



WILCO

Welfare innovations
at the local level
in favour of cohesion

WORK PACKAGE 5

SOCIAL INNOVATIONS IN MALMÖ, SWEDEN

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This report is part of Work Package 5 of the research project entitled "Welfare innovations at the local level in favour of cohesion" (WILCO). WILCO aims to examine, through cross-national comparative research, how local welfare systems affect social inequalities and how they favour social cohesion, with a special focus on the missing link between innovations at the local level and their successful transfer to and implementation in other settings. The WILCO consortium covers ten European countries and is funded by the European Commission (FP7, Socio-economic Sciences & Humanities).



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1. BACKGROUND OF SOCIAL INNOVATION

It cannot be claimed that social innovation is a widespread notion or term in the Swedish context. Innovations are still very much related to the launching of new products, inventions and technical development. Welfare development has by tradition not been considered as innovative (Rønning, *et al.* 2013). Innovation has also mainly been related to the private - for-profit - sector. However, there is awakening political interest in social innovations and social investments, at both the national and local level. Since the development of the welfare state in the mid-1900s the field of welfare in Sweden has been dominated by services produced by the public sector. However, during the latest decades, and still continuing to the present day, there have been structural changes taking place within the field of welfare in terms of deregulation and privatization. These have opened up opportunities for alternative producers of welfare services. Moreover, with strained budgets and unsolved social problems, local and central governments are looking to the for-profit and the non-profit sectors for innovations and entrepreneurial initiatives.

Malmö is the third largest city in Sweden, with around 300 000 inhabitants, and it is a growing city. Malmö is a central part of the so-called Öresund region, which covers the very south of Sweden and parts of Denmark, including the capital, Copenhagen. Malmö and Copenhagen have been connected since the year 2000 by a bridge for cars and trains. This has increased commuting within the region. A number of changes have taken place that affected the local economy of Malmö. On a more general level Malmö has made attempts at transforming from an industrial city to a “knowledge” city. Malmö University was established in 1998, and there are, for example, currently 25,000 university students in the city. In addition to Malmö University, educational institutions include the World Maritime University, the Royal University College of Fine Arts, Malmö Academy of Music and Malmö Theatre Academy. The largest sectors in Malmö are trade and communications, corporate services and finance and healthcare and welfare. (Segnestam-Larsson 2012). At the same time the city has struggled for several decades with severe social problems such as high unemployment, the high costs of social benefits, and growing segregation.

Malmö has a long and strong tradition of social democratic local government. During the present term the social democrats are governing in alliance with the left wing party and the green party. At the time of the case study the local authority in Malmö was organised into twelve field-specific administrations and ten territorially organised city district administrations. In July 2013 the territorial districts were merged to five. The city district administrations are responsible for providing services in particular areas. This include child care, elementary schools, care of the elderly, care of the disabled, social services and social welfare benefits, local leisure activities, local culture and the city district libraries. Furthermore, the local welfare system include local companies, such as the local housing company (MKB), the Malmö Incubator (MINC) and other service and industrial companies that require more business-like organization (Malmö Stad, 2012; Segnestam Larsson 2013). Malmö can be described as a city of many projects within the field of welfare.

The city of Malmö has a long history of engagement with civil society, with traditionally strong associations in the fields of sports, culture, and leisure, organised under the umbrella organisation MIP (*Malmö ideella föreningars paraplyorganisation*) (ibid 2013).

2. SOCIAL INNOVATION IN MALMÖ

In the city of Malmö the term ‘social innovation’ is present in the dominant policy debates on local welfare. There seems to be a struggle among actors within the welfare field to find new and more innovative ways to handle social problems such as youth unemployment and segregation. Another term used at the policy level is “social sustainability”. Malmö has launched a “Commission for a Socially Sustainable Malmö”, and one of its main tasks is to propose strategies for reducing health inequalities, and improve the long-term living conditions for the citizens of Malmö. (Segnestam Larsson 2013).

The innovations that we have studied in Malmö have developed in the context of the restructured Swedish welfare state, a local government searching for new solutions for social problems, and a growing interest in social enterprises, social entrepreneurship and innovations. The link with opportunities of EU funding is clearly present in the innovations that we describe below. The Coompanion Incubator as well as Yalla Trappan are examples of projects that aim to create work opportunities through the development of new co-operative businesses and through labour-integrated social enterprises.

The Area Programme (*Områdesprogrammet*) has a somewhat different background. The ideas this program is based on can be traced back to ideas of neighbourhood revitalization of run-down “segregated” areas, suffering from socio-economic stagnation. *Områdesprogrammet* seeks citizen engagement and the involvement of civil society actors in new types of cooperation. *Områdesprogrammet* is conducted in neighbourhoods that were built during the so-called Million Homes Programme (MP) that existed between the mid-1960s and the mid-1970s. The aim of this program was to combat the housing shortage problem and to modernize the housing stock. In most cities this resulted in new housing estates being built in the urban periphery. In the city of Malmö these areas are located both in the central city and suburban areas. Some of the areas built during the MP, especially those that were of large scale and high-rise character, have been subject to criticism. Problems that have been pointed out concerned both the areas’ physical appearance and the lack of social and sometimes also commercial facilities (Andersson, et al. 2010). Today, the large housing estates in the city suburbs are associated with segregation and social problems. In these neighbourhoods there are close connections between segregation, social welfare dependence and poverty (Schierup 2006).

The studied innovations have been chosen according to a broad definition of innovations, as ideas or approaches that are new in a particular context, but implemented in practice to some degree. The innovations combine in different manners the policy fields and target groups that are pointed out in the WILCO project. The innovations are of different scales and complexity, including a broad neighbourhood programme, consisting of different projects (*Områdesprogrammet*), via the *Coompanion* Incubator, whose aim is to provide inspiration and a support structure for innovations, to a defined project, i.e. *Yalla Trappan*. The empirical material for this report has been collected from websites, various official documents and through interviews with staff and users at the studied projects. The interviews form the primary basis for the descriptions of the respective innovations, also including interviews that are not directly referred to in the text below.

2.1. *Områdesprogrammet* in general

Områdesprogrammet is a rather complex programme that tries to facilitate innovative processes and projects. We have therefore chosen to describe the general aims of *Områdesprogrammet*, and then we consider Holma-Kroksbäck where we focus on one of the examples of innovative processes/projects, namely the Holma Info Centre.

2.1.1 Short description

Områdesprogrammet is a municipal programme aiming to lift certain districts in Malmö out of socio-economic stagnation and to strengthen social sustainability in Malmö City. *Områdesprogrammet* is broadly focused on creating more jobs and enhancing living conditions first and foremost for the people living in the selected areas. Another aim has to do with enhancing actual and experienced security in these same areas (www.malmo.se/omradesprogram). *Områdesprogrammet* is planned to run for five years, from 2010 until 2015, and five districts have been selected for the programme; these are Herrgården, Holma-Kroksbäck, Lindängen, Segevång and Seved. The argumentation behind *Områdesprogrammet* is that new and sustainable solutions are sought primarily by engaging and cooperating with the people living in the selected areas, but also by cross-sectorial cooperation with civil society, private companies, universities, landlords and others that can and want to contribute. The areas included in *Områdesprogrammet* are currently subject to physical change and reconstruction, such as new train stations, parks and playgrounds, houses and shopping malls. This reconstruction is partly decided for and handled within *Områdesprogrammet*, for example by the city planning department and the street and property management office.

In the context of *Områdesprogrammet* one can talk about adding the “social muscles” of this reconstruction and also about the reconstruction per se as offering possibilities for social change in the areas. “Social muscles” means that investments are made that are supposed to enrich the areas with social capital, i.e. with new schools, meeting places and support structures. *Områdesprogrammet* engages all administrations in Malmö City. This means that everybody working within the administrations of Malmö City has a responsibility through *Områdesprogrammet*, where they are obliged to contribute with ideas. One of the main ideas of *Områdesprogrammet*, according to the programme coordinator (interview 1), is that it is not given a large budget; instead it focuses on cooperation and social innovation, which in this context means new solutions by already existing means, something that in itself challenges the ways of working within the districts and administrations. *Områdesprogrammet* is organised into five “resource groups”: where one works on city development, one focuses on culture and recreation, one has a special focus on the elderly and another on youth, and last but not least, one focuses on the labour market and economic growth. In these resource groups there will be representatives from Malmö City as well as external representatives, for example in the city development group, Riksbyggen and HSB are represented (interview 1).

2.2. *Områdesprogrammet* in Holma-Kroksbäck

2.2.1. Short description

We visited Holma-Kroksbäck, in the district of Hyllie, where the head of the Department of Integration and Sustainable Development, is responsible for the programme, together with the programme coordinator. They are, together with a secretary and a business consultant, employed to work on *Områdesprogrammet*. *Områdesprogrammet* in Holma-Kroksbäck is not directed at the whole of Holma-Kroksbäck; instead it focuses on a certain area, i.e. the “Million Homes program areas”. Currently there are far reaching political plans for a new area within the district of Hyllie. These plans contain new housing, a sports arena and a shopping mall just around the corner from the Million Homes area in Holma-Kroksbäck. There are also plans for a new swimming pool and ice skating rink in Holma and there is already a new and popular “theme” park for children.

According to the head of the programme, these projects could help to gradually change the identity of the area, making it more attractive to its inhabitants and others The

interviewees speak of these new plans as a possible “engine”, and they want to make sure that the people in the million programme area also gain from the ride when that motor accelerates and charges off (interview 1).

2.2.2. Conception and ways of addressing users

One way of describing the conceptions of *Områdesprogrammet* in Holma-Kroksbäck is to look at the area-specific problems that they try to find solutions to. The million programme area in Holma-Kroksbäck is inhabited by around 5 000 people (out of 32 000 in the total district of Hyllie). Problems that are mentioned in the interviews, includes unemployment, poverty and low levels of education. The program coordinator further describes the area as transit area for immigrants, who tend to leave as soon as they can get employment and/or housing elsewhere (interview 1). Possibly linked to the “transit area” is lack of a sense of security, which is an issue that *Områdesprogrammet* in Holma-Kroksbäck is investigating, along with Malmö University.

Områdesprogrammet in Holma-Kroksbäck aims at seeking new ways of cooperation between different administrations and actors, i.e. different departments within the city district organization (for example the schools, libraries, *JobbMalmö* (the municipal employment office) or the municipal housing company, as well as the different service centres organised regionally and nationally, for example the local health care centres and the governmental employment office (AF). *Områdesprogrammet* also seeks cross-sectorial cooperation with private actors as well as with different local civil society organizations, such as *Afganska föreningen* (the Afghan association) and *Aktiva kvinnor i Hyllie* (Active women in Hyllie), *Röda Korset* (Red Cross) and *Rädda Barnen* (Save the Children). Malmö University is also involved in and cooperating specifically with *Områdesprogrammet* in Holma-Kroksbäck, for example, by conducting the survey mentioned above. Malmö University is also assisting *Områdesprogrammet* in identifying possible social innovations or innovative processes within the programme itself, which may strengthen the programme’s legitimacy on the policy level in Malmö.

Områdesprogrammet is seeking to address its “users” i.e. the inhabitants of the Million Homes area in Holma-Kroksbäck, as partners and co-producers. One good example of this is a proposition from a local, young unemployed person who wanted to become a link between families and the teachers in the school. This person wanted to set up homework classes after school for the students. He and two other persons from Holma were employed to conduct the suggested homework classes. The head of the programme believes that if they had employed ordinary teachers without the local connection, those homework classes would not have been as popular (interview 1).

Another example of the idea of reaching out to the people living in the area and to the local civil society is the process behind the Holma Info Centre. The administration of *Områdesprogrammet* in Holma-Kroksbäck had planned to open a new “citizen office” where the locals could come to get information and citizens’ advice. Two civil servants were employed to serve in the office, which was located in the library in one of the schools; “we thought of having representatives there from for example the different administrations, as well as politicians that could come to meet and talk to the people. It was a great idea and we opened with a nice ceremony, but no one came. After a year we had had ten visitors in total” (interview 1). During the same time a civil society organization called *Aktiva kvinnor i Hyllie* (Active Women in Hyllie) planned to start an activity similar to a “citizen office”, in a venue that had already been arranged by them, through the local public housing company MKB. *Aktiva kvinnor* asked for support and it was decided that this was a good initiative to support, and that the recently opened office instead would be closed. One of the women - a long-term unemployed woman - from the

association was employed in the office. After three weeks the new Info Centre had served 30 clients, which was 300 per cent more than what had been accomplished by the “civil servant project” in one year (interview 1).

The Info centre was strategically placed within the library administration, to make sure that it would remain in municipal administration even after 2015 when *Områdesprogrammet* will end. The head of the programme states that this is the way they will generally try to work, i.e. not making projects dependent on the *Områdesprogrammet*, but independent and sustainable over time. The idea now is that the person who is employed in the Info Centre is supposed to give local service to the citizens there. In practice this could mean answering questions about education, giving information on making applications and filling in the right kind of forms, translating letters and information from different institutions, or helping people surf the internet for information regarding, for example, their rights or institutional procedures. The Info Centre can also help to direct people’s questions to the right institution, be it the job centre or the tax administration office or something else. Both the municipal and the national employment offices have representatives at the Info Centre a few hours a week.

At the time of the study there were far reaching plans for opening another Info Centre in Kroksbäck and this one will be organised by *Afghanska föreningen* (the Afgahn association) with the support of *Områdesprogrammet*, which will give education and start-up advice. Here however, the aim is not to “take over” the business and to employ somebody under the municipal administration, but to let the association take full responsibility for the centre.

2.2.3. *Internal organization and modes of working*

Områdesprogrammet in Holma-Kroksbäck tends to reach out and support local initiatives. In some cases it can act as a support structure for new ideas, providing start-up education, material and contacts as in the ongoing process with the Info Centre in Kroksbäck. In other cases it co-produces these ideas and employs long-term unemployed as in the Holma Info Centre and in the initiative with the homework classes in school. Generally speaking, *Områdesprogrammet* is seeking local answers to local problems, and uses already existing infrastructures provided by the citizens themselves or by the civil society organizations. There is also a tendency to welcome voluntary work, for example through the Red Cross.

2.2.4. *Impact on the governance of local welfare systems*

The general idea of *Områdesprogrammet* is to challenge the municipal administrations to think and work in a cross-administrational way in cooperation with each other for the benefit of the areas where they work. Clearly on the very local level, as for example in Holma-Kroksbäck, the programme also aims to work in a cross-sectorial manner, when it reaches out to find and support local initiatives among citizens and in civil society. *Områdesprogrammet* in Holma-Kroksbäck is arguing for a political reform concerning social considerations in procurements, when for example the municipality is closing deals with building companies. However, this strategy is already used on a small scale by *Områdesprogrammet* themselves when they employ persons from the neighbourhood. This can give a double positive outcome of increasing the work force statistics and enabling one individual to be employed, as well as acknowledging one locally situated person as a resource when it comes to connections to the local community.

The example of the Info Centre in Holma is also interesting in the way that its organization has been passed to the library administration, for the sake of sustainability. That move has had spin off-effects on the library as well. New groups of visitors have been

introduced to the library, because of their contact with the Info Centre (the employee at the Info Centre is also working one day a week at the library), and a more general discussion about the citizen service aspect of the library service in itself is taking place, resulting in new and challenging questions being asked about responsibility and professional qualifications when it comes to serving vulnerable groups (interview 2).

2.3. *Coompanion Inkubatorn*, short description

2.3.1. *Short description*

Coompanion is an organization providing advice and education to people in the process of starting their own business. *Coompanion* is a national organization. However, the national office is more of a service office for the relatively independent regional organizations (interview 3). Before the Incubator initiative the *Coompanion* Skåne (Skåne being a county in the south of Sweden) office was located in one of the office spaces in the Malmö Incubator (MINC). In that environment the head of *Coompanion* Skåne came up with the idea of an incubator for young unemployed people, and that idea was made possible through financing from the European Social Fund. *Coompanion* Skåne is currently running the *Coompanion Inkubatorn* (incubator) at a new venue in central Malmö, where they are offering the incubator to young unemployed who are registered with and directed by the national employment office (AF). The users are supposed to be challenged, inspired, educated and motivated to set up their own business, be it private or organised as a cooperative.

Main cooperation partner of the incubator is the national employment office, AF. The officer at AF is the person who decides whether or not a young unemployed person who applies is eligible to participate. These decisions determining participation are valid for twelve weeks, which means that a participant needs to stay in contact with his or her officer for the duration of the participation. After completing the twelve weeks, the participation can be prolonged for another twelve weeks period (interview 3). *Coompanion* and its incubator is also cooperating with the so-called *C-Företaget* (the C-enterprise), an offspring enterprise to *Coompanion*. The idea behind *C-Företaget* is that the company can act as an employer and take over administrative responsibilities, for example for invoicing, so that a person can try out his or her business idea without being caught up in many heavy technical and administrative problems at the beginning (interview 3).

2.3.2. *Conceptions and ways of addressing users*

The *Coompanion Inkubator* is aimed at young unemployed people that are registered with AF. One can be up to 29 years old to participate. The aim is to break down the sometimes over-dramatised barriers and learn to have a playful approach towards entrepreneurship. At the *Coompanion Inkubator* the staff seeks to treat participants as equals and individuals with an idea, and as entrepreneurs (interview 3). Ideas and advice (and “entrepreneurial spirits”) are supposed to travel fast within the incubator. One participant has the right contacts, another might have ideas, a third one might have a special skill (interview 4). The logic is that when they come together, new and positive things can happen, and the processes behind action (starting up a new business) are speeded up and simplified. The group dynamics are important here, both for inspiration and creativeness and as a reference. Trust is mentioned an important issue. When people start to trust one another they immediately begin to share their knowledge, contacts and ideas (interview 3). The group can also function as a “little boss” to new entrepreneurs; one can use the group to make promises and the group will start asking questions. Most people need a “boss” to impress, according to an interviewee. The group can eliminate personal resistance and

help one to take small steps in the “right direction”, once one has that structure to answer to (interview 3).

According to one of the key promoters the initial idea with the incubator was to encourage young unemployed who had a “latent” business idea. However, when the project met its first users and the doors to the incubator were opened in January 2012 the organisers were surprised at a few things. First of all they did not realize that the people attending the incubator would be as young as they were. Many came directly from secondary school and were naturally not used to taking personal responsibility for their career. Another surprising thing was that only a few of the participants were entitled to unemployment insurance funds, which meant that the participants were in a much more difficult economic situation than expected. They had a lower level of benefits from AF (so-called activation support) and/or with additional social security benefits. This came to have an impact on the project’s budget as well, with an initial loss for the *Coompanion Inkubator* (interview 3).

2.3.3. Internal organization and modes of working

At the time of the study, 39 participants or entrepreneurs were attending the Incubator and about 100 had been in it since the start in January. The incubator at *Coompanion* is part of two networks; one is an official steering group with *Coompanion* representatives, ESF representatives and AF-representatives. This network is, among other things, dealing with issues around recruiting participants among other things. The other network is composed of entrepreneurial new enterprises, such as *Nyföretagarcentrum* (New Business Centre), MINC, *Uppstart Malmö* and so on. This network serves practical and inspirational needs, they can come in and meet the participants at the *Coompanion Inkubator* and share their experience and knowledge of starting up a new business. It also serves inspirational needs on the level of the project management. *Uppstart Malmö*, which is a company offering micro-loans and credit, has also visited the participants at the *Coompanion Inkubator* to look for businesses to support. However, they mostly support businesses with prospects of employing many people.

One peculiar circumstance for the incubator is that participants “drop in” to the project whenever they get the “thumbs up” from their officer on AF. This has led to a rolling schedule of courses, which was not planned for. In the beginning, 30 participants started at the same time but that became too school-like, according to an interview. The group became like a class and it was quite frustrating because our role became a fostering one and we had to say things like “it is not OK to arrive late; you will not be able to keep a customer if you arrive late” (interview 3). The main thing with the incubator is described to be a chance for people to “grow”. The incubator cannot choose the participants, nor decide for them to be engaged. What it can do is to encourage the right kind of ‘mind-set’. “We can say to someone that you have exactly the right kind of mind-set, we would like you to become more of a role model in this group. That inspires the person, which inspires the core group. The larger the core group, the more people want to participate, that’s how we work. It is energy giving energy” (interview 3).

2.3.4. Impact on the governance of local welfare systems

The ESF has a model for co-financing, which has caused problems in budget calculations for the *Coompanion Inkubator*. The model is supposed to be an incentive to get the project management to work harder to find more participants. The ESF does not want empty projects and venues and the system is based on more funds for more participants. However, this system grants less for participants who are not eligible for unemployment insurance funds and more for those who are. The larger participant group at the

Coompanion Inkubator comprises young people who are not yet eligible for employment insurance funds, but only for activation support in combination with social security benefits, which is much less money. This creates a problem within the system, according to an interview. The incubator is forced to try to attract more people who are in the unemployment insurance system, who are mostly older and more experienced and more likely to find a job by themselves. This side effect is described as quite “absurd”. “We are more dependent on the participants than they are on us. It could be that they are already in the process of heading out to start their own business but our feeling is that we would like them to stay longer so that we can get the funds” (interview 3).

Another condition that has made things difficult for the participants in the incubator is that the *C-Företaget* is not compatible with the labour market programme *Ungdomsgarantin* (Youth Guarantee) (AF), through which young unemployed people can get certain benefits during the period of unemployment (if they are not entitled to unemployment insurance benefit). These benefits are called “activity support” and they are granted when you are activating yourself in order to eventually enter the labour market. However, to be eligible for “activity support” you must prove you are available full-time for the labour market, which means that you cannot be formally employed by the *C-företaget*, even though that “employment” is supposed to help you start up your new business. Participants risk losing their benefits by taking a step towards actually starting their own businesses. *Coompanion* would like to see their participants get some kind of exemption from this rule (interview 3).

During the projected time up until 2014, *Coompanion* Skåne will run the incubator and try to come up with more permanent solutions for continuing the project even after the ESF funding has ended. The key promoter says that this now is a good time for trial and error and finding the best solutions. “We are learning as we go” (interview 3).

2.4. Yalla Trappan, Rosengård

2.4.1. Short description

Yalla Trappan is a labour-integrated social enterprise. The general aim of *Yalla Trappan* is to provide work for women who would otherwise have severe difficulties entering the labour market. *Yalla Trappan* is organised by integrating permanently employed workers with workers who are there on an internship, through the social services administration. *Yalla Trappan* is organised as a cooperative enterprise, which means that its workers are also members of the association. The *Yalla Trappan* association was founded and is based in Rosengård, Malmö, which is a so-called Million Homes program area. People living in Rosengård originate from 111 countries, and up to 50 different languages are spoken. The *Yalla Trappan* Association was formed in April 2009 with inspiration and staff from the so-called *Trappan* projects that were running in Rosengård from 2006-2010, initiated and financed by the European Social Fund, the city of Malmö and other associations related to education and labour-market programmes - ABF (The Workers’ Educational Association) and ABL (providing job-coaches) for example).

The *Trappan* projects focused on women’s entrepreneurship, integration, empowerment, education and equality. These projects were clearly labour market-oriented and thus aimed at enhancing possibilities for women in Rosengård to enter the labour market. In May 2010 the *Trappan* projects were made permanent in the new *Yalla Trappan* association. According to the chairperson and founder, the women in the *Trappan* projects were considered as “un-hireable” by employers and the municipality seemed to share that view, which to her seemed like “a total waste of resources” (interview 5).

Yalla Trappan wanted to make use of the successful initiatives that had started in the projects, and with commitment, participation and democratic routines they started the new social enterprise.

Yalla Trappan wants to provide the local community with a meeting- and business-centre, where they wish to combine social and educational activities with work and encouraging entrepreneurship. As part of the more commercial side of *Yalla Trappan* they run a coffee shop and a lunch restaurant, offering affordable lunches and catering services. They run a studio for design and craftsmanship, mostly concerned with sewing. They also offer cleaning and conference services. The users at *Yalla Trappan* are offered work and both theoretical and practical education (courses). *Yalla Trappan* also provides Swedish tuition, health care, and employment training programmes. As a meeting centre *Yalla Trappan* strives to work with other associations. For example, they permanently cooperate with an association called *Tjejer i Förening* (Girls In Association), which tries to inspire young girls and women to organise or join already existing organizations in civil society, all based on the idea that participation enriches and empowers the individual.

Yalla Trappan is a membership-based association, and both men and women who accept the principles of *Yalla Trappan* can become members and thus have a vote at the annual association meeting. However, only women can become participants/workers within *Yalla Trappan*. Participants work at the café and lunch restaurant, in the cleaning service or in the handicrafts studio. The cleaning and conference service of *Yalla Trappan* is mainly aimed at offices and shops. The cleaning services are an expanding part of the association, and the interviewed founder regards it as a part with great potential (interview 5). *Yalla Trappan* has received much attention, not only from the media but also from other actors in the private market, like IKEA or small-scale clothes designers who wish to cooperate with *Yalla Trappan*. In two years *Yalla Trappan* has become an attractive trademark that stands for social values and that has become more and more important on the commercial market. The founder says that their growing popularity can be explained by the fact that “We are for real, we are plurality in practice” (interview 5).

2.4.2. Conceptions and ways of addressing users

The target group for *Yalla Trappan* is unemployed, immigrant women with little or no education, who are experiencing severe difficulties entering the labour market, and who often have poor knowledge of Swedish. They are offered employment with a contractual salary or internship, education and Swedish tuition, a social arena and, an empowering and democratic environment, where they are part of a creative atmosphere and make decisions concerning matters such as working schedules, lunch menus and new proposals from different customers (interview 5).

2.4.3. Internal organization and modes of working

Users enter *Yalla Trappan* in different ways. One can say that there are two types of user, not counting the members of the association or the people on the board or the customers or partners. One group of users at *Yalla Trappan* is permanently employed and another arrives on internships through the social services administration. The first group was either recruited from the early *Trappan* project or from the second group of users i.e. the group on internship. At the time of the study, there were 22 women working in total and 12 were permanently employed; the rest were on internships. The interviewed founder says that all women working on an internship basis at *Yalla Trappan* wish to be permanently employed, and she explains that they do not have the capacity to employ more people than they currently do. However, she continues, their first priority when the business is profitable is to employ the participants for longer working hours; the second priority is to employ more

people; and the third is to invest in new equipment (interview 5). Most users work part-time at *Yalla Trappan*, which is also in line with the original idea of the *Trappan* projects. The word “trappan” means “steps” and the name is used to describe a progression where users are encouraged, step by step, to take more and more responsibility in the company depending on their own recovery or growing ability.

2.4.4. Impact on the governance of local welfare systems

Yalla Trappan represents an example of recent trends of development in Swedish society. The co-operative movement has a long tradition in Sweden, but this activity represents a new discourse and a new field for organizing co-operatives. Social enterprises, as well as social entrepreneurship and social economy, are concepts that have been up-coming quite recently and are closely linked with notions of innovation. They have also gained attention on both local and central governmental levels as means to find new solutions to complex social problems. For example, the central government has decided on an action plan for social enterprises (N2010/1894/ENT).

Yalla Trappan has been receiving a lot attention. The founder says that the positive attention sometimes overlooks the problems that *Yalla Trappan* is experiencing, for example, with scarce economic resources. They do not get any extra benefits from the municipality (although they benefit from a tax-reform called *nystartsjobb* which lowers the employment tax when they hire a person who has been unemployed for a long time), even though they are showing positive results and are highly requested by the municipality for internships for women who otherwise would need social support (interview 5).

Conclusions

Deregulation within the field of social welfare, a political interest in alternative providers, and a high degree of self-governance in the Swedish welfare system would open opportunities for social innovation. The case study of the local policy context in Malmö indicates a favourable local context in relation to social innovation. It was stated in the WILCO WP4-report on Malmö (Segnestam Larsson 2013) that there seems to be a political consensus in the promotion of innovation. An agreement is described in the report, among various coalitions and political actors, on the need for new solutions in local welfare. There is also a shared view of what social problems need to be addressed in local welfare as well as across the three sectors of childcare, housing, and employment. This concept seems to attract people and organizations from various ideological backgrounds and positions. A conclusion is that the discourse on local welfare seems to include dimensions that promote social innovation. In this way there seems to be an “innovative soil” in Malmö (ibid).

At the same time, this report points at local elements that, arguably, prevent innovation. For example, there seems to be some disagreement among the different actors and coalitions regarding the methods and instruments to be implemented. Some actors are not positive about including alternative service providers within the field of welfare. The final conclusion of this report states: “social innovation should perhaps be regarded as an ideological proxy or a Trojan horse for a liberalization of the welfare in Malmö” (ibid).

Common traits

The innovations that we have studied in Malmö are in different ways, and on different scales, addressing social problems that are high on the political agenda: youth unemployment, segregation and lack of integration. The different projects address these local problems and try to find local solutions. In this way they are representing new ideas and ways of working in the local context. At the same time these activities have developed

in line with broader political trends and are embedded within the legal and administrative frames of the welfare system. This embeddedness serves as both an enabling and an obstructive feature.

The Malmö Incubator and *Yalla Trappan* contain elements that are in line with the activity policy and “work line” in labour market policy, where social enterprises are highlighted as a possible way to go from welfare dependency to receiving a salary from work. Social enterprises are described by the Swedish Agency for Economic and Regional Growth (*Tillväxtverket*) as aiming at the integration of persons with a marginal position in relation to the labour market. Social enterprises are further defined with positive qualities such as involvement of employees, social cohesion and empowerment. They are also closely linked to possibilities for receiving EU-funding through the structural funds, e.g. Equal. Both these projects are closely connected to the public administration of unemployment services as regards the target groups for the projects and the possibility for individual users to receive benefits while participating. The foundation of *Områdesprogrammet* can in turn be traced to ideas of neighbourhood revitalization of run-down “segregated” areas suffering from socio-economic stagnation, which is implemented in different European cities.

Common features among the studied innovations are that they all take a kind of holistic approach, and they contain different elements such as employment, training, membership in social cooperatives, or becoming entrepreneurs. Another common trait is the projects’ aims in investing in their users’ personal capabilities. A further commonality is that innovations are based on collaboration and partnerships. On the one hand, these are inter-sectorial partnerships between the city administration, Malmö University and actors within the civil society; on the other hand, they are intra-sectorial collaborations - between different units within the public sector.

Both top-down and bottom-up

The studied innovations contain both top-down and bottom-up elements. They are initiated top-down by political or professional initiatives, and the city administration of Malmö is a key stakeholder in the initiation processes. The possibility of EU funding is an important enabling factor. At the same time, all three projects aim at initiating and supporting local initiatives, i.e. promoting bottom-up activities.

Områdesprogrammet in Holma-Kroksbäck reaches out to and supports local initiatives. In some cases it can act as a support structure for new ideas, providing start-up education, material and contacts as in the on-going process with the Info Centre in Kroksbäck. In other cases it co-produces these ideas. The Malmö Incubator is all about supporting and promoting the participants’ entrepreneurial ideas. *Yalla Trappan* focuses on women’s entrepreneurship, and workers in the project can become members. Through operating the project as a co-operative, it enables the users to have a degree of influence on the concrete activities.

Sustainability and the mismatch between public systems and innovations

Incorporating a project within the public administrative system can facilitate sustainability and counteract the risks of “project economy” - that good initiatives and projects end when the funding period of a project is over. Possible knowledge and competence gained in a project risk being lost when former staff members move to other tasks or projects. On the other hand the public administrative system can counteract and put obstacles in the way of innovation and entrepreneurship. The rules and regulations for different types of employment benefits are not adjusted to self-employment and social enterprises. This is described as an obstacle in the Malmö Incubator.

As mentioned above, the studied projects/innovations are investing in their users' personal capabilities, with the goal of helping them become employable and improving their living situation. In the case of *Områdesprogrammet*, the aim is to improve the living conditions of people living in the neighbourhood. At the same time, the innovations consist of small-scale projects, and it is therefore hard to draw conclusions on their impact on local government and local development.

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Interviews:

Interview 1, Head of and project coordinator of Områdesprogrammet Holma-Kroksbäck

Interview 2, Librarian and employed at Holma Infocenter, Områdesprogrammet

Interview 3: Employed at The Coompanion Inkubatorn (key promoter)

Interview 4: Experienced user at the Coompanion Inkubatorn

Interview 5: Founder and chairperson of Yalla Trappan

Interview 6: Spokesperson for Yalla Trappan

Interview 7: Experienced user, Yalla Trappan