has been much easier to attract people to events like theatre performances, outdoor movies and exhibitions than to involve them in activities that require time and continuity.



Those responsible for the actions at local level have often translated the objectives into practical measures based on existing project traditions or institutional functions, which often tend to limit the participation and real involvement of the inhabitants. The shortcomings are illustrated by the paradox of authorities at the top mobilising participation at the bottom. The evaluations on democracy and participation clearly show the importance of local people participating in dialogue on the planning and implementation of the measures.

**Link-working and networking**, based on trust and belonging to the same group, are regarded as particularly valuable. Local integrators, resource persons, are important actors in breaking down the traditional forms of intervention and problem-focused actions. Those who have the most complete information about the circumstances of the inhabitants, their living conditions and their potential should have a central role when planning and implementing the actions. By organising the actions as an internal exchange between people with different kinds of resources and needs, but also with solidarity interests, the gap between the authorities' top-down perspective and a bottom-up perspective has diminished.

**Maintaining the dialogue** with inhabitants and allowing them to have control over the project improves the chances of long-term and sustainable development. The task of the municipalities is to create favourable conditions for development without trying to control it. According to the Committee on Democratic Development this also involves building a democratic infrastructure, applying the bottom-up approach and making decisions at appropriate levels, i.e. those who are affected by the decisions, or their representatives.

In this respect, there is a clear contradiction in the policy, as problems and objectives were defined at the outset from the top. Decisions about focusing activities on education and employment by allocating more money to those sectors were also taken at the top. This was done in order to achieve results faster, even though one of the key working methods – management by objectives – would have required another approach. Results come from an **approach** that is **less controlling but more supportive**, and by focusing on objectives rather than how money is spent.

**Mobilisation of local people and service consumers** is a most challenging task. It takes a long time to build up confidence and show people that the authorities are truly interested in giving local people a voice through consultation. Unem-



ployed people and people living at the margins usually lack self esteem and do not expect authorities to listen to them or take their needs into serious consideration. In this respect, the LDAs can be a valuable tool for promoting new working methods that focus on the issue of empowerment. There is clearly a demand for models that allow the inhabitants in disadvantaged areas to develop their ability to engage in their own collective analysis based on their everyday experiences. This would allow them to become more involved in the discussion about the theoretical framework (aims and objectives) of the Metropolitan Policy.

#### *4.2. Institutional arrangements – vertical and horizontal cooperation*

Cross-sector cooperation is the key to the success of the LDAs. Vertical cooperation is a means of delivering information to local and regional players and managing feedback. Horizontal cooperation is a tool for empowerment and improving governance. When cooperation works well, new alliances and policy initiatives are created.

**Cross-sector cooperation** has contributed to a holistic view of the problems among individuals in the 24 districts. Above all it has been a question of taking advantage of the municipal, regional and state resources located in the districts. But the municipalities have expressed their disappointment about the limitations on true cross-sector cooperation involving all relevant partners. Questions from the peer countries also expressed concern about this issue: highlighting the absence or weak participation of chambers of commerce, companies, social partners and NGOs.

A broader participation would be especially valuable in a country like Sweden, where the municipalities traditionally have a strong position and much power. Evaluations show that the Metropolitan Policy has stimulated cooperation in the first place between municipalities, local employment offices and social insurance offices. In the municipalities, the social services department and adult education are the main actors concerned. But a successful policy also requires cooperation with other actors at regional and national levels, as well as other sectors, if the holistic approach to combating poverty and ending segregation is to be achieved.



Successful partnership requires a **formal structure for cooperation** and a multiple coalition of interests. Cooperation must make sense to the partners. It also requires the commitment of a wide range of participants, a common agenda and a multidimensional action programme with a holistic approach.

The cross-sector cooperation is formalised by agreements between the municipalities, employment and insurance authorities in the seven metropolitan municipalities. The agreements set common goals and focus on the work in respective sectors of responsibility. Although there are joint steering committees for cross-sector cooperation, the partners have not committed themselves to contributing with additional resources to those allocated by the government. Often there is also a conflict between the local needs and the central directions. Lack of support from central boards and ministries hinders the development work of local partnerships.

Despite encouraging results, some problems have revealed themselves. In some cases, and especially concerning employment services, the conflict between goals or short-term goals and the unclear **definition of target groups** are obstacles for the development work. In some cases, efforts directed at individuals in the districts were set aside in favour of quantitative measures when the government decided that the open unemployment should be no more than 4%. The target group changed immediately and officers had to go back to work in their old organisations on measures that could raise employment rapidly.

It is difficult to **involve business in local partnership** and this was regarded as a weakness in the development work. There are, however, some measures that have managed successfully to involve the business sector, especially when it comes to developing human resources in order to match the needs of companies. Kista Matching proved to be a very successful in involving companies, educators and recruitment agencies. A new approach to business asking "What can we do for you?" rather than "how can you help us?" was implemented with a win-win perspective.

Participants who submitted a written application and showed that they were truly motivated and interested in the project were guaranteed a job. They were trained to meet company requirements. In the end, 80% of programme participants secured permanent work. Such methods should be disseminated to a broader audience and implemented not only in the housing districts but also at municipal level and in the sector in general.



As the Metropolitan Policy moves forward, it is the right time to proceed from projects and pilot actions to permanent cross-sector forms of institutionalised cooperation integrated in the normal work of the authorities. This brings joint responsibility and joint resources. A **strong political will** is needed to direct the work at local level In order to create the relevant structures. This requires centrally formulated joint political objectives.



## 5. RELEVANCE FOR AND TRANSFERABILITY TO OTHER NATIONAL CONTEXTS

Regarding the transferability of the Swedish experience, a main question some representatives of the peer countries and stakeholders raised was whether the Local Development Agreements work in communities where social protection is weak. A strong social protection system forms the basis for the fight against poverty and social exclusion. Housing policy should generate a social mix and provide both accommodation and also social services. The Scandinavian social protection model guaranteeing universal rights, equal opportunities and access to services for all, and this strong public responsibility was seen as the foundation for the success of the LDAs.

Combating social exclusion depends on a strong social protection system. It requires a reduction in levels of unemployment and poverty in the first place. Policy interventions aiming to prevent social exclusion should not only focus on reducing unemployment but also establish links with other policies in order to achieve better results.

The existing structures in Sweden very much affect how actions are organised at local level. The administration and culture is different and the LDA model, as such, is impossible to transfer to other countries. However:

- The representative of the **European Commission**, Mr Armindo Silva, stressed that aspects like the joined-up approach, the mobilisation of social actors, coordination between institutions, attention to vulnerable groups, countering segregation and regular evaluation are in line with EU policy. The Swedish Local Development Agreements comprise a very interesting scheme that deserves to be followed.
- The representative of the **European Anti-poverty Network** spoke on behalf of the stakeholders and stressed that different country contexts need to be taken into account when assessing transferability. She emphasised that housing policies will have a determining effect. The use of legal contractual arrangements in organising relationships between different administrative levels seems, according to EAPN, to have a number of advantages in effective vertical integration. The well developed structures, including the way Local Development Agreements define responsibilities and duties for the different actors and establish clear financial commitments and struc-



tures for evaluation, and the long-term approach taken, offer lessons that are potentially transferable.

EAPN also suggested that joint working at local and regional levels by NGOs and public authorities adds value locally in carrying out successful anti-poverty policies. EAPN also stated that NGOs could help in the process of involving local residents and improving their participation skills. New models are needed that allow the inhabitants of disadvantaged areas to develop their ability to engage in their own collective social analysis based on their living experience. This would allow them to become involved in discussion about the theoretical framework, aims and objectives of policies such as the Metropolitan policy.

The Swedish case, highlighting a multidimensional approach to segregation and social exclusion, the importance of mobilising all relevant actors and cross-sector cooperation as well as empowering local residents, management by objectives and continuous evaluation is very much in tune with the objectives of the European Community Action Programme for combating social exclusion.

- The representatives from **Belgium** noted a great deal of resemblance between the Swedish and Belgian federal policies. The holistic and cross-sector approaches, contracting and management by objectives are elements found in both countries. However, there are elements in the Swedish example that are interesting from a Belgian and European perspective and worthwhile disseminating as part of a wider package of measures. The LDAs were seen as a tool of governance and as such they are interesting also for other countries. The Swedish experience was considered relevant for Belgium since it deals with multi-annual plans, and because metropolitan policy in Belgium also involves several ministries. The Belgian delegation found the Swedish approach a very transparent one, involving relevant national ministries on one hand and the municipalities on the other.
- The representative from **Finland** noted great similarities between the Finnish and Swedish framework for social inclusion policies, even though Finland does not suffer the same spatial problems as Sweden. A programme like the LDAs would be very useful also in Finland, but cost-effectiveness would be crucial since these programmes require additional funding. Mu-



municipal authorities are not willing to take on new obligations without extra resources. Local Development Agreements represent an interesting way to make all the important partners commit themselves more deeply to jointly planned activities. They stress the bottom-up approach and the involvement of local inhabitants. In Finland there are many EU-funded projects in deprived areas but the lack of coordination between them makes the long-term benefits questionable.

- The expert from **Lithuania** also underlined this aspect. The Labour Exchange offices are directly responsible for unemployment reduction programmes, while local authorities provide help for socially excluded people. Implementation of the Swedish Metropolitan Policy might be good practice to help various institutions cooperate in coping with complex problems.
- The representative from **Spain** underlined the importance of monitoring and evaluation and found this emphasis interesting, since there is a lack of public policy evaluation in Spain. Management by objectives was not seen as appropriate with regard to the infrastructure, since each policy has its optimal level of implementation. The bottom-up approach is difficult to implement in Spain where different levels of government are virtually autonomous. The high degree of vertical cooperation the LDAs require is difficult in Spain as the competencies and financial controls are so clearly defined. Proximity and multidimensionality are priority issues for individuals and in this respect the Swedish programme has something to teach.
- The representatives from **Italy** also found the strong focus on evaluation, monitoring and indicators valuable and something that Italy could learn from, even though they found it hard to imagine that LDAs would work in Italy. However, as Italy is about to set standards for regional actions and to offer instruments and strategies to the actors it would be interesting to learn more about the tools, professional training and skills required for the work.
- The representative from the **Netherlands** said that the Swedish example is very similar to policies in the Netherlands. The sector approach, as well as municipalities being fairly autonomous, call for incentives like additional funding and regulations to get them acting together. From a Dutch point of view, the cross-sector, holistic approach in the Swedish programme seems to be particularly relevant.



- The representative from **Portugal** addressed the importance of the national programmes launched in the 1990s in Portugal that have generated many local projects where people work together in partnerships in order to achieve locally established goals. Management by objectives and long-term work were seen as the most significant elements that could be adopted in Portugal. These are not yet fully applied in the Portuguese programmes but could be implemented in the context of a bottom-up planning system – if not in global terms, at least related to projects in the new Portuguese programme.



## 6. CONCLUSIONS AND LESSONS LEARNT

The Local Development Agreements address the key elements of the European strategy to fight poverty and exclusion by adopting the multidimensional approach, by targeting the measures to the most vulnerable people in society and by making efforts to mobilise all relevant bodies. The LDAs reflect the key priorities addressed in the Joint Inclusion Report to the Member States for the next two years. The strong focus on evaluation and developing indicators and other monitoring mechanisms is in line with the requirements in the Joint Inclusion Report (JIR), and is indeed a measure worth transferring to other Member States.

A truly multidimensional approach requires the firm integration of economic, employment, lifelong learning, cultural, housing and social policies. According to the JIR, these issues require further attention. In Sweden, promoting an inclusive society is at the heart of policy-making and that is why the Metropolitan Policy implemented by the LDAs has achieved broad political commitment, additional funding, and is developed jointly by several ministries.

This is a prerequisite for successful inclusion policy implementation. The JIR addresses the fact that in many Member States, efforts to link the NAPs more closely to national policy-making have so far had little or no impact on national budget formation and the overall allocation of resources.

Many peer country experts and officials raised the importance of additional funding. The participants agreed that additional financial sources are important in development work, especially when creating conditions at national level for a horizontal approach. Local witnesses confirmed the need for additional funding at the initial stage when implementing new cooperation models. The final challenge is to mainstream the policy and measures, and adapt to a context in which less money is available.

So the implementation of the NAP through Local Development Agreements is exceptional in many ways. It involves different actors in cross-sector cooperation. It defines the roles and responsibilities of the actors, including the financial responsibilities. It involves residents and users of public services. The focus is on long-term development processes including continuous evaluations of the programme. There are no proposals on methods – it is up to the local actors to decide the extent and means of participation.



Representatives of the peer countries regarded the holistic approach, the long-term development process, and a very strong political commitment as crucial factors. The fact that the Swedish example was successful in building bridges between actions at local and national level was seen as very positive, since this was identified as a weakness in the second round of NAPs for inclusion.

Despite some shortcomings, the overall impression is that the policy and the measure have been successful so far. How successful is to be seen when the evaluation in progress is finished. There are already indications that the Local Development Agreements have had a positive impact on the residents in disadvantaged housing districts. The LDAs can contribute to positive changes in a geographical area, improve the quality of life of residents and foster social cohesion.

But their impact on the structures and mechanisms that create and maintain segregation is so far weak. Some experts from the peer countries questioned the possibility of local measures targeted at residents in a geographical district having an impact on those mechanisms. Combating poverty and social exclusion effectively means not only investing in individuals but also in the community.

The peer group raised the problem of whether segregation can be ended by political measures that are limited only to the areas where marginalised people live. Political interventions must be long-term, and focus on the physical and social processes that create structures. Geographically based interventions are more likely to succeed in creating better living conditions at local level when socio-economic polarisation diminishes in society in general and in cities in particular. Programmes must work not only in deprived areas, but also across whole cities if segregation is to be successfully tackled.

The Swedish experience of the LDAs can clearly contribute to the European debate on governance. Local employment development and social inclusion demands a redefinition of relationships, and a redistribution of authority, responsibility and resources between different levels. Amongst the most crucial factors are the local level's legal status and competencies, its financial and human resources and its degree of responsibility in policy development. Finding the right balance between the administrative powers of public authorities, local enterprises and civil society is what governance is about. It requires intensive communication and consciously organised cooperation between different actors.



Because they have democratic legitimacy, public authorities are uniquely able to combine the diverging interests of the various players into common actions, and they are most likely to contribute to the dissemination of European policy objectives at local level as well as to ensure the transfer of local experiences and innovations from the local to the national and European levels.

The methodology that has been developed within the Metropolitan Policy will affect not only ways of working with disadvantaged districts or segregation issues in the municipalities or in housing districts, but also how national authorities organise their work in the cities.