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# **University and Industrial City Transition**

Case Study of Malmö's Transition with a Focus on the  
Role Played by Malmö University

Sixian Chen

Department of Human Geography  
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Examiner: Guy Baeten  
Supervisor: Anders Lund Hansen

**Abstract:** In advanced western countries, many industrial cities have developed new strategies of development after industry decline. These strategies share some similarities like emphasize on building environment to attract business. Followed this trend is heavy input on higher education. This thesis is conducted to understand these trends and find the correlations. Conceptually, it combines and discusses approaches to urban issues from different perspectives, including Creative Class approach, human capital theory, urban entrepreneurialism and welfare capitalism, with the purpose to account for relevant studies and provide multiple context explanations. The empirical part is a case study of the transition of the former industrial city Malmö to a knowledge city, with a focus on the decision-making process and the role played by Malmö University. The thesis asks two questions: Why did Malmö choose to become a knowledge city? What role does Malmö University play in the transition of Malmö? By seeking the answers to these two questions, the thesis aims to provide an extensive and deep explanation for this phenomenon and open up a holistic context to understand the changes and situations modern cities are confronted with.

**Key words:** industrial city, transition, university, Malmö, urban development

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## Preface

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*Thanks for helping me finish this project.*

# 1 Introduction

## 1.1 Motivation, Purpose and Aim

As a human geographer, I'm always attracted by the word "city". Mumford described the difficulty in defining, understanding and anticipating the city:

*"No single definition will apply to all its manifestations and no single description will cover all its transformations, from the embryonic social nucleus to the complex forms of its maturity and the corporeal disintegration of its old age".*<sup>1</sup>

A city is a complex product. It is something more than a congeries of individual men and of social conveniences and a mere constellation of institutions and administrative devices, rather *"a state of mind, a body of customs and traditions, and of the organized attitudes and sentiments that inhere in these customs and are transmitted with this tradition."* *"It is involved in the vital processes of the people who compose it."*<sup>2</sup> The concept of city, along with its physical and abstract contents, has been incorporated in our society and daily life. Meanwhile, Cities are changing subjects. *"The only consistent thing about cities is that they are changing."*<sup>3</sup> The changes of cities are reflections of their external world. Hence, a deep understanding of cities and the changes they are going through today would help us understand the changes taking place in our time.

From this point of departure, I choose to study the transition of industrial cities. *"Cities were synonymous with industrialization."*<sup>4</sup> Industrial economies could not be organized without large pools of labor; the transportation networks, the physical infrastructure of factories, warehouses, stores, offices, and the consumer markets provided by cities.<sup>5</sup> Industrialization was the driving force for many cities' development and growth, until neo-Fordist technologies and working practices led to that fewer people are needed to manufacture things. It results in a substantial decrease in blue-collar employment.<sup>6</sup> This undoubtedly posed severe challenges to those traditional industrial cities which functioned in line with the demand of industrial age. When the industrial age was gone, cities face a new circumstance significantly different from before, they have to take effective measures to survive in the new era.

Malmö used to be a typical industrial city and went through a crisis in the 90s. It encountered situation as described above. When it abandoned the industrial identity, it attempted to become a knowledge city. The selection of the knowledge-based urban trajectory for Malmö is not unique, many industrial cities in advanced western countries

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<sup>1</sup> Mumford 1972 p.3

<sup>2</sup> Robert, Burgess & Janowitz, 1968. P. 1-2

<sup>3</sup> Hall, 2006, p.1

<sup>4</sup> Knox and Sallie, 2003 p.397

<sup>5</sup> Knox and Sallie, 2003 p.397

<sup>6</sup> Knox and Pinch, 2010, p.29

have chosen similar developing strategies. Why do they choose it and how do they achieve the status of knowledge cities are main concerns of the thesis. Cities' actions to cope with new situations are not isolated events, but implications of contemporary global changes in production relations, consuming patterns, new world order, ideologies and so on. Therefore, based on this understanding, the thesis aims at understanding the changes in a global context by studying the case of Malmö's transition.

Meanwhile, as cities are products shaped by economy, culture and political within a certain geographical scope. The geographic impact on cities is also important and has certain influences on industrial cities' transition. The differences between different countries, especially in organization and institution working mechanism, will definitely affect cities' features and developing strategies. Therefore, the thesis takes the differences between different regime systems into consideration, aims at finding out to what degree differences between countries influence cities' development today.

## ***1.2 Research Questions***

Considering transition is a complicated process involving an extensive range of changes in various aspects, the thesis chooses to focus on the decision-making process of Malmö's transition. Since the foundation of Malmö University is considered to be a key factor contributing to the city's transition and the motor of its development, the relation between the university and city development is another focus of the thesis.

Therefore, the research questions are:

***Why did Malmö choose to become a knowledge city and how did it achieve it?***

***What role does Malmö University play in the transition of Malmö?***

These two questions have different focuses but highly relevant. They touch upon the historical process and the university's relation to the city. The global trend and background on different levels are also related to these issues. The research questions are raised with the purpose to understand the extensive and profound changes in society and cities, the phenomenon's universal implications are important concerns in the thesis. Consequently, in order to answer the research questions, questions below will be discussed :

What was the background of Malmö's transition?

What new strategy does Malmö have?

How was it decided for Malmö to become a knowledge city?

What were the motivations to build Malmö University?

How Malmö University was founded? How was it constructed and how is it run?

What influence does Malmö University have on the city?

What's the higher education's role in regional development in Sweden?

What do Malmö's transition and its relation with the university implicate in a universal sense?

## ***1.3 Scope and Delimitation***

Considering cities in different regions are in different stages and can vary greatly due to countries' differences, the thesis has a focus on cities in advanced capitalism countries. These countries are roughly in the same developing stage and share similar political and institutional system and ideologies. The thesis is a case study about the transition of industrial cities. Malmö is selected as the object of the study, since its transition involves many aspects and many projects, due to the limited time and length, the thesis focuses on the project of Malmö University and its relation to the transition. Factors from local level to global level are taken into consideration, what happened on the local level is the main concern of the study, while the global level is explored to provide a holistic background. The regime system is the main focus on the state level.

## ***1.4 Disposition***

The study is conducted as a qualitative research, semi-structured interview is the main method to collect information and materials. The thesis starts with a literature review including different people's approaches to urban issues, as well as literature on welfare regimes. However, the purpose is not to make coherent theories in the theoretical framework, but to explore and understand the cities and transition processes from multi-perspectives. Therefore, background information about theory creators are included, intending to trace the theory origins and the standpoints of the authors. A summary of the literature is followed by the explanation of how the theories are linked to the reality. The empirical part introduces Malmö's industrial history, new strategies and decision-making process, along with information on Malmö University's foundation process, constructions, funding and impact on the city. A short introduction about to Swedish higher education policy and regional development is provided. The thesis also includes a discussion chapter, where similarities and discrepancies between theories and empirical findings are summarized and explained. Conclusions and suggestions are provided in the final chapter of the thesis.



## 2 Theoretical Framework

In this part, the approaches of four persons including Richard Florida, Edward Glaeser, David Harvey and Gøsta Esping-Andersen will be introduced. These theories are not in line with each other, since these four have different backgrounds and their theories are based on different perspectives and standpoints.

Generalizing and simplifying their ideas, Florida argues what is required to be done if a city wants to be more successful in today's context, Glaeser stresses the importance of human capital for cities, and David Harvey focuses on the change of urban governance, from the perspective of capitalism. Esping-Andersen's theories are not directly related to urban development, but give a description of different types of welfare capitalism, which provides a macro regime framework for Malmö. I believe combining these theories could provide a general understanding of Malmö's transition on different levels. I'm trying to cover as many perspectives as possible in order to analyze this process, being aware of that these theories are insufficient to reflect all the aspects, therefore, due to time and length limitations, only theories of the most importance and compatibility are selected.

### *2.1 Richard Florida and Creative Class Approach*

#### **2.1.1 Introduction to Richard Florida**

Richard Florida is an American urban studies theorist, he was born and growing up in New Jersey.<sup>7</sup> He earned his Bachelor's degree of Arts in Political science from, he owns a master's degree of philosophy in urban planning and two doctors' degree of philosophy in urban planning, received from Columbia University. Florida is currently Director of the Martin Prosperity Institute and Professor of Business and Creativity at the Rotman School of Management, University of Toronto. Previously, He has held professorships at George Mason University and Carnegie Mellon University and taught as a visiting professor at Harvard and MIT.<sup>8</sup>

Florida is best known for his concept of "creative class" which was expressed in his best seller "*The Rise of the Creative Class*". This global approach to

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<sup>7</sup> Ohannessian, 2011

<sup>8</sup> Florida's blog, 2011

problem-solving and strategy development have influenced international diplomats, government leaders, filmmakers, economic development organizations and leading Fortune 100 businesses.<sup>9</sup>

Florida talked his impetus of writing the book and indicated witnessing urban changes around him during his growing experience had a big impact on him. During his academic life, he began to see a shift:

*“[N]ot only in the landscape of business, but in what people want in their cities. I was talking to my students at Carnegie Mellon. And they kept telling me, ‘It’s not just that we’re picking a job; we’re picking a place to live.’ It became clear to me that the whole field of economic development and urban planning had tilted away from reality. I was seeing these trends happening and I said, ‘I have to write this book.’ What people want from a city and what is driving a city economy is very different than what I had learned.”<sup>10</sup>*

He claimed he wrote the book talking changes he was seeing in society, and he was seeing in the data about what people were telling him.<sup>11</sup>

Florida’s “creative class” idea has encountered numerous criticisms, and “*The Rise of the Creative Class*” is more considered to be a business book than serious academic writing. But Florida himself doesn’t totally agree. He argues he is writing an academic book with big concepts that had appeal to a broad group of people.<sup>12</sup>

Florida recognizes American social activist Jane Jacobs works as very important to understand the modern way of looking at cities and urban societies: If you want to understand your milieu which e.g. your company or organization is acting in, you have to understand the city you live in.<sup>13</sup> He was also heavily influenced by Peter Drucker and Daniel Bells’ works on knowledge economy and sociology”.<sup>14</sup>

## 2.1.2 Key ideas of Creative Class approach

Florida’s work is based on a relatively simple theory. He described the transformation of society and drawn the conclusion that society is changing in large measure.<sup>15</sup> He argued the rise of human creativity is the driving force behind:

*“The driving force is the rise of human creativity as the key factor in our economy and society. Both at work and in other spheres of our lives, we value creativity more highly than ever, and cultivate it more intensely”<sup>16</sup>*

He claims creativity is the core and main engine of economic growth. Florida ascribes the declined of the old working class to the decline of the industrial economy and the

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<sup>9</sup> Florida’s blog, 2011

<sup>10</sup> Ohannessian, 2011

<sup>11</sup> Ohannessian, 2011

<sup>12</sup> Ohannessian, 2011

<sup>13</sup> Ohannessian, 2011

<sup>14</sup> Ohannessian, 2011

<sup>15</sup> Florida, 2002, p.4

<sup>16</sup> Florida, 2002, p.4

social and demographic patterns which the society was premised.<sup>17</sup> At the same time, he points out “[t]oday’s economy is fundamentally a Creative Economy”, advanced developed countries are shifting to information-based, knowledge-based economies, and knowledge is the basic economy resource.<sup>18</sup> “*The rise of the Creative Economy has had a profound effect on the sorting of people into social groups or classes.*”<sup>19</sup> This class includes people ranging from high-tech workers, civil engineers, university professors, researchers and the like, to known artists and musicians in a broad sense. Engaging in work whose function is to “*create meaningful new forms*” is the distinguishing characteristic of the class.<sup>20</sup>

The Creative Class is defined as an economic class, it consists of people who add their economic value through their creativity. Florida argues that the Creative Class’ economic function both underpins and informs its members’ social cultural and lifestyle choices. “*My definition of class emphasizes the way people organize themselves into social groupings and common identities based principally on their economic function. Their social and cultural preferences, consumption and buying habits, and their social identities all flow from this*”<sup>21</sup>

Florida gave abundant descriptions about who belong to this creative class and their values, lifestyles and preferences, etc. He finds a close connection between regional economic growth and the creative people cluster. Florida thinks human capital theory has told that economic growth will occur in places owning highly educated people, but fails to answer why creative people cluster in certain places.<sup>22</sup> And he uses the “*creative capital theory*” to explain this phenomenon. He says “*regional economic growth is driven by the location choices of creative people---the holders of creative capital--- who prefers places that are diverse, tolerant and open to new ideas.*”<sup>23</sup>

Accordingly, which is also central in Florida’s ideas is that if cities want to succeed, they have to be able to attract people belonging to the creative class, who are “*the wave of the future*”. In order to succeed in attracting those people, a city has to have three elements, which Florida called “3T’s”: Technology, Talent and Tolerance. The 3T’s is also the key to understand the new economic geography of creativity and its effects on economic outcomes.<sup>24</sup> Florida illustrated the creative capital theory in more details:

“*[R]egional economic growth is powered by creative people, who prefer places that are diverse, tolerant and open to new ideas. Diversity increases the odds that a place will attract different types of creative people with different skill sets and ideas. Places with diverse mixes of more, diversity and concentration work together to speed the flow of knowledge. Greater and more diverse concentrations of creative capital in turn lead to higher rates of innovation, high-technology business formation, job generation and economic growth.*”<sup>25</sup>

Florida thinks the way to build a truly Creative Community is to create good “people climate” and “business climate”. He argues that in Creative Economy, companies remain important and tend to go and start where talented and creative people

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<sup>17</sup> Florida, 2002, p.76

<sup>18</sup> Florida, 2002, p.44

<sup>19</sup> Florida, 2002, p.67

<sup>20</sup> Florida, 2002, p.68-69

<sup>21</sup> Florida, 2002, p.68

<sup>22</sup> Florida, 2002, p.223

<sup>23</sup> Florida, 2002, p. 223

<sup>24</sup> Florida, 2002, p.249

<sup>25</sup> Florida, 2002, p.249

are.<sup>26</sup> Therefore, cities need a people climate even more than a business climate and should build a community which is attractive to creative people not just to high-tech companies.<sup>27</sup>

To summarize the Creative Class approaches: it's focusing on three related elements. A good people climate attracts and retains creative and talented people, whose concentration fertilizes the ground for a competitive business climate. The good and competitive business climate will bring along economic growth.<sup>28</sup>

The most innovative part of the creative class thesis may be adding tolerance to well-known parameters of economic growth. It enables the approach to focus on aspects that has to do with inclusion and well-being of the labor force.<sup>29</sup> In Florida's thesis, tolerance is bounded up with openness. According to Florida, people from Creative Class prefer "the no-collar workplace",<sup>30</sup> where what they perform weight more than how they appear. Meanwhile, these people prefer the lifestyles favoring individuality, self-statement, acceptance of difference and the desire for rich multidimensional experiences.<sup>31</sup> Florida has developed immigrants index, gay index, Bohemian index measure how "creative" a place is. In Florida's thesis, tolerance covers a broad range of elements, and the most important is: it has to do with low entry barriers. Low entry barriers such as openness toward newcomers and open-mindedness toward different cultures and different norms may improve the region's competitiveness for talents.<sup>32</sup>

Florida's theory is a huge success, as mentioned earlier. *The rise of the creative class* has become a global best seller, it received the Washington Monthly's Political Book Award and was cited as a major breakthrough idea of 2004 by the Harvard Business Review,<sup>33</sup> his ideas have an extensive influence among different organizations including city decision-makers.

Meanwhile, there are quite a few critical voices of Florida's Creative Class. One of them comes from Glaeser, who is a strong advocate of human capital. Glaeser argues that the creative class is no different from the human capital thesis, and that Florida's findings would be the same if he left out the creative class people and used highly educated people instead in his analysis.<sup>34</sup> This implies both theses share something in common. Therefore I think it's necessary to explore the human capital theory as a complement to the Creative Class approach and strengthen our understanding of both logic origins.

## ***2.2 Edward Glaeser and Human Capital Theory***

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<sup>26</sup> Florida, 2002,, p. 283

<sup>27</sup> Florida, 2002,, p.283

<sup>28</sup> Hansen, 2008, p.230

<sup>29</sup> Hansen, 2008, p.228

<sup>30</sup> Florida, 2002, p.12-13

<sup>31</sup> Florid , 2002, p.13

<sup>32</sup> Hansen, 2008, p.231

<sup>33</sup> Florida's blog, 2011

<sup>34</sup> Hansen, 2008, p.232

## 2.2.1 Introduction to Edward Glaeser

Edward Glaeser is a prominent economist at Harvard University. He was educated at The Collegiate School in New York City before obtaining his B.A. in economics from Princeton University, he received his Ph.D. in economics from the University of Chicago. Glaeser joined Harvard University since 1992, he is currently the Fred and Eleanor Glimp Professor of Economics in the Faculty of Arts and Sciences at Harvard University. He is Director of the Taubman Center for State and Local Government and Director of the Rappaport Institute of Greater Boston. He regularly teaches microeconomic theory, and occasionally urban and public economics. He has published dozens of papers on cities, economic growth, and law and economics.<sup>35</sup> Glaeser has spent several decades investigating the role cities play in fostering human achievement.<sup>36</sup> His work has particularly focused on the determinants of city growth and the role of cities as centers of idea transmission.<sup>37</sup>

Glaeser was born in Manhattan, New York. His interests in cities and buildings come from his father, Ludwig Glaeser, who was born in Berlin and lived there during World War II and 1950s. Ludwig had a degree in architecture and a Ph.D. in art history, he joined the staff at the Museum of Modern Art in New York City in 1963. "*His passion for cities and buildings nurtured my own. His traditional European academic background led him to trust wisdom that comes from knowing the past.*"<sup>38</sup> But different from his father, who "*disliked dreary postwar apartment buildings and detested ugly suburban communities,*" Edward Glaeser himself admires sprawl in so far as it facilitates "*the ability of people to live as they choose*".<sup>39</sup>

Glaeser's essential contention is: "*cities magnify humanity's strengths.*" Cities spur innovation by facilitating face-to-face interaction, they attract talent and sharpen it through competition, they encourage entrepreneurship, and they allow for social and economic mobility. Glaeser is against the lure of big houses and lushing lawns, he chastises city planners in Paris and Mumbai for intensive building up.<sup>40</sup>

Glaeser advocates greater density and believes that more people means more possibility. He admires Jane Jacob's insight into the virtues of mixing residential and retail together, but he disagree with her prescription for small-scale neighborhoods, he prefer neighborhoods to acres of suburban developments. Glaeser is also against suburbanization and considers it is producing an ecological disaster.<sup>41</sup>

## 2.2.2 Human Capital Theory

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<sup>35</sup> Glaeser's blog, 2011

<sup>36</sup> Silver 2011

<sup>37</sup> Glaeser's blog, 2011

<sup>38</sup> Glaeser 2006

<sup>39</sup> Glaeser 2006

<sup>40</sup> Silver, 2011

<sup>41</sup> Silver, 2011

Human capital refers to the stock of competences, knowledge and personality attributes embodied in the ability to perform labor so as to produce economic value. It is the attributes gained by a worker through education and experience.<sup>42</sup> It is considered to be a means of production, compared with physical capital consisting of machines, factories, etc. The term human capital could trace back to Adam Smith, contributed by Jacob Mincer, T.W.Schlutz and Gary Becker, human capital theory has two key points: human capital contributes more to economic growth than physical capital; the core of human capital is to improve the quality of population, investment in education is the principle mean.

Human capital theory may prove of more value in today than the industrial era. Glaeser believes that agglomeration economies will ultimately continue to be large, even though the advantages that cities gained from being manufacturing centers have disappeared. Information spillovers will continue to be important and telecommunications may end up helping cities instead of hurting them.<sup>43</sup> Economists have realized “*the growth of economy does not involve the simple accumulation of capital and labor*”, “*the forces driving growth are rich and varied*”.<sup>44</sup> They turn to the generation and transferring process of knowledge for some explanation of economic growth. In *Cities, information, and economic growth* (1994), he summed up several economists’ work about the relation between the stock of knowledge and economic growth. The main arguments can be generalized as the following.

When talking about human capital, knowledge, and growth, the role of cities is almost inescapable. Cities play an informational role in spurring the accumulation of human capital. Ideas move quickly in cities. Generation of new knowledge was the key to economic. The combination of physical capital and disembodied knowledge is the correct engine of economic growth. Urban diversity is positively related to later growth, highly diversified cities grow much more quickly than city-industries in one-industry towns. This corresponds to Jacob’s idea that “*growth is a function of cities combing unrelated activities and that the biggest innovations result from a combination of seemingly unrelated ideas*”<sup>45</sup>

By questioning the fundamental issue about how one measures urban growth, Glaeser argued that although GDP is a very natural way to measure the economic growth of countries, it doesn’t apply to measure cities very well. For general equilibriums models show that migration will quickly eliminate any real differences in income across cities, and the differences in amenities can have a negative effect, such as higher rents in the higher wage city.<sup>46</sup> This raises the question: what makes a city good? Glaeser says: “*highly skilled individuals make cities good by generating ideas and productivity-enhancing innovations.*” These ideas could attract migrants and raise everyone’s wages.<sup>47</sup> Glaeser argues, skills have an increasing importance in U.S economy and become more valuable, cities with highly educated workers will have a higher income for the workers are paid more. Places with highly educated people will also attract individuals who want to learn from highly skilled people. More highly educated people tend to create better school systems which can attract more residents to

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<sup>42</sup> Becker 1994,

<sup>43</sup> Glaeser , 1998, p.157

<sup>44</sup> Glaeser , 1994, p.9

<sup>45</sup> Glaeser, 1994, p.17

<sup>46</sup> Glaeser, 1994, p.17

<sup>47</sup> Glaeser, 1994, p.17

the city. He also argues education is linked to the quality of government through election.<sup>48</sup> Glaeser's own research shows that initial schooling and schooling growth are connected, well-educated people moved in great number to where well-educated people already located.<sup>49</sup> The price of certain types of physical capital (e.g. land) rises in urban areas as population density increases. *"The net result is that human capital will provide a large amount of the average urban household's portfolio than will physical capital."*<sup>50</sup>

Now if we look back the creative capital theory, we could find the main difference between it and human capital theory lies in higher education. Glaeser argues that the subdivision of the creative class, the "creative core", is almost identical with his human capital concept. This group shows the same correlations as Glaeser's calculations: Florida is actually reinventing the human capital concept. On Florida's side, he argues that the creative class concept is wider than the human capital, it is also more accurate than it in regard to innovation, because creative class does not discriminate between people with or without higher education, but rather between the extent of creativity that people have to unfold in their work process.<sup>51</sup>

Glaeser has also given other arguments against Florida's Creative Class approach, which I will bring in later, along with other people's critiques, but what is worth noticing is Glaeser's standpoint and angle are actually quite close to Florida's. Glaeser admits that he agrees with much of Florida's substantive claims about how the world works, he thinks Florida is fundamentally right, *"Creativity is becoming a more important part of the economy. The market value of creative people has risen and large industries have tried to adapt to the rising importance of idea-creation. Florida is not becoming popular by spewing nonsense about the evils of globalization—he is becoming popular by telling the world things about itself that are fundamentally true."*<sup>52</sup>

If we assume both Florida and Glaeser are right about telling how the world works, we should be aware of that they are telling from an economic perspective, and both views take economic growth as a point of departure. Their works are efforts to adapt to changes of the society and how to make cities be successful in such society. But they haven't answered why the world works like this, if we want to know the causes of those changes and have a better understanding of the situations which modern cities are confronted with, we will need some other approaches. Hence, I turn to David Harvey and Gøsta Esping-Andersen to explore city development from a more holistic and political view than mere economic view.

### ***2.3 David Harvey and Urban Entrepreneurialism***

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<sup>48</sup> Glaeser, 1994, p.20

<sup>49</sup> Glaeser, 1994, p.20

<sup>50</sup> Glaeser, 1994, p.30

<sup>51</sup> Hansen, 2008, p.36

<sup>52</sup> Glaeser, 2005, p.594

### 2.3.1 Introduction to David Harvey

David Harvey (born 31 October 1935, Gillingham, Kent, England) is a Marxist geographer and distinguished professor of anthropology at the Graduate Center of the City University of New York (CUNY). He received his PhD in Geography from University of Cambridge in 1961.<sup>53</sup> Harvey is undoubtedly a preeminent scholar with a global reputation today,<sup>54</sup> *“he is rightfully credited with helping to spearhead a dramatic revitalization of geography as an intellectual pursuit in the latter third of the twentieth century.”*<sup>55</sup>

Harvey has numerous honorary degrees and major academic prizes from universities and academic societies on three continents.<sup>56</sup> His academic career has lasted for four decades and his major works have been translated into a dozen languages. As a leading social theorist, he has an influence in the humanities and social sciences that is perhaps difficult to grasp from within his home discipline, his citation count between 1981 and 2002 exceeds that of many eminent social theorists including Michel Foucault, Jacques Derrida, Bruno Latour, and Ulrich Beck<sup>57</sup>, and he is among the top 20 most cited authors in the humanities.<sup>58</sup>

As one of the most influential geographers, Harvey has a paramount role in providing evidence that geography as a discipline is in a far different place than half a century ago, without Harvey and his work, Marxism and especially geography would look very different today.<sup>59</sup>

Although regarded as a Marxist, Harvey distinguishes himself from traditional Marxism, he reads Marx as a theorist who provides invitations instead of a theoretical authority to be followed.<sup>60</sup> His leadership of efforts to integrate questions of space into Marxism is equally crucial as his insistence that a Marxism which refuses space is politically handicapped.<sup>61</sup> Marx and most Marxists foreground time and history but fail to realize that capitalism is a geographical project. Space poses systematic problems and opportunities as time does. In capitalism, uneven development is integral, landscapes and “natures” of differentiation are produced and remade by capitalism, and it is sustained through their reworking.<sup>62</sup> Harvey thinks Marxism is inadequate on issues like environment and urbanization. Marxism was mainly focused on what was going on at the point of production, in the factory, while he believes what is going on in the city is equally important.<sup>63</sup>

Although has wide influence, Harvey’s ideas are not mainstream. His work shows a tendency in reflecting problems and digging and seeking the roots. This may have to do with Harvey’s rich experiences, he came to the United States, in the wake of the ’68

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<sup>53</sup> Kreisler, 2004

<sup>54</sup> Smith, 2008, p. 147

<sup>55</sup> Smith, 2008, p. 147

<sup>56</sup> Smith, 2008, p. 147

<sup>57</sup> Smith, 2008, p. 147

<sup>58</sup> Gill, 2009

<sup>59</sup> Smith, 2008, p. 147

<sup>60</sup> Smith, 2008, p.148

<sup>61</sup> Smith, 2008, p.148

<sup>62</sup> Sideway, 2007, p.213

<sup>63</sup> Kreisler, 2004



uprising around the death of Martin Luther King, he was really shocked and upset about that in the wealthiest country in the world, people live in chronic impoverishment. He participated in political activism and at the same time, he felt that the theoretical framework he had been using for his own work wasn't adequate for the political situation and he started to embrace Marxism.<sup>64</sup>

Harvey also holds a more holistic view than most other scholars, he sees the whole picture from what happens at local level. When he talked about the earlier phase of his work, he said:

*“In my terms, I was just a traditional geographer, with a bit of an interest in what was universal, what was general about this. So even though I was doing something in a very local area at a very specific period of time, I was interested in what general principles were governing transformations in the landscape: transformation in social relations, transformation in production practices, and technologies, and financing, and all that kind of thing. So I was very interested in those universal principles as they were manifest in a very local area at a particular historical time.”*<sup>65</sup>

*“I'm almost always asking myself in the midst of local action, ‘What is the universal significance of this, or how will this change the world in general?’ ”*

In this thesis, it's also my purpose to not only to view Malmö's transition from a local level, but to reflect its meaning in a more extensive and global context. Therefore, Harvey's theory is a very important tool to approach this issue.

### **2.3.2 Urban Governance: from Urban Managerialism to Urban Entrepreneurism**

In his article *From Managerialism to Entrepreneurialism: The Transformation in Urban Governance in Late Capitalism*, by observing changes from 1973 to the end of 1980s, Harvey argues that cities are going through a transformation from managerialism to entrepreneurialism, which is fundamentally caused by the logic of capital circulation and accumulation. Cities have to compete to seek their own development like enterprises. Problems arise in this process.

A centerpiece of Harvey's academic concern in this period has been to *“unravel the role of urbanization in social change, in particularly under conditions of capitalist social relations and accumulations.”* He thinks urban process has been shaped by the logic of capital circulation and accumulation, it also shapes the conditions and circumstances of capital accumulation at later points in time and space. Therefore, capitalist have to struggle to make their own historical geography like everyone else, these circumstances are not totally under their control. The dialectical relation of reciprocity and domination is the standpoint from where Harvey seeks more powerful insights into the process of

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<sup>64</sup> Kreisler, 2004

<sup>65</sup> Kreisler, 2004

city making, which he regards as “*both product and condition of ongoing social processes of transformation in the most recent phase of capitalist development*”.<sup>66</sup>

By quoting the case of the colloquium held at Orleans in 1985, Harvey revealed the reorientation in attitudes to urban governance that has taken place in the advanced capitalist countries. While academics, businessmen, and policymakers from eight large cities in seven advanced capitalist countries were brought together, they indicated a strong consensus: “*urban governments had to be much more innovative and entrepreneurial, willing to explore all kinds of avenues through which to alleviate their distressed conditions and thereby secure a better future for their populations*”.<sup>67</sup> Harvey regards this as a shift taken place in urban governance. He said:

“*[T]he “managerial” approach so typical of the 1960s has steadily given way to initiatory and “entrepreneurial” forms of action in the 1970s and 1980s. In recent years in particular, there seems to be a general consensus emerging throughout the advanced capitalist world that positive benefits are to be had by cities taking an entrepreneurial stance to economic development.*”<sup>68</sup>

The consensus remarkably holds across boundaries, political parties and ideologies. Harvey observed Britain and America, he described that since the early 1970s British local authorities have become increasingly involved in economic development activity directly related to production and investment, they were positively encouraged by successive central administrations in order to complement central government attempts to improve the efficiency, competitive powers and profitability of British Industry. While in the United States, civic boosterism and entrepreneurialism had long been a major feature of urban systems, but the reduction in the flow of federal redistributions and local tax revenues after 1972 led to a revival of boosterisms. It has reached a point where both state and local government can be characterized as “*the last entrepreneurs*”.<sup>69</sup>

Harvey calls the changed urban policy “urban entrepreneurialism”. There are several conceptual difficulties in understanding urban entrepreneurialism, the first is urbanization. Harvey said: “*[u]rbanisation should, rather, be regarded as a spatially grounded social process in which a wide range of different actors with quite different objective and agendas interact through a particular configuration of interlocking spatial practices.*”<sup>70</sup> Under capitalism, spatial practice is “*the broad range of class practices connected to the circulation of capital, the reproduction of labour power and class relations, and the need to control labour power.*” Harvey pointed out that conception of the urban and “the city” is rendered unstable, because the concept has itself to reflect changing relations between form and process, between activity and thing, between subjects and objects. Therefore, when spoke of a transition from urban managerialism towards urban entrepreneurialism, “*we have to take cognizance of the reflexive effects of such a shift, through the impacts on urban institutions as well as urban built environments.*”<sup>71</sup>

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<sup>66</sup> Harvey, 1989, p.3

<sup>67</sup> Harvey, 1989. p.4

<sup>68</sup> Harvey, 1989, p. 4

<sup>69</sup> Harvey, 1989, p.4

<sup>70</sup> Harvey, 1989, p.5

<sup>71</sup> Harvey, 1989, p.6

The concept of public-private partnerships is central to urban entrepreneurialism, it's a process through which public money is used as leverage to attract private investment to an area, and is encouraged by national governments. This may result in that public sector assumes the risk and the private sectors take the benefits.<sup>72</sup> Besides, the entrepreneurialism focuses much more closely on the political economy of place rather than territory, this gives rise to the up-grading of the image of cities. Harvey used the case of Baltimore's redevelopment to illustrate how the city succeeded in selling itself by reconstructing its image through the new waterfront and inner-harbor development. By creating the image of a dynamic go-getting city, despite its increased impoverishment, overall urban deterioration, soaring unemployment and so on, the city started to boom again.

*"The new urban entrepreneurialism typically rests, then, on a public-private partnership focusing on investment and economic development with the speculative construction of place rather than amelioration of conditions within a particular territory as its immediate political and economic goal."*<sup>73</sup>

Harvey's approach revolves around power relations and the logic of capital circulation and accumulation. He thinks the greater emphasis on local action to combat ills resulted from the recession of 1973 (such as deindustrialization, widespread and seemingly "structural" unemployment, fiscal austerity) has to do with *"the declining powers of the nation to control multinational money flows"*, *"so that investment increasingly takes the form of a negotiation between international finance capital and local powers doing the best they can to maximize the attractiveness of the local site as a lure for capitalist development"*. The transformation has had substantial macro-economic roots and implications.<sup>74</sup> *"[T]he shift in urban politics and the turn to entrepreneurialism has had an important facilitative role in a transition from locationally rather rigid Fordist production systems backed by Keynesian state welfarism to a much more geographically open and market based form"*<sup>75</sup>

Competition between localities, state and urban regions for development capital has been made acute due to the reduction of spatial barriers. Therefore, *"urban governance has become much more oriented to the provision of 'good business climate' and to the construction of all sorts of lure to bring capital in town."*<sup>76</sup> *"The task of urban governance is, in short, to lure highly mobile and flexible production, financial, and consumption flows into its space."*<sup>77</sup>

The shift gives rise to tremendous problems. *"[E]ntrepreneurialism consequently contributes to increasing disparities in wealth and income as well as to that increase in urban impoverishment which has been noted even in those cities."*<sup>78</sup> To stimulate or attract in private enterprise by creating the preconditions for profitable investment have become the main aim for many local governments, they end up underpinning private enterprise, and taking on part of the burden of production costs. *"Since capital tends to be more rather than less mobile these days, it follows that local subsidies to capital will*

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<sup>72</sup> Harvey, 1989, p.7

<sup>73</sup> Harvey, 1989, p.7-p.14

<sup>74</sup> Harvey, 1989, p. 5

<sup>75</sup> Harvey, 1989, p.12

<sup>76</sup> Harvey, 1989, p. 11

<sup>77</sup> Harvey, 1989, p.11

<sup>78</sup> Harvey, 1989, p.12

*likely increase while local provision for the underprivileged will diminish, producing greater polarization in the social distribution of real income.*”<sup>79</sup>

Innovations and investments designed to increase cities’ attractiveness as cultural and consumer centers have quickly been imitated elsewhere, so cities with a system cannot have a long-term competition. *“Success is often short-lived or rendered moot by parallel or alternative innovations arising elsewhere.”*<sup>80</sup>

As urban entrepreneurialism encourages certain types of development which have the strongest localized capacity to enhance property values, the tax base, the local circulation of revenues, and employment growth, this can bring in projects with high cost and risk and causes inter-urban competition with vicious consequences.

*“The fact of inter-urban competition and urban entrepreneurialism has opened up the urban spaces of the advanced capitalist countries to all kinds of new patterns of development, even when the net effect has been the serial reproduction of science parks, gentrification, world trading centers, cultural and entertainment centers, large scale interior shopping malls with postmodern accoutrements, and the like. The emphasis on the production of a good local business climate has emphasized the importance of the locality as a site of regulation of infrastructural provision, labour relations, environmental controls, and even tax policy vis-à-vis international capital.”*<sup>81</sup>

The turn to entrepreneurialism in urban governance suggests considerable autonomy of local action. Places are governed and sold as a commodity. Harvey argues that *“urban governance has moved more rather than less into line with the naked requirements of capital accumulation.”* *“It should recognize that behind the mask of many successful projects there lie some serious social and economic problems and that in many cities these are taking geographical shape in the form of a dual city of inner city regeneration and a surrounding sea of increasing impoverishment.”*<sup>82</sup>

Harvey says: *“There is a strong predilection these days to regard the future of urbanization as already determined by the power of globalization and of market competition. Urban possibilities are limited to mere competitive jockeying of individual cities for position within the global urban system.”*<sup>83</sup>

This seems to apply to the situation in many cities in advanced capitalist countries. Even no one can deny the power and trend of globalization, countries vary in a large degree. The regime organization plays an important role. Therefore, in order to better understand Malmö’s transition, I turn to Esping-Andersen’s three worlds of welfare capitalism to explore the fundamental differences in terms of regime between Sweden and other capitalism countries.

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<sup>79</sup> Harvey, 1989, p. 12

<sup>80</sup> Harvey, 1989, p. 12

<sup>81</sup> Harvey, 1989, p.11

<sup>82</sup> Harvey, 1989, p.16

<sup>83</sup> Bramham, Peter & Wagg, 2009, p. 1

## 2.4 *Gøsta Esping-Andersen and Three Worlds of Welfare Capitalism*

### 2.4.1 Introduction to Gøsta Esping-Andersen

Gøsta Esping-Andersen is professor of Sociology at the Universitat Pompeu Fabra. He was born in Denmark, and studied economics and sociology at Copenhagen University and at the University of Wisconsin–Madison, where he received his PhD.<sup>84</sup> He has taught at Harvard University, European University institution in Italy, and University of Trento. He has also worked extensively for international organizations, including the OECD, UN, World Bank and European Governments. His research focuses on life course dynamics, social and economic inequality, comparative social policy and employment.<sup>85</sup>

Esping-Andersen decided to study political science in the late 1960s when the heated political climate across Europe. He has spent his career floating between several disciplines, including political science, sociology, demography and labor economics. His Ph.D. was in sociology-cum-labor economics, while his teaching has primarily been in sociology and political science.<sup>86</sup>

Barrington Moore and Joseph Schumpeter are authors who have been the most influential on Esping-Andersen's intellectual development. "*They both influenced me tremendously because they asked the big questions and answered them with rigour, style and courage.*"<sup>87</sup>

Among his major academic publications *The Three Worlds of Welfare Capitalism* (translated into Chinese, Greek, Japanese, Korean and Spanish) is the most influential one. The theories and ideas I am going to introduce are from this book.

### 2.4.2 Three Worlds of Welfare Capitalism

*The Three Worlds of Welfare Capitalism* also develops from a perspective from Marxism, with focuses on class and political regime. In the book, Esping-Andersen classifies the welfare countries into three categories: the United States, Germany and Sweden are on behalf of each genre, labeled as liberal, conservative, and 'social democratic'.

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<sup>84</sup> Esping-Andersen's blog, 2011

<sup>85</sup> Esping-Andersen's blog, 2011

<sup>86</sup> An interview with Gøsta Esping-Andersen p.247

<sup>87</sup> An interview with Gøsta Esping-Andersen p.247

One of the core conceptions in welfare state is “de-commodification”. It’s a measure for protecting individuals from being commodified in the capitalism world where “markets become universal and hegemonic that the welfare of individuals comes to depend entirely on the cash nexus.”<sup>88</sup> “De-commodification occurs when a service is rendered as a matter of right, and when a person can maintain a livelihood without reliance on the market.”<sup>89</sup> The classification of welfare states is closely linked to the degree of de-commodification.

In the ‘liberal’ welfare state model, “means-tested assistance, modest universal transfers, or modest social-insurance plans predominate”, it provides typically modest benefits and in turn, the state encourages the market. This type of regime minimizes de-commodification. The United States, Canada and Australia are the archetypical examples of this model.<sup>90</sup>

The social democratic regime, which mainly includes Sweden and other Scandinavian countries, pursued a “welfare state that would promote an equality of the highest standards, not an equality of minimal needs as was pursued elsewhere.” This model is highly de-commodifying, it “crowds out the market and consequently constructs an essentially universal solidarity in favor of the welfare state. All benefit; all are dependent; and all will presumably feel obliged to pay.” The model is committed to a heavy social-service burden which has to both service family needs and allows women to choose work rather than the household. A salient characteristic of the social democratic regime is “its fusion of welfare and work”. It is genuinely committed to a full-employment guarantee, and entirely dependent on its attainment. The system works best when most people work and the fewest possible live off of social transfers. It is due to the facts that the right to work has equal status to the right of income protection and enormous costs of this kind of welfare system require minimized social problems and maximized revenue income.<sup>91</sup>

Although these regime models are simplified and believed to be the ideal models, they can be used as analytical tools and give us a rough idea of the big differences between countries in term of welfare capitalism.

The employment structure is an important issue in understanding welfare capitalism. It’s based on the fact that contemporary capitalist economies are undergoing a series of fundamental structural changes, many of these changes turn upside and down the conventional notions of working life, including: women’s natural place is in the labor market instead of at home; tremendous money has been paid by the welfare state for able-bodied people not to work, most people no longer work in factories, A typical worker of today may spend the largest slice of the life-cycle outside work, in education and leisure. The great promise of full employment that permeated the optimistic post-war has become problematic in majority of advanced nations. Esping-Andersen argues that full employment has been revolutionized, the concept no longer only referred to the masculine half of the nation but requires to break the gender boundaries.<sup>92</sup> More precisely, it’s the employment structure in post-industrial era we concern.

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<sup>88</sup> Esping-Andersen, 1990, p.21

<sup>89</sup> Esping-Andersen, 1990, p.21-22

<sup>90</sup> Esping-Andersen, 1990, p.26-27

<sup>91</sup> Esping-Andersen, 1990, p. 27-28

<sup>92</sup> Esping-Andersen, 1990, p.142

The principle hypothesis is “*the peculiarities of welfare states are reflected in the ways in which labor markets are organized.*”<sup>93</sup> Each of the three regimes corresponds to a peculiar ‘*labor-market regime*’.<sup>94</sup> To put it simply, the United States relies on business services and entertainment industries, with many good jobs in the former and bad jobs in the latter. While “*Sweden has produced a social-welfare led post-industrial employment structure.*”<sup>95</sup>

Esping-Andersen argued if Sweden fails to commit its three interlocked principles as a welfare state, its de-industrialization, coupled with a rather mediocre rate of economic growth would have created severe employment problems. The three principles are: “1) *the improvement and expansion of social, health, and education services; 2) maximum employment-participation, especially for women, and 3) sustained full employment*”, they are united in the welfare-state model of social democracy.<sup>96</sup> Sweden’s future depends on middle-class support, this requires expanding and improving the quality and quantity of service. Its financial underpinnings depend on maximizing the tax-base. This means Sweden relies heavily on the employment structure in which most people must work and as few as possible depend on benefits. In addition, expanding public employment as the result of welfare state has become the significant source of job growth, makes the government count on wage restraint.<sup>97</sup> All these are the fundamental problems Sweden has to deal with in the post-modern era.

Esping-Andersen pointed out that the welfare edifice was constructed in the post-war era and based on the assumptions formed in high industrialism era, when economic growth could be counted on to furnish a large number of new jobs. These assumptions are increasingly outdated and today, we have a jobless economic growth. “[*T*]his not only implies greater difficulties of managing full employment with given levels of investment, but also poses serious problems for welfare-state finances.”<sup>98</sup>

Esping-Andersen regards the study of the welfare state as “*a means to understand a novel phenomenon in the history of capitalist societies.*”<sup>99</sup> He points out that welfare states “*owe their origins to different historical forces, and follow qualitatively different development trajectories.*”<sup>100</sup> “[*H*]istory of political class coalitions is the most decisive cause of welfare-state variations.”<sup>101</sup>

To what degree do these regimes, which follow qualitatively different development trajectories, vary in influencing urban policies? Or under the impact of globalization, these different regimes have to draw close the same trajectory? These are the questions I will explore in the case study.

## 2.5 Literature Summary

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<sup>93</sup> Esping-Andersen, 1990, p. 142

<sup>94</sup> Esping-Andersen, 1990, p. 142

<sup>95</sup> Esping-Andersen, 1990, p.222

<sup>96</sup> Esping-Andersen, 1990, p.223

<sup>97</sup> Esping-Andersen, 1990, p.223-224

<sup>98</sup> Esping-Andersen, 1990, p.146-147

<sup>99</sup> Esping-Andersen, 1990, p.1

<sup>100</sup> Esping-Andersen, 1990, p.3

<sup>101</sup> Esping-Andersen, 1990 p.1

## 2.5.1 Critiques of Florida's Creative Class Approach

Besides argues that Creative capital thesis is no different from human capital theory, Glaeser also questions Florida's ideas of the creative people, he disagrees his generalization about people from Creative Class who are bohemian types, who like funky, socially free areas with cool downtowns and lots of density.

*"I know a lot of creative people. I've studied a lot of creative people. Most of them like what most well-off people like—big suburban lots with easy commutes by automobile and safe streets and good schools and low taxes. After all, there is plenty of evidence linking low taxes, sprawl and safety with growth. Plano, Texas was the most successful skilled city in the country in the 1990s (measured by population growth)—it is not exactly a Bohemian paradise".*<sup>102</sup>

However, the concept of "Creative Class" itself is worth noticing. Florida himself mentions the word "class" in "Creative Class" is not the same from that in Marxism. In Marxism, the concept of "class" is connected to the ownership of property, capital, means of products, etc. While "Creative Class" *"emphasizes the way people organize themselves into social groupings and common identities based principally on their economic function."*<sup>103</sup> This definition fails to tell who belong to the Creative Class exactly, the criteria are abstract and vague.

If we ignore the ambiguity about the Creative Class, it's not difficult to find out the Creative Class approach favors certain groups of people. Then we could question the standpoint where Florida stands on. Along with Glaeser, Florida focuses on economic growth, his whole idea serves the purpose to make cities more competitive, which are in line with most local governments' aims. As an economist, economic growth is also Glaeser's concern and human capital theory dedicates to regional economic growth. So even with discrepancy, both persons' ideas actually contribute to, in Harvey's words, "urban entrepreneurialism" fundamentally.

From his experience and his narration about writing Creative Class, Florida appears to be a theorist who tries to understand the time we live by observing the happenings surrounded himself. He tried to capture the changes of time from his experiences and feelings. His focus is more about what is happening than why it happens. His work emphasizes on what should we do to adapt those changes. Glaeser's standpoint is more or less the same, with a focus on how to contribute to economic growth. David Harvey stands on critical standpoint, which is totally different from Florida and Glaeser, one can even say he stands from an opposite standpoint, his work isn't an instruction about how should we adapt the changes but what the changes mean to us. His approach is to seek the fundamental roots of why the world works the way it works nowadays.

Undoubtedly, Florida's thesis is a success, but this success may trigger to the phenomenon that many cities implement the same type of strategies, as Peck pointed out. *"Cities cannot be expected to invent the wheel every time new political actions have*

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<sup>102</sup> Glaeser, 2005, p.594

<sup>103</sup> Florida, 2002, 68



*to be taken.*"<sup>104</sup> This is in accordance with Harvey's idea that "*success is often short-lived or rendered moot by parallel or alternative innovations arising elsewhere.*"<sup>105</sup>

However, the Creative Class approach is considered to be applied to American context instead of having universality. Compared with Sweden, the United States contains a far higher a large cities and city regions than Sweden, and its population is more mobile than the European. Both factors result in much more competition between cities.<sup>106</sup> In addition, according to Esping-Andersen, America has a liberal welfare state model which provides typically modest benefits and encourages the market, while Sweden, the typical social democratic regime, has a high-level de-commodifying degree. This also contributes to the different competition degrees between inter-urban competition in two countries. The different welfare regime systems also suggest that the two countries may have different degrees of urban entrepreneurialism.

## 2.5.2 Summaries Regarding Universities

Florida stresses the importance of universities in his work. He regards the presence of a major research university as a huge advantage and a basic infrastructure component of the creative economy, "*more important than the canals, railroads and freeway systems of past epochs — and a huge potential source of competitive advantage*".<sup>107</sup> He argues that in order to contribute to regional growth effectively, "*the university must play three interrelated roles that reflect the 3T's creative places----- technology, talent and tolerance.*"<sup>108</sup>

*Technology: Universities are centers for cutting-edge research in fields from software to biotechnology and important sources of new technologies and spin-off companies.*

*Talent: Universities are amazingly effective talent attractors, and their effect is truly magnetic. By attracting eminent researchers and scientists, universities in turn attract graduate students, generate spin-off companies and encourage other companies to locate nearby a cycle of self-reinforcing growth.*

*Tolerance: Universities also help to create a progressive, open and tolerant people climate that helps attract and retain members of the creative class.*<sup>109</sup>

Florida claims thus would make universities help to establish the broader quality of place of the communities where they locate. Meanwhile, he emphasizes the interaction between universities and its surrounding community. He says "*surrounding community must have the capacity to absorb and exploit the innovation and technologies that the*

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<sup>104</sup> Hasen, 2008, p.86

<sup>105</sup> Harvey, 1989, p.12

<sup>106</sup> Hansen, 2008, p.91

<sup>107</sup> Florida, 2002, p.291-292

<sup>108</sup> Florida, 2002, p.291-292

<sup>109</sup> Florida, 2002, p.292

*university generates, and also help put in place the broader lifestyle amenities and quality of place sought by Creative Class people.”*<sup>110</sup> It depends on the communities to provide economic infrastructure and the quality of place to retain the talent the university has attracted.<sup>111</sup> In general, *“The university is thus a necessary but insufficient condition for generating high-tech firms and growth.”*<sup>112</sup>

One question about this idea is the correlation between the type of knowledge universities produce and regional industry structure. Knowledge can roughly be divided into three categories: analytical knowledge, synthetic knowledge and symbolic knowledge.<sup>113</sup>

Scientific knowledge is highly important in analytic knowledge based industries, cognitive and rational processes are the bases of knowledge creation. Typical industries are biotech and nanotech. Research training or university training is required for the core of the workforce, hence, industries of this kind are often located to universities.

In the synthetic knowledge based activities, innovation mainly takes place through application of existing knowledge or by new combinations of existing knowledge. Typical industries include plant engineering, specialized advanced industrial machinery, production systems and so on. Workers engaged with synthetic knowledge based industries need knowhow, craft and practical skills. Therefore, these industries are often co-located with polytechnic schools. It is also influenced by a large share of on-the-job training and path dependency.<sup>114</sup>

The symbolic knowledge base is associated with the aesthetic attributes of products, the creation of designs and images, as well as the economic uses of various forms of cultural artifacts. The symbolic knowledge-based industries are innovation- and design-intensive. The “creation” of new ideas and images are more important than the actual physical production process. This leads to a shift from “use-value” to “sign-value”. These industries tend to locate in larger city regions, for mutli cultural impressions are often concentrated in this kind of regions.<sup>115</sup>

Hansen argues that the three knowledge bases ask for different combinations of business climate and people climate respectively. People who will be drawn upon the synthetic knowledge based industries are not in need of people climate elements as much as people who are drawing on the symbolic knowledge-based industries do. Symbolic knowledge base workers often need cultural, political diversity for inspiration – while synthetic knowledge base workers are less dependent on those things. Therefore, regions with significantly higher concentrations of symbolic knowledge base workers should focus more on people climate parameters than regions more relying on the synthetic knowledge base, which should put more interest on business climate parameters.<sup>116</sup>

The knowledge base approach implies that universities’ effects in helping cities attract talents can vary largely based on their own departments and disciplinary structures. Florida’s ideas about how a research university can contribute to the “3Ts”

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<sup>110</sup> Florida, 2002, p.292

<sup>111</sup> Florida, 2002. p. 293

<sup>112</sup> Florida, 2002, p. 293

<sup>113</sup> Hansen , 2008, p.86-87

<sup>114</sup> Hansen , 2008, p.86-87

<sup>115</sup> Hansen , 2008, p.86-87

<sup>116</sup> Hansen, 2008, p.87

seem to be too broad and general. As for whether universities will contribute to tolerant people climate, it remains to be proven.

Although Creative People may not necessarily have higher education, a large portion of them do. Highly-educated talents are also emphasized in human capital theory. Florida mainly refers to talents who contribute to high technology, human capital theory relatively refers to a broad range of talents. There is no doubt universities undertake the role of cultivating talents. But has the meaning of “talents” remained the same today, when the conception of city keeps changing, when transitions take place in both physical environments and institutions? It’s necessary to explore the basic education function of universities and regional economic growth. When urban governance transfers from managerialism to entrepreneurialism, what new roles do universities play and what changes take place in universities?

## 3 Methodological Framework

All the theories introduced above are the lens for me to look into reality, they give me ideas about what questions should be paid attention to and what aspects should be noticed. In the research process, I try to find out the similarities and differences between the reality and the theories. My focus is on Malmö University's role for the transition and other relevant backgrounds. I'm trying to find out under what condition the university was founded, how the purpose and function of the university is connected to Malmö's urban strategy. Malmö's industrial history, crisis years and new strategy are all important background information to understand this process, so I'm trying to collect information for those, too. During the writing period, as the information increases, my recognition about the issue has been changing all the time. Some questions and issues I emphasized before tend to be not so important, and some unexpected issues pop up. Therefore there is a lot to improve, but as time is limited and it's difficult to get all the information, my research is based on the original framework with improvement as much as possible.

### *3.1 Qualitative Approach and Semi-structural Interviews*

A case study will be conducted in the thesis. Exponents of the case study design often favor qualitative methods, such as participant observation and unstructured interviewing, due to these methods are particularly helpful in the generation of an intensive, detailed examination of a case.<sup>117</sup> Qualitative research usually emphasizes words rather than quantification in the collection and analysis of data.<sup>118</sup> However, in choosing a method, everything depends upon what is going to be found out.<sup>119</sup>

In the thesis I'm going to trace the historical process and explore the university's relation to the city. It's a complex process concerning different actors. Surely relevant datum are needed to describe the situation, but it would be insufficient and unclear to explore this topic by quantitative research. I believe qualitative research is a better choice for this case study. And conducting semi-structural interviews will be utilized as the main way for information collection.

Semi-structured interview is one common type of interviews in qualitative research, it's more flexible than structured interview used in quantitative researches. In semi-structured interview, the research holds a list of questions or fairly specific topics to be covered, which is called "an interview guide", the interview has a great freedom in how to reply. Questions may not follow exactly in the way outlined on the list. Questions not included in the guide may be asked as the interviewee picks up on things said by

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<sup>117</sup> Bryman, 2008, p.53

<sup>118</sup> Bryman, 2008, p.366

<sup>119</sup> Silvevan, 2010, p. 10

interviewees. But in general, all the questions will be asked and a similar working will be used from interviewee to interviewee.<sup>120</sup>

### ***3.2 Second Hand Sources***

Secondary analysis offers benefits to students carrying out a research project, including: saving cost and time, providing access to high-quality data and so on. By using secondary analysis, one can spend more time for data analysis, and reanalysis of it may offer new interpretations.<sup>121</sup>

This thesis has used some second hand sources in the empirical study, they are from internet (mainly the homepages of relevant institutions), existed literature relevant to the target issues, official brochures and so on. There are used to supplement the information collected through semi-structured interviews and provide more details for the issue.

### ***3.3 The Process of Getting Empirical Evidence***

The purpose to conduct the semi-structural interview is to collect ideas and perspectives from representative people from different groups who engage in this event. As I focus on the role played by Malmö University, I started by contacting the university college. The Pro vice chancellor Ingrid Elam has accepted my interview and gave me general information about the background when Malmö University was founded, as well as information about the University College itself. This is a very important interview. It helps me to have a rough idea about the situation and inspires me how and what I should explore next. Ms Ingrid Elam also suggested me to interview Kjell Gunnarsson, the head of administrative in Malmö University, I interviewed him about the funding and operating ways of the university. At the same time, I contacted people from the municipality and was recommended to interview the former head of the department of urban strategy of Malmö municipality: Chister Persson. His interview is quite important too, he gave elaborate descriptions of the decision-making process, including the actors and organizing ways. In addition to these, I have interviewed Christian Lindell and Inger Sellers from Region Skåne and Gunnel Stenqvist who worked in education ministry in the parliament.

Their interviews provide important information for me to explore the process and find answers to the questions which I get inspired from the literature. However, the interviews also show a picture which has some differences from the theory maps, revealing valuable details which the theories fail to include. But I should mention here that there are more questions I would like to explore but it's not easy to find the proper interviewees who have the answers. So the interviews I conducted helped me to gain abundant empirical findings to compare with the theories, but I'm aware of the fact these interviews may unable to reflect on some aspects.

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<sup>120</sup> Bryman, 2008, p.438

<sup>121</sup> Bryman, 2008, p.299

All research methods have some weaknesses, and qualitative research is criticized for being too subjective, difficult to replicate, having problems of generalization and lack of transparency.<sup>122</sup> Semi-structured interviews may also reflect more about the interviewees' personal opinions than reality. Hence, my research outcome may be largely influenced by the interviewees I could find and the information they have provided to me. But as I'm not conducting a study all about precise facts but more focused on the trend and influence, the impact caused by certain variables won't have much influence on the validity and reliability of the thesis.

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<sup>122</sup> Bryman, 2008, p.391-392

## 4 Empirical Part

### 4.1 Historical Background of Malmö

#### 4.1.1 Industrial City and Trade Center

By all means, Malmö was an industrial city. Small manufactures producing textiles, wool, leather, tobacco, limestone and bricks emerged as first signs of the coming industrial revolution in Malmö in the 18<sup>th</sup> century. An industrial boom took place during the 19<sup>th</sup> century, accompanied with profound societal change. The dominating sectors were engineering, textiles and food manufacture. Kockums as one industrial flagship was born in 1840.<sup>123</sup> It was Malmö's largest employer and one of the largest shipyards in the world. The shipbuilding industry dominated Malmö for the next 150 years. *“At its peak it had 7000 employees, so it was very big working place, and it had a lot of different companies connected to it, in the network or subcontractors, all made different products we used in the shipping industry”*.<sup>124</sup>

During this period, Malmö witnessed a tremendous rate of industrial growth which benefited from a heavy input of labor. Malmö's population has quadrupled from 1860 to 1910. Women were engaged in the industrial sector and their part in the working force increased rapidly as a result of the expanding textile industry.<sup>125</sup> Malmö's population reached its peak during 1970s, about 265000 inhabitants lived in Malmö by that time, until 1985 it started declining.<sup>126</sup>

However, in addition as being an industrial city, Malmö was also the trade for retail centre since 70s and it had a strong trading sector in 60s. Low level service sector was strong even before the shipyard was closed. In the 90s, the enterprise services had a very strong growth especially in the end of 90s. The shift from manufacturing to service took place much earlier than the shipyard closed down.<sup>127</sup> But the image and the spirit of the city was dominated by industry, that is beyond question.

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<sup>123</sup> Andrén, 2010, p.28

<sup>124</sup> Persson, 2011, see A.3

<sup>125</sup> Sabina Andera p. 29

<sup>126</sup> Anon. (2010)

<sup>127</sup> Lindell, 2011, see A.4

## 4.1.2 Crisis

After the global recessions following from the oil crisis in the 1970's, international competition increased during the later postwar period and a global economic restricting started to take form. As experienced by many industrial cities in Western Europe, the traditional important sectors in Malmö such as textile, shoes and leather industry continued its decline. The shipbuilding industry met heavy competition in the 1970's from newly industrialized countries in South East Asia. As Kockums shipyard was one of the most important working sites in Malmö, both local and national opinion demand political intervention. Even in 1979 the Swedish government nationalized Kockums, its civil production was closed down in 1986. Then the government tried to introduce a new industry there, they established SAAB's modern car factory, but it failed and the factory closed down only a few years later, in 1991. The closedown of Kockums was only the beginning. Several other industrial sites were about to close down. The working force in the manufacturing industry declined from 40% in 1960 to 15% in the mid 1990's. The public sector expanded and could absorb the redundant working force in the initial phase in the initial phase of the crisis, but as public finances deteriorated, the situation changed. Almost 27000 jobs were lost during the first half of the 1990s and unemployment rate peaked at 16% in 1993. Malmö appeared on the headlines in media as an area in deep crisis and depression.<sup>128</sup>

In addition to the industry decline, Malmö was experiencing a population decrease for a period about 15 years, from 1970 to 1985, around 35000 persons left the city in the first half of the 1970s.<sup>129</sup> The growing of suburbs around Malmö like Lomma and Staffanstorps, along with the fact that Malmö wasn't very good at building houses and livings, led to residents with a strong income move out of Malmö to the surrounding municipalities. Although they keep their jobs in the city, they did not pay tax to Malmö, thus a lot of tax bases were reduced by these families moving to the suburban municipalities.<sup>130</sup>

The trend of population shifted around 1985, and the influx of migrants contributed significantly to this population increase. The level of net immigration reached 27000 people in 1990. The migrants are mainly refugees from war zones such as Iraq, Yugoslavia, and Africa, their number arriving in Malmö for example 1994 was at a level comparable to 1946, after the Second World War. During the 1990s, foreign immigrants constituted 90% of the net immigration to Malmö and in 1999 more than 1/3 of the city's inhabitants had a foreign background. The population increase was not matched by the creation of new job opportunities. Foreign labors had difficulty in make a living and few chances to fit in Swedish society, cluster of ethnic groups tended to become economically and culturally isolated in some of the city districts. The migration issue increased the unemployment problem and the social segregation remains today.<sup>131</sup>

The population increase and social-economic segregation resulted in high levels or public expenditures. Political signals from the national government opposed the option of an increase of local tax levels, the 38 municipal right to impose taxes on companies

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<sup>128</sup> Andrén, 2010, p.36

<sup>129</sup> Andrén, 2010, p.36

<sup>130</sup> Persson, Lindell, 2011, see A.3& A.4

<sup>131</sup> Andrén, 2010, p.37



was finally removed in 1985. All these, combined with the high unemployment and decreased tax base, led to rapidly worsened municipal finances. In 1995, the left wing and right wing political leaders jointly made an appeal to the Swedish government claiming that: *“Malmö is threatened by something that can be called a financial meltdown.”*<sup>132</sup>

The state government stepped in and took measures to help Malmö out of the crisis. I will bring in more details later on. At that time, the city was also confronted with a mental crisis. *“In that situation, the city was very pessimistic, the future, the people who live in the city were very pessimistic about the future.”*<sup>133</sup> Malmö had to work on its future.

## ***4.2 Malmö’s New Strategy in the New Era***

### **4.2.1 New Strategy**

The crisis in Malmö called for a development strategy for the future. During the 1990s, foundations for the knowledge city Malmö were laid. The city made effort to attract highly-educated people, create attractive city and residential environment, further develop the city’s urban atmosphere and establish Malmö University. The construction of the Öresund Bridge provided Malmö with new opportunities in a new regional context. The Municipal Executive Board took the initiative to create an extensive vision (Project Malmö 2000) in January 1995, it was carried out by officials without political control. Working parties were created, they operated partly independently and partly jointly with each other in workshops and seminars. Experts were invited to give lectures in this process. Finally they came up with a strategic vision “Vision Malmö 2015”, this vision contains two components: *“to establish a University College in central Malmö and to create an attractive new city environment in the Västra Hamnen harbor area, next to the University.”* This is believed to be able to “change Malmö from an industrial city to a lively, future-focused city to a lively, future-focused city where cultural diversity, a young population and the abandoned industrial areas become opportunities and strengths.”<sup>134</sup>

Establishing Malmö University and hosting the international home and lifestyle fair “Bo01” at Västra Hamnen are the most crucial measures in the transformation of the former industrial areas. The thinking behind the establish of the university was to *“find a long-term development instrument and a motor for the city, a replacement for the lost business years based on textiles, shipbuilding and the automotive industry.”* The Bo01

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<sup>132</sup> Andrén, 2010, p. 38

<sup>133</sup> Persson, 2011, see A.3

<sup>134</sup> Holtslag & Jacobs, 2007, p.28

project contributed greatly to the creation of a new city district in V ästra Hamnen.<sup>135</sup>

In addition, there are other projects and plans which are either performed or going on, including the creation of MINC (Malmö incubator), the construction of city-tunnel. The city is dedicated to providing well-developed infrastructure, investing in other new housing areas, engaging culture and sports and so on.<sup>136</sup> Malmö is especially active in building ecological society and participating sustainable development. V ästra Hamnen has been highlighted by the Swedish government as a national example of urban sustainable development. It also has established the Building Homes dialogue and the vital conversation to participate the third generation of urban sustainable development.<sup>137</sup>

## 4.2.2 Effect and Evaluation

The new strategy was followed by a range of achievements. The university college was built in the area where Kockums used to locate. Approximately 4000 students came in 1999,<sup>138</sup> in 2010, it had 24,000 students enrolled in full- or part-time studies<sup>139</sup>. The exhibition area in V ästra Hamnen has attracted around 1600 people to live in the waterside development. 300 companies operated there and totally employed more than 6500 people.<sup>140</sup> This is more than Kockums used to employ. Nowadays, Malmö has become the growth center of the region, its population has been expanding for the twenty-fifth year in a row, and it has a very young population: 48% of its population is younger than 35 years old.<sup>141</sup>

In the eyes of the planners, the transition of Malmö is very successful and the result is particularly striking, considering the difficult situation the city was confronted when the transition started. They attribute this primarily to the vision project, along with political foresight and drive. Other success factors include: strategic and well thought-through planning, Øresund connection, Malmö's participation in the new regional context, a general positive and expanding economic development in both Øresund region and the world. Meanwhile, they realized that the traditional approach to work and the administration structure are based on the linear and zoned approach of an industry society, this suits neither the work of a knowledge society nor the young workers who are replacing those born in the 1940s. Therefore, they applied a new approach to implement the two major strategic projects Bo01 and Malmö University. They held a series of open and extensive dialogues for the communication of ideas for the vision; the city Planning Office's Information Department was expanded, many new or extended initiatives including contacts with the press and other media, the publication of

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<sup>135</sup> Holtslag & Jacobs, 2007, p.28

<sup>136</sup> Anon. 2010

<sup>137</sup> Holtslag & Jacobs, 2007, p.29

<sup>138</sup> Elam, 2011, see A.1

<sup>139</sup> Malmö University, 2011

<sup>140</sup> Holtslag & Jacobs, 2007, p.29

<sup>141</sup> Anon. 2010

dedicated newsletters and information material, film and videos, hearings, workshops, seminars, discussion meetings and exhibitions were taken.<sup>142</sup>

It is also realized that it's not sufficient just to create new educational platforms. Cities are also supposed to offer an attractive and experience-rich urban environment where culture and diversity play important roles. Openness and tolerance are addressed in the future planning of Malmö.<sup>143</sup>

### 4.2.3 Regional Change

However, the new strategy of Malmö couldn't work without some changes taken place in the region. Above all is the Øresund bridge. The complete of the bridge connecting to Copenhagen was a very turning point in the development of the city. When the state government signed the agreement about the bridge with Denmark, "*they injected new hope and a more positive attitude towards to the future, people saw new potentials for the city.*"<sup>144</sup> More important, it helped form the Øresund Region where more cooperation with Danish side is created. The Øresund bridge was partly funded by EU and the city got some money from EU funds. A lot of projects are possible to start with cooperation from Danish side.<sup>145</sup> Needless to say, this is a very important development strategy for the city and it helped a lot for the city to be out of crisis.

The Scania Region also witnesses some changes. The connection of the region has become much stronger. The Scania Region was divided into Malmö Region and Kristianstad Region before, not it works as a whole region and Malmö has a strong leading role. It has also become important for Malmö to cooperate with Lund in the new situation. The mental gap between these two cities is decreasing and they cooperate more than before.<sup>146</sup>

## 4.3 Decision-making Process

### 4.3.1 Early Stage and the Role of the State

Returning to the Crisis years, when many things happened in the same period, the city got very high costs for social benefits and it became almost impossible to handle the

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<sup>142</sup> Holtslag & Jacobs, 2007, p.30

<sup>143</sup> Holtslag & Jacobs, 2007, p.30

<sup>144</sup> Persson, 2011, see A.3

<sup>145</sup> Persson, 2011, see A.3

<sup>146</sup> Sellers, 2011, see A.5

situation.<sup>147</sup> Apparently, the problems were too large for the municipality to handle alone, and the state government stepped in.

Actually, the state government was engaged at very early time, they nationalized Kockums even in 1979, as mentioned earlier. In 1995, the tax equalization system was decided to be established in the Swedish Parliament<sup>148</sup>, the system made the rich municipalities to pay money, thus the state government could distribute the money to municipalities with more problematic situation like high unemployment, social problems and low education level. That is a great help to Malmö, 100 million Euros added to its budget every year due to this system.<sup>149</sup>

The tax equalization system can only alleviate the crisis, Malmö's new strategy is crucial in getting rid of the crisis. The new strategy is the embodiment of Malmö's orientation from an industrial city to a knowledge city, but this orientation didn't come easily. It came after futile effort was made to save the industry in the city. In fact, the comprehensive restricting of industry Malmö had went through already started from the late 1960s, with textile and governmental industry.<sup>150</sup> When Kockums was heavily impacted by the crisis, the government had been making a lot of effort trying to solve the problem.

*“It (Kockums) was also prolonged by the government's idea of trying to save the industry and subsidizing the industry for many years. But I think ten years before it closed, it closed in 1987, it was quite clear it shouldn't survive. Still, they pumped money to try to save it. The competition from Japan, South Korea was too heavy, there was no chance it should be successful. So then it closed down in 1997, the government tried to introduce a new industry, and they located the car factory here, the Saab car factory, it just lasted for a couple of years, so it was a wrong decision to put efforts into manufactory industry, the transformation of industry had already started, there were new branches developing slowly.”<sup>151</sup>*

It didn't only take time for the decision-makers to realize the fact that manufactory industry era for Malmö is gone, but it also cost pains for the inhabitants to accept it. Dannestam(2004) has described the sentiment:

“The conception of Malmö as an old, dejected industrial town is dominating the view of the inhabitants. Or as one of the municipal commissioners put it:

*Negatively one can say that Malmö's problem is that its people are carrying their history – we are not an industrial city anymore, but in our souls and hearts we still are. We all have this industrial logic in our luggage. It is hard and difficult to explain for old inhabitants why this is important [the projects, my comment] because they often feel run over by reality, by the changes (interview 2003-04-17).”<sup>152</sup>*

No matter what the government did to save the industry or how the residents felt about the changes, the industry era of Malmö is gone, and Malmö had to deal with its future. But where should it begin?

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<sup>147</sup> Persson, 2011, see A.3

<sup>148</sup> Andrén, 2010, p.38

<sup>149</sup> Persson, 2011, see A.3

<sup>150</sup> Persson, 2011, see A.3

<sup>151</sup> Persson, 2011, see A.3

<sup>152</sup> Dannestam, 2004, p.14

### 4.3.2 Collective Achievement

On February 7<sup>th</sup>, 1996, at Berth 305 at Nordenskiöldsgatan next to the inner harbor in Malmö, 150 people attended to a conference concerning the visions for Malmö's future, which has covered culture, education, environment, urban planning economics and business.<sup>153</sup>

The task of summoning this conference came from the state, and the conference was institutionalized and headed by the state government.<sup>154</sup> Different groups of people were invited, including politicians, officials, the city administration, the cultural sector, private sectors, people from regional government and so on. The state decided which groups should attend this conference and how many representatives each group should have.<sup>155</sup>

It is said the initiative was relevant to the mayor of the time, Ilma Reepalu, who wanted to new start of Malmö when Social Democratic took over from the last bourgeois period.<sup>156</sup> Ilma Reepalu is a visionary and important political figure in the process of Malmö's transition. The transition of Malmö is not apolitical. The right wing coalition and the Social Democrats alternatively took power in the City council in the last two decades of the 1900's. The 20th century of unthreatened Social Democratic power was over.<sup>157</sup>

There was some preparation before the conference. In 1995, it was decided to start within the city and engage other people outside the city at administration visions' project, about what kind of vision Malmö should have for the city in 2015.

*"We started to work which went on for a year, where we tried to get a number of new ideas about what to do, in order to change the situation, and get the city on the move, and get to positive development spiral."*<sup>158</sup>

Vision Malmö 2015 came out from this conference, and it can be called "a collective achievement".<sup>159</sup> However, it was easy for the representatives in the meeting to come to an agreement. *"Even the politicians lay some of the ideologies aside, in order to work together for a better city."*<sup>160</sup> Consensus was reached between the city's two largest parties and between many politicians and civil servants. The cooperation between the largest parties (belonging to different sides of the political spectrum) was commented in the following terms in the region's leading daily newspaper:

*The Social Democratic Party has handled long-term basic questions well, such as the Bridge, the City tunnel and the University. There is a kind of agreement on keeping these questions outside the rhetoric of politics.*<sup>161</sup>

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<sup>153</sup> Nilsson, 2006

<sup>154</sup> Persson, 2011, see A.3

<sup>155</sup> Persson, 2011, see A.3

<sup>156</sup> Nilsson, 2006

<sup>157</sup> Andrén, 2010, p.39

<sup>158</sup> Persson, 2011, see A.3

<sup>159</sup> Persson, 2011, see A.3

<sup>160</sup> Persson, 2011, see A.3ew

<sup>161</sup> Dannestam, 2004, p.16

The consensus may be due to the huge severity of the problem, as Mr Christer Persson put it:

*“[T]he problem is so big that everyone realized that we must work together and we had this common vision of what we were like to achieve, and maybe could be different routes to reach the goal, but everyone understood that we need to work together, ..... So you got an attitude that united many people, and many people were invited to take part in the process and also demanded you were ready to accept the descriptions of the problem and some of the main step stones in order to reach the new vision for the city. So it was quite easy, actually. Because I think everyone felt very pressed and they realized something has to be done, and we must do it together. Otherwise we will fail.”*

It's worth noticing that the political initiative of the transition ended up with apolitical consensus. The need for Malmö's transition is overwhelming and it seems there is no other alternative in terms of strategy. The foundation of Malmö University is one of the most important decisions made during the process, and it's considered to contribute a lot to the transition. So next I'm going to find out how was it decided to build the university college and how it influences the city, which is also the centerpiece in the thesis.

## ***4.4 Malmö University***

### **4.4.1 University and University College**

Malmö University is called “Malmö högskola” in Swedish. There are two slightly different terms used in Sweden to describe institutions of higher education: universitet (university) and högskola (university college). The formal difference is that the former enjoys the unrestricted right to award Licentiate and PhD degrees while the latter does not. Most university colleges do not award PhDs. But a university college can apply for the right, the government can decide whether it should be permitted to confer doctoral or licentiate degrees. Some university colleges have been granted the right to do so in specific fields of study.<sup>162</sup>

The tradition difference between university college and university in Sweden was that a university college didn't do research. But this doesn't apply to Malmö University. It has research and PhD exam rights.<sup>163</sup>

The name of the higher education institution may not always indicate whether it is a university (universitet) or a university college (högskola). Most university colleges call themselves “universities” in English, and conversely, some universities are called “högskola” in Swedish, even though they have university status.<sup>164</sup>

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<sup>162</sup> StudyinSweden, 2011

<sup>163</sup> Elam, 2011, see A.1

<sup>164</sup> StudyinSweden, 2011

The thesis follows the name “Malmö University”, according to its official Webpage. What needs to be clarified is that the difference between university and university college is not important in the thesis context, and it doesn’t affect the arguments.

#### 4.4.2 Decision-making Process and Motivation

The idea to build a university in Malmö was a major idea coming out in the conference. About 15 people from different universities, disciplines and the municipality constituted a group and discussed what new profile the new university should have. One major idea was that the university should be a cross-disciplinary university. The proposal was presented to the state government and assessed by the government. With slight changes it was launched and started to work.<sup>165</sup>

Actually, to have a new university is a difficult task, because Lund University is just 18km away. There was objection from Lund University. As the Pro vice chancellor Ms Ingrid Elam described:

*“The problem for Malmö University, from the start, in the eyes of the university system in Sweden, was regarded as a political project... So there was a lot of criticism from Lund against this project. They didn't want this university. They felt in a way threatened, by this university. When I came to the university of Malmö, 8 years ago, in 2003, there was still this feeling of animosity between Lund (University) and Malmö(University), but all that has now passed, because one has to realize that we are complementary, not competitors on the same level.”<sup>166</sup>*

From the beginning, Malmö University was expected to have a different task from traditional university like Lund University.<sup>167</sup> *“And it's always constituted as being different from Lund University.”<sup>168</sup>* It aimed to attract young people from immigrant families and working class families who usually don’t go to universities. As a traditional industrial city, Malmö also had the lowest educated population during that time. So Malmö University undertakes a mission to widen participation of education.<sup>169</sup>

*“Malmö needs a university. And Lund (University) cannot fulfill that. Even Lund is only 18 km away. Why couldn't Lund (University) fulfill that? Because, in Malmö you will find young people who would never go to Lund (University). Because they come from a background where you don't study. They come from immigrant background, they come from working class background. They would never choose to go to Lund (University). They wouldn't think they could fit in there. And probably they are right. ... So we actually very actively try to recruit students from environments where there is no tradition of going to higher education.”<sup>170</sup>*

However, the establishment of Malmö University is not an isolated event which was merely caused by Malmö’s crisis. It is also related to the decision made by the social democratic government in those years that by 2010, Sweden would have 50% of

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<sup>165</sup> Persson, 2011, see A.3

<sup>166</sup> Elam, 2011, see A.1

<sup>167</sup> Persson, 2011, see A.3

<sup>168</sup> Elam, 2011, see A.1

<sup>169</sup> Elam, 2011, see A.1

<sup>170</sup> Elam, 2011, see A.1

generation should have higher education. The decision demanded an enormous expansion of education institutions and in those years, a lot of new university colleges were inaugurated, some of the old university colleges became universities.<sup>171</sup>

At first it was discussed that university would be built outside town, on the farming land, as it had been done before in many towns, for instance, Linnaeus university in Växjö.<sup>172</sup> But Ilmar Reepalu and the city government have realized the university could be a very big asset to Malmö in the transition from an industrial city to a knowledge-based city, as Mr Christer Persson and Ms Ingrid Elam's put it:

*"We also said this university will not be located outside the city, must be in the middle of city, to give an extra quality to the city and city development. And the government found this was an interesting idea, so the discussion continued. Ultimately, they said yes, if you offer us the land in the central part of the city, we will go on and locate the university. It was a deal between the (state)government and the city. We wanted the university in the central parts that of course it's a more expensive alternative than putting it in the outskirts of the city, where the land doesn't cost very much. We had to buy some of the land from private owners which meant that cost money. But we thought this is very very important for the future development of both of the city and the university, and I think we can already say this was very successful policy."*<sup>173</sup>

*"Reepalu, he realized, in Malmö, in the center of Malmö, we have a lot of old industry buildings that nobody is using. For instance, there is a huge plant for constructing submarines, there was only one big submarine built before the shipyard went down. But that big submarine hull become one of the Malmö University's buildings. So you have the university right in the centre of the town, very close to the station, on very expensive central place that near the waterside land. Then the town said, we will give this piece of land to the state, then they can have the university on it. ...It's a very strong support. Swedish universities are not allowed to own buildings, so all the buildings are either rented from other real estate owners, or owned by states company what's called academic houses. So Malmö University consists buildings that are rented, either rented from big real estate owners or owned by academic houses."*<sup>174</sup>

To locate Malmö University in the center of the city is a wise decision for both the municipality and the University College itself. Malmö University succeeds in attracting many young people to come to Malmö, who contribute to creating a younger, more thriving and exciting city. It causes the chain effect for the start of new restaurants, theaters, etc. *"[T]he environment of the central part of the city is very much affected by student life....And it has been very popular to live in Malmö even for students who study at Lund University, in many cases they prefer to live in Malmö, because these is more going on"*<sup>175</sup> Even without a lot of money, students consume in certain areas like cafes, restaurants, cinemas, theaters and so forth, which poses a positive economic impact on the city.<sup>176</sup> On the other hand, situating in the middle of the city has become one of

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<sup>171</sup> Elam, 2011, see A.1

<sup>172</sup> Elam, 2011, see A.1

<sup>173</sup> Persson, 2011, see A.3

<sup>174</sup> Elam, 2011, see A.1

<sup>175</sup> Persson, 2011, see A.3

<sup>176</sup> Persson, 2011, see A.3



Malmö University's best selling points, it attracts a lot of young students who want to live and study in a big town, instead of going by bus from the countryside.<sup>177</sup>

There were three main goals when Malmö University was decided to be established: the first was to raise the general level of education of Malmö; the second was to attract young people from low-income and immigrant families who normally wouldn't go to universities; and the third was to construct the university in a way to make it be an interesting partner for other sectors of society, the region, like industry.<sup>178</sup> In fact, these goals have been more or less achieved, this can be reflected from a closer look at of the University College itself.

#### 4.4.3 Constructions and Features

Malmö University was founded in 1998, it started to have students in 1999, it had approximately 4000 students in the first year.<sup>179</sup> Here are some facts and figures from the university page:

- has been in existence since 1998
- is the ninth largest institute of learning in the country
- is composed of five different faculties
- has more than 90 programmes and 500 courses on offer
- had 24 000 students enrolled in full- or part-time studies 2010
- has approximately 1,400 employees
- has just over 200 research students and approximately 65 full professors.<sup>180</sup>

It claims to “*strive to be a university open to all; a university that is structured to cope with our ever-changing jobs market through a multi-disciplinary approach that crosses traditional school and faculty boundaries*”<sup>181</sup> Many of the students who were enrolled in Malmö University are residents of Malmö, many come from families without a university background<sup>182</sup>, 37% of the student population come from another background other than Swedish,<sup>183</sup> which is far more than any other university in Sweden.<sup>184</sup> This is in accordance with the original goal to build a university to improve general higher education and attract young people from families where go to university is not a tradition. It is clear that Malmö University does not aim at providing education for elites but has a more extensive student profile. As it is claimed in the vice chancellor's statement:

*“This kind of variety is something we're very proud of at Malmö University. We want this to be a university that's open to everyone and we're proud to see that by*

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<sup>177</sup> Elam, 2011, see A.1

<sup>178</sup> Persson, 2011, see A.3

<sup>179</sup> Elam, 2011, see A.1

<sup>180</sup> Malmö University, 2011

<sup>181</sup> Malmö University, 2011

<sup>182</sup> Malmö University, 2011, vice chancellor speech

<sup>183</sup> Elam, 2011, see A.1

<sup>184</sup> Persson, 2011, see A.3

*achieving this, we're also fulfilling our goal to create a university that mirrors the society that it lives in.”*<sup>185</sup>

Compare with the tradition universities, Malmö University seems to have a closer connection to the society. This can be firstly reflected from the construction of its faculties and departments.

Malmö University has four faculties and one school: Faculty of Culture and Society, Faculty of Health and Society, Faculty of Odontology, Faculty of Education and School of Technology. This structure comes from the combination of the old existed academic institutions in Malmö and new parts constructed by academics. The old parts include the odontology, which used belong to Lund University but the school located in Malmö, nurse education, a short engineer education and teachery education. These parts are incorporated in the university. As for the new faculties and subjects, they came from academic decisions based on what they saw as a need in modern society, and faculty of culture and education were constituted as multidiplinary area, so is the research area. As a result, new media, along with migration and human relations have become two big focused areas in Malmö University. It's based on the motivations to understand issues like “how should we understand changes of society?” “How does the new media affect old media?” “the effect of migration on society, on people's behaviors, on ways of living and so on”.<sup>186</sup>

*“And this of course, a way of saying we want to be a modern university where we study social change. And this was in accordance with the will of the state and the will of local authorities. Because they saw Malmö was in a phase of change. They saw Malmö as a rapidly changing town. Now we are going to have university that has social change as one of its focus areas.”*<sup>187</sup>

The university's education seems to prepare students better for the labor market than traditional ones.

*“Malmö University's education is focused more on the labor market. Because the old parts that were incorporated in Malmö University, the teachery, dentist education and so on, they were professional education.... Big parts of Malmö University were professional educations. Then the new faculties don't have educations that immediately lead to the labor markets. But still, they try to focus on labor market, in the sense, we have a big focus on employ ability of students. We don't always succeed, but we have a focus on employ ability.”*<sup>188</sup>

Malmö University also seems to have more cooperation with the local companies than traditional universities like Lund University, especially in the research areas. Ms Ingrid Elam has given an example about a human geographer who used to work in Lund University,

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<sup>185</sup> Malmö University, 2011, vice chancellor speech

<sup>186</sup> Elam, 2011, see A.1

<sup>187</sup> Elam, 2011, see A.1

<sup>188</sup> Elam, 2011, see A.1

*“[H]e told me during the ten years that he was in Lund (Univeristy), he had a phone call once, from a company, outside Lund University. When he had been one week in Malmö University, as a professor, he had 50 calls. So very strong difference, not to be compared.”<sup>189</sup>*

So what makes Malmö University different from traditional university like Lund University? As a university who is the motor for a city, is there any difference in the funding and running ways between Malmö University and other Universities?

#### **4.4.4 Funding Ways and Others**

Malmö University is considered to be one of the most important factors for the development of Malmö by the municipality, its importance is almost as equal as the bridge to Copenhagen, but its funding process has no difference from all the other universities in Sweden(except Chalmers University and University Jonkoping). It's owned by the state and paid by the state. The state paid about 10 or 15 million kr in the first year for the preparing phase, and there is no special fund at all. Malmö University is in some projects of EU, like other Swedish Universities, but EU hasn't participated in the process of building it.<sup>190</sup> Actually, Malmö was quite successful in getting money from projects funded by EU, and the most successful part was in the area of education,<sup>191</sup> but EU hasn't participated in the decision-making process either for the city or the university.

The foundation of Malmö University is totally a state government behavior. It hasn't got any special fund or investment other than other state-owned universities. The university is a state institution, and it is run as other universities in Sweden. But it's worth noticing that to build up a university is closely linked to regional concern. Malmö University was decided to be established in the parliament during the time when *“Sweden put seats on almost every university”*.<sup>192</sup> Have considered the capacity of universities, regional conditions and other factors and gone through big discussions, Malmö and South Stockholm got more seats to be able to build up universities.<sup>193</sup> The cooperation between the state and local government is indispensable to build up universities.

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<sup>189</sup> Elam, 2011, see A.1

<sup>190</sup> Gunnarsson, 2011, see A.2

<sup>191</sup> Persson, 2011, see A.3

<sup>192</sup> Persson, 2011, see A.3

<sup>193</sup> Stenqvist, 2011, see A.6

*“The state cannot build a university if they don’t cooperate with the local governments. Once it’s there, the university is always a state institution. But in order to get it running, you have to cooperate with the local government.”*<sup>194</sup>

To build up a university is both a state and regional policy. In Malmö University’s case, “[t]he municipality was very active, but the state was active, too. I wouldn’t know who’s more active, but I know both are very active.”<sup>195</sup> This is due to the fact that state interests and regional interest intertwine and the state does a lot regional policy.<sup>196</sup>

As for Malmö University’s labor-market orientation, Ms Gunnel Stenqvist thinks it’s unfair to say Malmö University is more professional than the traditional universities. She thinks it depends on which perspective you have and universities have different education, some are professional and some are not.<sup>197</sup>

*“It is easier when you have a new university to organize, it was the government from the beginning said Malmö University should be organized from the five fields. But you see, other universities also have changed, Lund (University) and Uppsala (University) don’t look like 200 years ago, they also follow what happened in the world, so therefore they have also changed their education and programmes so to be more modern. Exactly so it is. But the new have been to more progressive because they could start from the beginning, and they also have instructions from the government that they should do things in new ways to meet the new world.”*

## **4.5 Swedish Higher education Policy and Regional Development**

As mentioned before, the crisis of Malmö is not the only reason for Malmö University’s establishment. Malmö University is built up in a background with many transitions.

*‘The biggest crisis was in 1991 or 1992, those university colleges were built up in 1994, 1995. The bigger crisis was early in 1990s. But it’s also a way to strengthen Sweden to get the people more educated, it was many jobs which were moved abroad, because it was cheaper, the salary was lower in eastern Europe, for example, there were also a lot of jobs where moved to China, where they paid lower, and it was also in the time, 1990s was the wall between east and west fell. So it was many transitions by that time. Eastern Europe is our nearest neighbor, so we have a lot of cooperation with Baltic states, for example, Estonia, Latvia and Lithuania, and Poland, and so on. And it was also a big transition with European Union, by that time.’*<sup>198</sup>

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<sup>194</sup> Elam, 2011, see A.1

<sup>195</sup> Elam, 2011, see A.1

<sup>196</sup> Elam, 2011, see A.1

<sup>197</sup> Stenqvist, 2011, see A.6

<sup>198</sup> Stenqvist, 2011, see A.6

The significant changes and new situation made Sweden to seek new development strategies. Sweden decided to be a knowledge nation and higher education has become high priority. Swedish government thinks it's positive invest to put money to research and higher education to stimulate economy growth. Meanwhile, discussions about distributions of education in terms of places and fields risen up, due to the changing demands of labor market and people's interests. For example, fewer people are needed to be educated for manufacturing and few Swedish students want to become engineers. On the contrary, education about journalist, theater and art have become most popular, musician industry has become one of the greatest industry in Sweden.<sup>199</sup>

The relatively flexible and extensive freedom for higher education in Sweden makes it less necessary for individuals to follow highly skilled people to learn, as Glaeser assumes. Cities may not seem to be that attractive to talents by just having a university, it could work better in countries where higher education is not that widespread. But it should be pointed out, even seems to be not so effective in attracting talents, higher education plays an important role for both the country and region's development.

Universities could play a very important role in less dense regions, like the northern of Sweden. Universities' functions lie in attracting people and creating a society with culture, leisure and infrastructures. Universities play a particularly role in attracting industries and companies.

*"I have been in the discussion when other countries wanted to establish the factories in the surrounding of Gävle, in the northeast Sweden, and one of the first questions they put was: what sort of higher education and science and research does Sweden have in these areas? And if we didn't have, they wouldn't invest and establish in those areas."*<sup>200</sup>

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<sup>199</sup> Stenqvist, 2011, see A.6

<sup>200</sup> Stenqvist, 2011, see A.6

## 5 Discussion

### 5.1 *Two Stories*

Malmö's transition is a complicated process and the reality contains much more uncertainty and variables than theories. With so many things happening at the same time, it would be oversimplification to identify the transition with one approach. In the approaches I viewed in the literature part, Florida and Glaeser are talking about the economic growth story while Harvey and Esping-Anderson are talking about capitalism story. The former is teaching cities how to be successful and competitive, while the latter challenges these development strategies for a city to "win". When talking about Malmö, it's two stories, two: the story of being successful and the story of social disparity.<sup>201</sup>

Malmö's transition is successful if its current situation is compared to the years in depression. This attributes to many factors, including changing situation of the region, the role of the state government and the compromise between different parties. Focusing on becoming a knowledge city turns to be the right decision for Malmö, it now owns more residents, becomes very attractive to young people and is no longer a city in depression. On the other hand, Malmö experiences severe social problems like segregation. It is criticized to build houses for the imaginary rich migrants, instead of building for the immigrants who have arrived.

However, even Florida & Glaeser's approach takes the departure point of making cities to be successful, Malmö's success doesn't come from adapting it. Creative Class approach came after its transition. Malmö's new strategy shares some similarity from the Florida and Glaeser's advocates, but not totally in line with them. Florida is against that cities only focus on investing in physical capitals, he argues the success of a city lies in investing on the creative capital. He continuously stresses the low entrance of a place, which he regards as the key to attract creative people who prefer tolerate atmosphere. Similarly to him, Glaeser advocates human capital instead of physical capital. These aspects are reflected in Malmö University's contribution to the city, but not the same.

### 5.2 *Malmö University's Influence on the City*

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<sup>201</sup> Lindell, 2011, see A.4

### 5.2.1 Technology and Business Climate

Malmö University does contribute to high technology and plays a role in attracting business, but what should be mentioned is that its influence is limited and conditioned.

First of all, Malmö University doesn't have a research base as strong as Lund University in some high-tech sectors. For example, Lund University has strong research bases in medical sector, electrical engineering and radio communications. Malmö has tried to build Medion Science Park for medical sector, and it has been partly achieved, for even there is research hospital in Malmö, there is no academic research to the same extent to that in Lund. *"It hasn't been successful, it wasn't been very hard for stimulating companies to go to the science park."*<sup>202</sup>

If we look at the market of Lund and Malmö, Lund has a much stronger reputation for technically advanced companies and it is very dominated by large companies on high level service and research sectors. Companies like ST Ericsson, Sony Ericsson have 5000 to 6000 employees and they are the largest employees in Lund. Malmö doesn't have large companies of the same magnitude, it is dominated by small and medium-size companies. Therefore Lund and Malmö have quite different labor market patterns.<sup>203</sup> It can be inferred that Lund University has played a role in shaping this labor market structure in Lund. As Malmö University is newly founded, one can say it can have the same influence on Malmö in the future, but undoubtedly, the existence of Lund University will continue playing the same role in attracting certain industries, and the already formed labor market pattern won't change in a short time.

Moreover, since a large part of Malmö University's education is teachery and nursery, the students who are educated in this area will find their positions in public sectors, and this won't attract companies. The biggest employers in Malmö in 2010 are governmental offices, the municipality is the largest.

On the other hand, since Malmö University has education in media, communication, IT, etc, areas which are strongly connected to private sectors, this could help Malmö to attract companies from these areas. This could be an explanation why there are IT companies locate close to Malmö University. That is to say, Malmö University does play a role in the locating of companies in the former Kockums area and developing a more creative environment than before, but it could be harder for those companies to *"find a global success"*, because they *"don't have the global channel to support big global companies."*<sup>204</sup>

Compared to Lund, Malmö has a reputation as a more hip city for media, which could provide good platform for companies working on advertising or communication. Compare to Lund *"Malmö is a strong advertising market, it's younger, it's more hip, it's larger, it's more urban than Lund."*<sup>205</sup> These factors can favor Malmö in attracting some certain businesses. Therefore, how much a university can contribute to technology and business largely depends on the university itself, its focus area, its level of research and so on. The different geographical impacts of industry clusters and the influence of other universities in the region are also important.

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<sup>202</sup> Lindell, 2011, see A.4

<sup>203</sup> Lindell, 2011, see A.4

<sup>204</sup> Lindell, 2011, see A.4

<sup>205</sup> Lindell, 2011, see A.4

## 5.2.2 Talent and Education

Florida regards universities as effective talent attractors, he argues that universities can attract graduate students, generate spin-off companies and encourage other companies to locate nearby: a cycle of self-reinforcing growth by attracting eminent researchers and scientists<sup>206</sup>. It should be stressed that when Florida talks about universities, he refers to research universities,<sup>207</sup> but he hasn't given clear definition what a research university is and that appears to be more American-context. Anyway, in order to avoid ambiguity, here I will just discuss university's general role in attracting talents, more related to Glaeser's ideas.

Glaeser argues places with highly educated people will attract individuals who want to learn from highly skilled people and more highly educated people will create better school systems which can attract more residents to the city. Malmö University carries a task to improve the general education level of Malmö, it attracts young people since it's a big city and can provide urban life. Malmö has a big problem of educating the young people from segregated areas where the residents are poor, unemployed and have to live on social benefits. Approximately 25% of the students from secondary school fail to enter high school, which is much higher than the 10% average national level. This is something the city is addressing now.<sup>208</sup> There is no direct evidence to show that more highly educated people will create better school systems. However, Malmö has difficulty in attracting people with high income due to the segregation problem and its weakness in housing.<sup>209</sup>

*“As large city as Malmö, or has population like Malmö, you have to find tax payers, you have to attract people with high incomes, you have to build environments that they want to live in, so they have to stay and move in the municipality. If you have all the tax payers in the suburb, and growing population with migrants, you finally couldn't handle the situation.”*<sup>210</sup>

To improve human capital by building a university is positive for a city, but it may not bring in all the good effects as Glaeser assumes. Besides, cities can face other problems which cannot be solved just by increasing human capital.

## 5.2.3 Tolerance

There is no direct evidence to show that Malmö University contributes to the residents' tolerance and openness, but there is a study showing that people in Malmö have a more tolerant attitude than people in other municipalities in Scania towards black people,

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<sup>206</sup> Florida, 2002, p. 292

<sup>207</sup> Florida, 2002, p. 292

<sup>208</sup> Persson, 2011, see A.3

<sup>209</sup> Lindell, 2011, see A.4

<sup>210</sup> Lindell, 2011, see A.4



homosexual people, etc. During the decision-making process of the university, terms like contributing to tolerance and openness haven't been explicitly discussed.<sup>211</sup>

#### 5.2.4 Other Considerations

In general, Malmö University plays an important role for the transition of the city. Without it, the city would have been quite different than it is today. In addition to aspects discussed above, Malmö University's influences on the city include other dimensions:

*“I know they (the residents) are proud of the university now. The city thinks the university means tremendously much to the city, in terms of raising the status of the city, the knowledge level, and also brings in a lot of young people. Malmö used to be a town where people wanted to leave, now Malmö is a town where people want to live. And I think if you ask people now, they will say it (the university) means more than the bridge.”<sup>212</sup>*

When Florida and Glaeser discuss higher education's contribution to cities, their assumptions are based on American society. The United State owns many private universities while in Sweden, most universities are state institutions and the education is for free. Establishing universities in both countries have to go through different procedures and relate to different actors. In Sweden where the number and density of population and cities are much lower than that in America, establishing a university strongly engages with the state government. The inter-urban competition in America is more fierce than that in Sweden, this could lead to the different relations between universities and cities in both countries. Besides, since Sweden aims at becoming a knowledge-nation and widens higher education, with half of its population getting highly educated, the competition for talents in Swedish cities may turn to be different from that in American cities.

### 5.3 Implication

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<sup>211</sup> Persson, 2011, see A.3

<sup>212</sup> Elam, 2011, see A.1

During the decision-making process of Malmö's transition, a collective agreement was achieved between different parties and social groups. This is a striking fact needs to be addressed. It implies to become knowledge city has become the only option for Malmö. The orientation became possible by founding Malmö University, which is in line with Sweden's decision to increase the participation of higher education.

Investing in higher education has become necessary for advanced capitalism countries like Sweden who do not have advantages like cheap labor force, which hampers them attracting labor-intensive industries in the global market. They have to strengthen other advantages to be competitive. Higher education and research itself have become an important part of labor market, this is resulted in the changes in the society, especially in the labor market.

Esping-Andersen has illustrated the necessity for Sweden to reach maximum employment-participation, Sweden relies heavily on the employment structure in which most people must work and as few as possible depend on benefits. In the globalization era when market economy is dominant, employment largely depends on the ability to attract floating capital. In another word, employment relies heavily on private sector and out of a country's control. Therefore, higher education has to undertake a task to build qualified labor force to attract business, this is different from its previous focus on educating elites. This is clearly reflected from the fact that the primary purposes to build Malmö University is to improve the general education level of the city's population and to encourage young people, who are from families without the tradition of attending universities, to get high education.

From the perspective of mechanism of social institutions, Malmö's crisis was heavily engaged to the financial disfunction of the municipality by that time. Municipalities need enough tax base to function. In Malmö's case, as a large city, it needs to find tax payers and attract people with high income. "*Malmö needs the rich people.*"<sup>213</sup> Being not good at building housing caused it lose population during the crisis years, therefore nowadays it dedicates to building houses in attracting people with high income. This causes gentrification, which is certainly bad for the poor people, but on the municipality's side, it is necessary. It is decided by the construction and working mechanism of political institution system. It reveals the inability of the welfare state in ensuring equity in the late capitalism age. Welfare state is constructed with the purpose for protecting individuals from being commodified in the capitalism world, it undertakes the task of ensuring its citizens' well-being and equity. But as a state in late capitalism, it has to follow the logic of capitalism accumulation and circulation to function, i.e. to create conditions for private sectors in order to attract business. This, inevitably, will damage the benefits of other groups in the society and injure equity. The welfare regime cannot solve this problem. Esping-Andersen argues that different welfare regimes owe their origins to different historical forces and follow qualitatively different development trajectories, but now we see a trend that in terms of urban policy, their trajectories tend to reach unanimity.

This is in line with Harvey's point of view, he claims:" *[c]apital is a process and not a thing. It is a process of reproduction of social life through commodity production, in which all of us in the advanced capitalist world are heavily implicated.*"<sup>214</sup> He sees the whole world revolving around the logic of capital accumulation and circulation.

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<sup>213</sup> Sellers, 2011, see A.5

<sup>214</sup> Harvey, 1991, p.343

*“I see no different in principle between the vast range of speculative activities undertaken by entrepreneurs (new products, new marketing stratagems, new technologies, new location, etc.) and the equally speculative development of cultural, political, legal, and ideological values and institutions under capitalism.”*<sup>215</sup>

From the start of the crisis to the final solution strategy, Malmö's transition does fall into this paradigm. To build up universities and widen participation of higher education are fundamentally in line with the logic of capital accumulation and circulation. The social democratic model of Sweden, with the highest degree of de-commodification, has adapted to urban strategies accommodating capitalism just as other countries.

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<sup>215</sup> Harvey, 1991, p.344

# 6 Conclusion and Suggestions for Future Research

## 6.1 Conclusion

Malmö's transition is directly caused by the crisis, with problems of industry decline, immigrants influx and losing of strong tax payers, the municipality was in extremely poor financial situation and failed to handle the situation alone. With the help of the state government, after struggled to save the industry for some years, Malmö finally decided to change the developing strategy and orient to a knowledge city. This decision was made in a conference and met with consensus from the participants of conference, including different social groups and parties holding different ideologies. The connection of the bridge to Denmark provides Malmö an important turning point, it enables Malmö to reconstruct its economic structure and to seek new developing strategies. Malmö University was founded under this background and expected to serve as the new developing motor for the city. It was consisted of existed education institutions of Malmö and newly-built departments constructed to adapt to the development of the society. It was founded with tasks to improve the general education level, to attract young people from low-income and immigrant families and have cooperation with other sectors of the society.

Malmö University has almost achieved all these goals and helps create dynamic urban life and increases the city's attractiveness. Meanwhile, the city also makes effort to improve its living condition to attract people with high-income to reside in the city, including providing well-developed infrastructure, investing in other new housing areas, engaging into culture and sport and so on.

The selection for Malmö to become a knowledge city roots in the fundamental changes of the world: industry decline taken place in western advanced countries made industrial cities lose their original driving forces. This forces cities to search for other motors for developing. Meanwhile, capital circulation and accumulation have developed new logic and shaped the world order and urban development, especially on the pattern of labor market. It causes countries to rely more and more on private sector to provide employment opportunities to function. Parallel to this, cities go through a transformation in urban governance, they become entrepreneurial and try to increase their competitiveness by creating environment favoring business invest. The degree of entrepreneurialism of cities and inter-urban competition vary due to different countries' contexts.

Malmö's transition took place under this macro-economic background. As Sweden has a relatively lower degree of inter-urban competition compared to countries like United State, Malmö's developing strategy is more based on ensuring the municipality function financially than city competitiveness. At the national level, Sweden chooses to become a knowledge nation in this new world situation and puts high invest on higher

education and research, which is both a way to enlarge labor market and a way to create a labor force which can attract business. Malmö University's foundation is corresponding to this policy, as well as providing a developing motor for the city.

In general, Malmö University plays a universal and context-sensitive role in the transition of Malmö, this is corresponding to the two dimensions of urban development in advanced countries. On one hand, the logic of capital accumulation and circulations makes cities to be entrepreneurial and take mutual strategies in stressing on creating investment-favored conditions, as well as shaping the pattern and demand of labor market. On the other hand, the different system of the home country and every city's own distinctive condition still play certain roles in their developing trajectories. The transition of the city and its relation with universities imply that cities of today face a situation quite different from the industrial era, different strategies and working ways are inevitable, so are the changes of understanding and concept of cities.

## ***6.2 Suggestions for Future Research***

Based on the selected literature and empirical findings, the thesis draws conclusions in line with Harvey's approach, mainly from the perspective of capitalism. However, urban development revolves more factors than the capitalism relations. In Malmö's case, the arrival of migrants is an important factor to its crisis. Migration issue has attracted more and more attentions these years and it does have strong influence on city's development. And it can be viewed from multi-perspectives including anthropology, political science, social science and so on. Therefore, I would suggest to study the transition from a migration-focused perspective.

Another question needs to be discussed is higher education itself provided by universities. The change of labor market calls for changes of higher education, from its participation to its content. Universities have to change and develop to adapt this new external environment. Universities have a long tradition of providing education for elites and are independent academic institutions. The rapid and ceaseless change of society definitely has influenced the structures of departments and teaching contents all the time, but when the participation of higher education is widen and higher education becomes more and more widespread, will the spirit of universities be influenced? In another word, higher education has more and more become a common tool for job-hunting, and the boundary between universities and society has become vague, will the traditional university focus on independent and academic thinking be challenged? Do universities have to seek new ways to develop and compete? How much have the Swedish higher education institutions changed and is enough reform made to meet the new requirement raised from the labor market? Has the logic of capital accumulation and circulation shaped higher education and what effect will it cause if it does?

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# Appendix: Interview Guide and Script

(All interviews are conducted by the author of the thesis)

## *A.1 Interview with Ingrid Elam*

### Interview guide

#### Background Information of Interviewee

**Date:** May 7<sup>th</sup>, 2011

**Name:** Ingrid Elam

**Job Title:** Pro Vice Chancellor, Malmö University

#### General Questions

##### Aim, prospect and strategy

- What were the original aim and general idea of Malmö University? (What kind of university was going to be built? University size, number of students and staff, number of education programmes and research projects, etc.)
- Has the aim fulfilled? Has the general idea been changed?
- How was it decided which faculties and schools should be built? What factors were taken into consideration?
- How is the existence of Lund University perceived? Competitor, cooperator or both, in terms of source of students, teachers and funds
- How did people expect from the foundation of Malmö University in terms of contributing to the city's revival?
- Has Malmö University realized people's expectation at that time today?

##### How the decision was made and how did the project start

- Who have participated in the decision-making process of the foundation of Malmö University? (municipalities, citizens?)
- Who are the initiators of the project?
- What conditions does it require to build a högskola?
- Who are the main actors?(Central government, municipality, EU, etc?) and what roles did they play?
- How was the project funded? The capital resource? Who contributed most in the initiative?

##### Relations with the city and the society

- What's the relation between the university and the municipality? Is there much cooperation and communication? What role does the relation between the

university and the municipality play in the university's daily operations and further development?

- What's the relation between the university and the local companies? Is there much cooperation? Does the cooperation between the university and local companies matter a lot to the university? How and why?
- How does the university contribute to the society in Malmö? Has it influenced the city's spirit, tolerance, population structure, people's values and so on?

### **Problems**

- Has the university's development been restricted? What might be the factors?

### **Script**

*When it was decided to build Malmö University, what kind of university was expected to be built?*

It was decided in the late, in 1996 or 1997, I'm not quite certain about the exact. But the first year was 1997 and they didn't have many students. Officially the university was there, and the buildings were already existed. The students came in 1999, they had approximately 4000 students in the first year, now it's 14000. So it has grown very fast. Now you must get the background to this decision, because in those years, we had the social democratic government. They made a decision, by 2010, Sweden would have 50% of generation should have higher education. This decision demanded an enormous expansion. In those years, a lot of university new university colleges were inaugurated, some of the old university colleges became universities. Then Malmö University was started, because Malmö in those years, was a city in depression, it was really a city with depression, and the city with the population which is the least educated in Sweden. If you look at Kockums, the biggest industry, they had their own education within their company. So you could become a skilled work in the Kockums. But there was no tradition of general education through high school, university, social democratic party decided it would be a good idea to have a university in Malmö. It was not from the start, they were allowed to have phd education. so it's not like the university college when you don't have phd education. you have phd education in certain areas. when the university was inaugurated, it was consisted of old parts that used to belong to Lund, the dentist education, odontology, used to belong to Lund university, but the school was situated in Malmö, so one decided to incorporate the dentist education into the new university of Malmö, then there existed also a nurse education, that was incorporated in the university. and a short engineer education, the teachers education. So big parts of the university consisted of old parts that either had belonged to Lund University or had some teachers education in those years, which didn't belong to the university. Now they do. But before you had separated teachers colleges. So the university was consisted of old parts and the new parts. For instance, the department or the faculty of culture, or the faculty of education like human rights global political studies and so on, they were all constituted as multidisciplinary area. So modern university where you have multidisciplinary area education, and multidisciplinary area research. and also research with Malmö, with the society, so it's different from Lund. And it's always constituted as being different from Lund University.

*What role did the city play in this?*

The problem for Malmö University, from the start, in the eyes of the university system in Sweden, was regarded as a political project. Now it was the project that was going to be well. The city had a lot of stakes, they were stakeholders, and the social democratic government were stakeholders. So there was a lot of criticism from Lund against this project. They didn't want this university. They felt in a way threatened, by this university. When I came to the university of Malmö, 8 years ago, in 2003, there was still this feeling of animosity between Lund and Malmö, but all that has now passed, because one has to realize that we are complementary, not competitors on the same level. So Malmö University has one problem, that the relation to Lund university. But the other problem was the feeling of the city of Malmö, they regarded that Malmö University as theirs. Now as you know all universities in Sweden except two or three are owned by the state. So Malmö University had a hard time trying to explain to the town of Malmö that we are not owned by Malmö town, but we interacted with Malmö town. How come Malmö could regard the university as its own? I think it's due to the fact that in those days Malmö still had a very visionary mayor. His name is Ilmar Reepalu. He actually realized that the university could be a very big asset to Malmö in the transition from an industrial town to a knowledge-based small industry town. Now if you look at the place where the Kockums used to be, they employed 5000 people on that little island (the university island). Nowadays you find perhaps three hundred enterprises there, which employ just as many. Not each of them, but all. This is a typical transition for North Italy, for Malmö, for many cities in Europe, where you have the tradition from a big industries to smaller knowledge-based industries. Now Reepalu realized that the university would have an enormous importance, just as big if not bigger than the bridge for the rival of the town. So he decided... because first was discussed to build the university outside town, to put it on the farming land, as had been done before in many towns. Växjö, for instance, Linnaeus university, is placed outside town. And in other places, they put the university in cheap land outside town. Reepalu, he realized, in Malmö, in the center of Malmö, we have a lot of old industry buildings that nobody is using. For instance, there is a huge plant for constructing submarines, there was only one big submarine built before the shipyard went down. But that big submarine hull become one of the Malmö University's buildings. So you have the university right in the centre of the town, very close to the station, on very expensive central place that near the waterside land. Then the town said, we will give this piece of land to the state, then they can have the university on it. That led to the feeling in Reepalu and other people that we actually..., we had the stake in the university too. It's not the state, we gave the land we sold it to the university got this very central location. They gave it for very low land. You cannot give away land. It's a very strong support. Swedish universities are not allowed to own buildings, so all the buildings are either rented from other real estate owners, or owned by state's company what's called academic houses. So Malmö University consists buildings that are rented, either rented from big real estate owners or owned by academic houses. But academic houses have new houses built which we are going to rent. But all land that Malmö town gave away almost for free or that cannot be sold, but you can sort of rent for one hundred years, two hundred years.

This is one of Malmö University's best selling points today, that we are university that is situated in the middle of the town which attracts a lot of young students who want to live in a big town. And who want to study in a big town. They don't want to go by bus

out of countryside. As you know, you don't live in campus as a student, so this is a long story.

*Who is this university built for?*

From the point of the government, on the one hand, this decision that 50% population of generation will go for higher education, they knew that a lot of more universities are needed. But state policy, when it comes to universities, or university colleges, has always been also regional policy. If there are regional needs, then the state will say: Ok, we put a military plan there, we built a school there, we build a university, just to keep the region alive. You know Sweden for its habitants, is a very big country, very little populated in some parts. Upper north, for instance. But in Malmö and the region around, is the most populated area in Sweden. In this case, I think the state realized that Malmö needs something to replace the industry. Malmö needs a university. And Lund cannot fulfill that. Even Lund is only 18 km away. Why couldn't Lund fulfill that? Because, in Malmö you will find young people who would never go to Lund. Because they come from a background where you don't study. They come from immigrant background, they come from working class background. They would never choose to go to Lund. They wouldn't think they could fit in there. And probably they are right. So from the very beginning, the state gave Malmö University a mission. And the mission was to widen participation. So we actually very actively try to recruit students from environments where there is no tradition of going to higher education.

*So the purpose is it's built for everyone, also try to improve the quality of the working class?*

Yeah, exactly. This is still the mission of Malmö University. And the state was very aware of that. Here we have a city today in Malmö 50% population of young people under 20 speak another language than Swedish at home. If you look at our student population, 37% come from another background other than Swedish. So it's not as big as Malmö. So we are not there, but almost. We still want to have so that is equal to that is Malmö that is Malmö University.

*Which was more active, the state government or the local government in deciding to build a new university?*

The state cannot build a university if they don't cooperate with the local governments. But once it's there, the university is always a state institution. But in order to get it running, you have to cooperate with the local government, with the... as was made, everybody was into it. You will find the same scheme if you go upper north, look at Umeå for instance, the university built in 1970s, much earlier, almost 30 years earlier. It's a regional policy, state policy. and a lot of stakeholders were into it. The municipality was very active, but the state was very active, too. I wouldn't know who's most active, but I know both are very active. I suppose the regional politicians, well, the most active. Because they had a lot game to play from it. Then, you see, in Sweden, regional policy is always important. Also state policy. When you are in parliament, you represent the region where you come from. The state does a lot of regional policy, too, through the elected representatives from the country. So if you look at the parliament in Stockholm. You would say, oh, there is the Malmö bench, there is Göteborg bench. So you have these interests. The state interests and the regional interests intertwined

*How did Malmö University decide which new departments we should have?*

That of course was academic decision. The state doesn't know anything about academic education, nor does the region. But they don't interfere, so there was a set of academics who discussed what are we going to do with this new university, how are we going to make a new university that consists of old parts and new parts. So the new parts were also constructed by academics, and university administrators, but based on what they saw as a need in modern society. So the two big focused areas, that around which the new faculties were built, was on one side, new media. Academic would say, we have all these traditional departments, media studies, arts studies and so on. But how do we understand changes of the society? How does the new media affect old media? For instance. That was one focus area on media. Another focus was migration, especially Malmö. What does migration entail, when it comes to social change, ways of living, culture clashes, health aspects and so on. You have migration studies like human geography. You study migration from a very empirical point of view. How do people move, where do they move, so on. That is one part. But you also have soft academic disciplines that study the effect of migration. The effect of migration on society, on people's behaviors, on ways of living and so on. So this is another focused area: migration and human relations. So we had two focus areas around which the new two faculties were built. And this of course, a way of saying we want to be a modern university where we study social change. And this was in accordance with the will of the state and the will of local authorities. Because they saw Malmö was in a face of change. They saw Malmö as a rapidly changing town. Now we are going to have universities that has social change as one of its focus areas.

*How about the school of technology?*

That was the old part. The faculty of technology was a short education, only bachelor level. Now that has changed since that. Anyway, in Malmö, from the start, not from the old days, but from the start of the new university. There was a very expressed will to have projects cooperated with society, enterprises, and also with official NGOs and so on, in a quite different way, compared to Lund. If you are a student, for instance, at digital design in Malmö University. already in your first term, you would meet representative from enterprises. You always have a door open to the world outside. Have you heard of mode 1 and mode 2 when it comes to research? Mode 1 is the traditional way of doing research, within the university and so on. There is mode 2: practice-based research, collaborative research. You could describe Lund as mode 1 university and Malmö is mode 2. Of course, these are simplified things. You shouldn't simplify. But still, it could give you an idea of the differences.

*Does Malmö University focus more on the labor market?*

The difference between högskola and university in Sweden, traditionally was that in högskola, you don't do research. But this doesn't apply to Malmö University. even it's called Malmö högskola, we have research and phd exam rights. But at the same time, you are right, Malmö's education is focused more on the labor market. Because the old parts that were incorporated in Malmö University, the teaching, dentist education and so on, they were professional education. I mean they were education immediately lead to profession. Big parts of Malmö University were professional educations. Then the new faculties don't have educations that immediately lead to the labour market/professions. But still, they try to focus on labour market, in the sense, we have a big focus on

employ ability of students. We don't always succeed, but we have a focus on employ ability.

*How did the decision-makers consider the existence of Lund University?*

They just realized that Malmö needed a university and the population of Malmö would never go to Lund. Many of them would never go to Lund. This was a social idea. It was part of social politics. Lund was more worried. If you look at Stockholm, Stockholm has a university and a university college. Much like Malmö. Still there is a university in Uppsala. So there should be enough place. Lund has already had 35000 students. Malmö can never be a threat to Lund. It was just a false threat. Now they have some cooperation, when they decided to build, there was no cooperation.

It's very important for us to have a good relation with the municipality, and we do. But they now realized the university is not something Malmö owns. We have very good relations. We really need those relations, we meet regularly, with the people from the municipality, and we have a lot of projects going on from all levels.

*Why it's so important?*

It's a modern way of doing education and research. It's within in the concept of mode 2 univeristy.

*How do you perceive how the university contributed to the society in Malmö?*

I don't know how they thought at the start, but I should know they(the residents) are proud of the university now. The city thinks the university has meant tremendous much to the city, in terms of raising the status of the city, the knowledge level, and also brings in a lot of young people. Malmö used to be a town where people wanted to leave, now Malmö is a town where people want to live. And I think if you ask people now, they will say it means more than the bridge. #ch57-1#

*Do you think the university helps build a more open-minded , tolerate society?*

I hope so, because there are a lot of problems in Malmö, with a lot of immigration, social problems, things like that. If we succeed in recruiting young people from these areas, we might mean even more.

*Is there much cooperation between the university and the local companies?*

Yes, especially the research areas, there is a lot of cooperation. We have a human geographer, he used to be in Lund, and he told me during the ten years that he was in Lund, he had a phone call once, from a company, outside Lund university. When he had been one week in Malmö University, as a professor, he had 50 calls. So very strong difference, not to be compared.

## ***A.2 Interview with Kjell Gunnarsson***

### **Interview Guide**

#### **Background Information of Interviewee**

**Date:** May 17<sup>th</sup>, 2011

**Name:** Kjell Gunnarsson

**Job Title:** Head of Administration, Malmö University

### General Questions

- When they decided to build Malmö University, how was the project funded, from which organizations/governments? (municipality, the state, EU) Which actors have participated in this process?
- Who are the stakeholders and how was it decided? (Equal to the board?) What does this project mean to them?
- Did the whole process of getting funds go well? Have you met any problem? What are the problems?
- Are there some conflicts or troubles in the process? Between whom and for what?
- How is Malmö University run financially today? Do you rely much on the state's financial appropriation or do you have other resources? What role does the municipality play in Malmö University's current management? What role do local companies play?
- How do you view the role played by Malmö University in contributing to the city's transformation?

### Script

*Could you first tell me your position?*

Kjell Gunnarsson. I am the academic director for this university. Or you can say, I don't even know, .... *(Then he gave me his name card)*

*Have you participated in the process, about 20 years ago when they decided to build Malmö University?*

No, I was participating in the process of starting another university in Sweden, Södertörn in Stockholm. I moved to Malmö 1998, two weeks before we started. So I wasn't in the preparing phase.

*But you were in the starting phase?*

Starting phase, yes.

*When the university has started, how did you get the funds?*

No special funds for investment, no, not at all. We had to take all investment in the normal way. In Sweden we had payment from the government for the students who are participating in our education. I think we have, the first year, a little sum maybe 10, 15 millions, but no special funds for investment.

*So it all comes from the state government?*

Yes, but no special for building up new. We have the same regulation as all universities in Sweden. That means if you are studying for example, science in Malmö, and you are lucky to have your point taken under the year, they pay us the same amount that they pay to students in Lund. So no special sums for Malmö.

*Did all the funds come from the state government? No from the municipality?*

No, I doubt maybe we misunderstand with funds, funds for me: if you get a lot of money to start building up or some funds to invest in things, but every year, our funds from the government depend on how many students we have. That is the same for all universities, even for us when we started. No special funds at all.

*What has the government done in addition to giving money? Have they played some role in this starting process? The state government and the municipality?*

Yes, they played some role as the same they did for all the other universities. Of course in the preparing process they were founding us in a special way, but that was before we started. I think the amount is 10 to 20 million. But I'm now sure, because I wasn't here. So that was the payment from the government paid to the investigation if we could call it, I prefer to call it preparation phase. When we planned, then for 1996 to 1998, there was a phase when we were working with how we should build the new university, and then the 1st of July, 1998, we were a regular university, now we get our money or if you say the funds from the same way all the other universities get.

*When you said at the preparing period, they paid in a special way, what do you mean?*

Well, they paid the salaries for all the people who were working in the planning working process and of course we should say that the municipality gets the area where our houses are built, so there was a very expensive investment from the town. Because they paid some owners of the houses, so we could build our houses in those lands. That was a very big investment from the municipality.

*Is that very unusual for the municipality to do that?*

Yes, I think they have done this in the very beginning, from university which have started 68, 69 in Sweden, are the same thing with Södertörn, and are the same thing, same thing. So that was one of the main reasons would pay primary to decide there would be a university in Malmö. So there could be some place to build the houses. Of course the city could have said we don't want it to be in the centre of the city, you could have a cheap land outside the city. But the city was very very interested to have a "city university", so to say.

*All the universities in Sweden have similar organization structures, you have this board, does board mean stakeholders in universities?*

The same parts from you can say external interests. Always almost there are people from the society, some political people, and some from the factories and companies.

*Private part?*

Yes, private part.

*(So those politicians and private part are part of the board?)*

Yes, you can say that all the Swedish board for university is 7 members, outside. That means could be from companies, municipalities, politicians, then we have three students, three professors and one president. That means we have 8 outside. That's the normal for all the universities.

*Who is the biggest owner?*

The state, Swedish government owns universities. So those are just elective of the government, and the students union elects students, the teachers in the university elect professors, and the president is appointed from the government. No private money. The government owns Swedish universities, except Chalmers University in Goteborg, and university Jonköping. They are appointed as members of the government and they are responsible for the Swedish government.



*Have you gone through some difficulties in founding Malmö University?*

The difficult thing was the political decision from the government that we should have a university in Malmö, the reason for building two new universities in 1990s in Sweden was in Stockholm and Malmö, we had a lot of immigrants, we had a very bad education level. So our goal was to rise or increase the education level, and try to get more students from the immigrants' families. They had to argue for the parliament in Stockholm that it is necessary for us in Malmö to have a university. The local politicians said that OK, we will fix some land, so you can have your houses in the city of Malmö, not outside the city.

*How did the university get the teachers and staff? Was that difficult?*

No, we had too many teachers who wanted to be teachers, professors and members of administrative staff in Malmö, so in fact we had problems in selection process.  
00:13:28-8

*So are these teachers from Malmö city?*

No, we recruit teachers from all over Sweden. It was very interesting to start building up, join the team when building a new university. In fact, I come from another university in Southeast of Sweden and that is stimulating to work with a totally new organization and start beginning to build from the ground. So we have no problem at all, it's easy to recruit those professors and administration personnel?

*At that time, Malmö had gone through this process that many jobs were lost, so many people were unemployed, so when founding a university, can it absorb some labor force?*

Yes, not all those unemployed people, because Malmö was a very industrial city. The reason was that unemployment among industrial people they had to get a higher education level. But the teachers, there were no unemployed teachers in Malmö, not at all.

*But the university must have other employers who don't belong to the teaching team?*

I think that was very marginal, very very few. Because the shipbuilders, people who worked in the textile industry, I don't think we employed anyone of them. And the very problematic period for Malmö was infected in the beginning of 90's. But we have lots of people from Malmö who study in the University and that was the main reason to build this new university. Then we they have two or three years education, they could compete in the labor market in a better way.

*What roles do the municipality and the local companies play to Malmö University these days?*

We had some problems with the apartments for the students. It isn't easy for students to get housing in either Lund or Malmö. We had lots of discussion with the municipality and they had helped us a lot. They have some very little finance to some the urban studies, and they have funded some new media, but that was rather little. Our budget is on 1.2 billion kr. I think the external funds are 150 million kr, that's about 10%. That's for all universities in Sweden. Except two private universities Chalmers and Jonköping.

*How about the local companies? When you cooperate with them, do they support the university?*

They paid for what we are doing for them, research project one has to investigate something or develop something or real research project, and they pay for it. Because we are working for them.

*Just like business cooperation?*

Yes, you can say that.

*Ms Ingrid Elam told me when the university was founded at the beginning, you had a difficult time explaining to the municipality, at that time, they thought the university was theirs, because they gave a lot of cheap land. What difficulty was that?*

Wasn't so hard, but I meant it a couple of times to say it is Malmö's university not a university in Malmö. We are a university for all people, those national and international.

*But when they say this is a university of Malmö, what did they expect? What difference does that make?*

We can't take Malmö's student before another student from Sweden. We had a national regulation of how to apply and how to register student.

*So you mean the municipality expect you to recruit more students from Malmö?*

No, they didn't. But there is of course, it is important to have a university in the town, because you have people unemployed, you have people who don't have high income, you have lots of immigrants, they can't move to other cities, so of course it's much easier to start education if you have a university in the city. But as a university, we couldn't take any say, you're from Malmö, then you're welcome, you are from Northern Sweden, you're not welcome. That is not for Swedish universities. You see, in the board, there are only two persons from the municipality, so we are independent.

*How do you think the role played by the university in this transition? Because Malmö thinks very high of the university, how do you view this?*

They always say two factors were most interesting for developing of Malmö, the university and the bridge to Copenhagen. They always say it in the presentation in Malmö city. I think they are very satisfied with the solution of a university here and how we built it. Now we have 12500 full time students, we started with 4000, because we took over some of the students from Lund University.

*Do you think there are problems in this transition process?*

No, I think we have solved them. Of course there are problems but we took care of them and we have solved them in a very proper way.

*What was the problem?*

There was of course problem we have no financing for invest in the first year, because we don't get the governmental money until we have had our students in the education. The government doesn't give us money, as say; here are the money for the year 2000. They say that here is the money you can get if you can get 5000 students. And in the end of the year, we made a bill to the government that we say: OK, now we have had

1900 students, then we get the money for 1900 students from the state. So in the beginning it's a little shaky. But it wasn't a big problem.

*Is that normal for every university?*

All universities have the same module.

*At the beginning?*

Yes, it's not a difference between the beginning and running of the university. It was the same for Södertörn.

*How the government gave money at the beginning? I don't know the usual way.*

As I said, it was the normal way of funding every university in Sweden. We had no special money when we started the university, the government paid for preparing phase. That was 10 to 15 million I think, I 'm not sure because I wasn't working here. So no special financing for money, that is important to say because some people think we've got a lot of money, we didn't. The same normal financing as other universities.

*Since Malmö University has played such an important role in the transition process, how do you compare Malmö University, it's a högskola, with other högskola in Sweden?*

I don't think there is any difference. Most of the universities in Sweden, 1977 we had a couple of new universities. And the argument, the reason for building these new universities was to get higher education close to the people. That was the same for Malmö.

*Has EU participated in the process?*

No, not in the process of building the university, but of course we are in some projects who are EU financed, but that is the same for all the universities, research projects and sorts of things. No special funding. Normal way in Sweden is that the government pay and we are treated in the same way.

## ***A.3 Interview with Christer Persson***

### **Interview Guide**

#### **Background Information of Interviewee**

**Date:** May 12<sup>th</sup>, 2011

**Name:** Christer Persson

**Job Title:** Current: Chairman of the Board of Eksploria Edutainment AB

Former: Head of the department of strategic development of Malmö City

#### **General Questions**

- Your work and role as the former head of the department of strategic development of Malmö city
- I heard many cities in Sweden have suffered the industry recession more than 20 years ago, has Malmö suffered most? But it seems Malmö is the most active one in coping with these difficulties, and also the most successful one in the transition? Do you think so? And why?
- Has the state contributed a lot to the transition? What role did the state government

play in Malmö's transition? How do you think the role of Øresund region, EU in Malmö's transition? In what way?

- How was it decided to orient the city to a knowledge-based cultural city? Which actors have engaged in? Their roles? How about the role the private sector played in the decision-making process? The role of other stakeholders/actors?
- What are the general role of the state, regions and municipalities, when making decisions on the type, location and organization of the university?
- How did the decision-makers think about the idea to build a university at that time? What did Malmö expect from the foundation of Malmö University? Is there a consensus in different parties? How do you view this?
- Has their understanding about the role played by Malmö University changed? How?
- The deputy vice chancellor Ingrid Elam told me at the beginning the municipality considered Malmö University was theirs, she said because the municipality gave the land to the university at a very cheap rent, and Malmö University had a difficult to explain to the municipality it's not the case, and now the municipality doesn't think that way. And I wonder when the municipality considered Malmö University as their own, what did they expect from that? And how it could make a difference to the municipality when the university belongs to the municipality and when it's an independent institution?
- Are you aware of Richard Florida's idea "the creative class"? Do you think that applies to Malmö's transition? Are there any problems in Florida's arguments in your opinion? How do you perceive the transition?
- Have I missed something? Is there someone you would recommend me to interview?

### **Script**

*Could you talk about your work at that period?*

We had a department with three different areas: one was different strategy issues concerning the city like big projects, development of the city, close collaboration with the planning department, the other thing is we were responsible for international affairs, so like EU affairs, and all international contacts, and also all the issues concerning cooperation crossing the Øresund, so issues concerning region and integration process all that. And thirdly, we also had a unit working with statistics, so like you know, population statistics, so forth. So these three branches was part of the work of strategic development. I was head of that; we were about 15 people, working with different issues.

*Was the situation in Malmö especially severe, compared with other cities?*

Maybe Malmö and Göteborg, both cities had the biggest problem. Because they went through very comprehensive restructuring of industry as you mentioned, and actually it started already the late 1960s, with textile and governmental industry. And then it continued with manufacturing industry, you know we have this shipping industry, the shipyard, the biggest work place in Malmö. At its peak it had 7000 employees, so it was very big working place, and it had a lot of different companies connected to it, in the network or subcontractors. Or made different products we used in the shipping industry. So it was a big blow, it was also prolonged by the government's idea of trying to save the industry and subsidizing the industry for many years. But I think ten years before it closed, it closed in 1997, it was quite clear it shouldn't survive. Still, they pumped money to try to save it. The competition from Japan, South Korea was too heavy, there was no chance it should be successful. So then it closed down in 1997, the government

tried to introduce a new industry, and they located the car factory here, the Saab car factory, it just lasted for a couple of years, so it was a wrong decision to put efforts into manufactory industry, the transformation of industry had already started, there were new branches developing slowly. That was mainly the situation at that time.

*Malmö was very active in coping with this situation, right?*

Yes, of course. The city had a stake in it, because everyone realized it would be big problem if the shipyard closed down, and that's why everyone was engaged in, we made different surveys and studies to show the impact of the closedown. But at the same time, as I said, it wasn't really realistic to save the shipyard. Because it had no future, but everyone tried as much as they could to help, I think there were a lot of programs to take care of those who became unemployed for example, and a lot of people got new jobs and so forth. So still I mean it was no way back, you can say.

*I just wonder you know Malmö is the third biggest city in Sweden, is that a reason why it seems to be more active than other cities?*

I don't know if it's the size that is the reason why, I think it depends on what kind of leadership you have in the city, you had social democratic government here, in the city, and of course, they were very fond of, and protective the manufacture industry and the workers, everything to continue like before, but they also understood in the end it is not the future, you have to get a new type of industry in the city. Not be dependent on a couple of large companies, but you need to develop of a structure which is more based on small medium size enterprises. That was actually happened. Now you have a quite another situation where you have modern enterprises, modern companies, and they are basically small medium size, and that makes the who industry more robust

*Has the state contributed a lot to the transition? What role?*

Yes, they have. Because some of the strategic decisions that was made, they involved the state as well, like the Øresund bridge, of course, which was a very important turning point in the development of the city, when the two states signed the agreement about the bridge, they injected new hope and a more positive attitude towards the future, people saw new potentials for the city. That was one decision the state or the government participated. The other one is the city tunnel, the underground connection to the bridge, which opened in December last year. That was also a joint project where the government put in most of the money, but the city and the region also put a lot of money. The city put in 100 million Euros, and the region, Skåne region, put in like 80 million Euros. And the total was about 900 millions. So like 700 million Euros was paid by the government (the state). And of course, Malmö University couldn't be realized without the government, they acknowledged and were part of the process of realizing such a project. The government (state) has been engaged in different ways in the transformation of the city. Although the energy and the main power of course came from the city itself.

*You mentioned Øresund region and the EU; do they also play an important role in this?*

Yes, in a way, because the Øresund bridge was partly funded by the EU, and the city tunnel also got some money from EU funds, and the development of the cooperation, of course, the Øresund was very much based on EU money from the structural funds, that were different in the so-called integrated programs, which made it possible to start a lot

of projects where you could cooperate with different parties from Danish side. And I think you can say that the integration of the Øresund region and the cooperation with different actors on the Danish side was also a strategies choice in the development strategy for the city, so it helped.

*I also heard that some people said, Malmö is very good at asking for money from EU, compared with other cities. They are good at advertizing themselves?*

Yep, I think we were quite successful in getting money for different projects, that's why. My department was responsible for the overall strategy as regards EU projects. Then the different departments in the city at administration were active as well, but we trained them and tried to get them as active as possible to see if there were potentials for EU projects in different issues. We were quite lucky I think, we built up a consciousness among the city department that there was money to collect, if you have some good ideas. I think the most successful part was in the area of education, they became very good at funding EU money for different projects and cooperated with other cities from Europe, for example. I think we were quite successful.

*How was it decided to make a cultural and knowledge city?*

The situation was very difficult for many reasons. Many people moved out of the city in the 1970s, about 35000 people who were quite strong. Seen from income point of view, so a lot of tax bases were reduced by those families moving to the suburban municipalities. And at the same time, we had an influx of immigrants from different countries. At the same time, we had this transformation of industry which renders a lot of jobs disappeared and, taking all these together, cause those who move, kept the jobs in the city, they just lived outside the city, but they worked inside the city. So this whole situation became very problematic, because the unemployment figures became very high at that point. Lots of job disappeared, lots of people came from other countries and they had difficulties, say, their languages, at the beginning, you know, so it created a very tough situation for the city and lot of people have to rely on money from the city to be able to survive. The city got very high costs for social benefits; the situation became almost impossible to handle, actually. So the state government stepped in again and constructed at the national level, they constructed the tax equalization system, which meant the rich municipality had to pay money, so the state, or the government could distribute the money to cities or municipalities who had more problematic situation, like as I described, high unemployment, social problems and low education level, that meant Malmö got a lot of money about 100 million Euros every year added to its budget, from the state. That helped a lot. And in that situation, the city was very pessimistic, the future, the people who live in the city were very pessimistic about the future. We decided we should start within the city and engage other people outside the city at administration visions' project, about what kind of vision did we have for the city in 2015. This was in 1995, and we started to work which went on for a year, where we tried to get a number of new ideas about what to do, in order to change the situation, and get the city on the move, and get to positive development spiral, and one of the ideas come out was to have a discussion with the government about the new university, which was a difficult task, because there was a university, the one you attend, only 20 km away. So many say why should we have another university? But the government realizes that this was a strategic thing, and that if you build up a new university here, with a different task maybe, than the more tradition universities, like Lund, it should try to attract young people from like immigrant families, but also low income families,

those who normally didn't go to university. And also try to work more closely, together with the surrounding society, with organizations, with companies, so forth, to be a more open university. We also said this university will not be located outside the city, must be in the middle of city, to give an extra quality to the city and city development. And the government found this was an interesting idea, so the discussion continued. Ultimately, they said yes, if you offer us the land in the central part of the city, we will go on and locate the university. It was a deal between the government and the city. We wanted the university in the central parts that of course it's a more expensive alternative than putting it in the outskirts of the city, where the land doesn't cost very much. We had to buy some of the land from private owners which meant that cost money. But we thought this is very very important for the future development of both of the city and the university, and I think we can already say this was very successful policy.

*Who are the participants in the process?*

The politicians of course, the officials, the city administration, people like myself, the cultural sector, we engaged and involved people from different culture institutions. We engaged Lund University in this process. We engaged industry, like leaders from different important companies in the city, and of course people from the regional government. So many of these groups were represented in the work we did which we called the vision of 2015.

*Did the private sector play an important role?*

Yes, they did. They were active in the groups we had, of course they supported the whole idea of this transformation process, because they saw the potential for themselves, some of them would gain more than others, like the real estate companies, saw the potential they could build new office complexes, residential complexes and so forth. And other industrialists understood if this city would be more positive, interesting arena for investors, then it would also benefit them in the role as industrialists and the development of companies for the future. This was a collective achievement, while a lot of different forces came together and wanted to do the same thing. They changed the mind, so the people can be more positive, could see the potentials in the future for the city. So it started a movement you can say, while you transform mentally first the idea what the city could be in the future, and how shall we do in order to reach that point. Everyone understood that everyone had to take part, and everyone had to make contribution.

*Was it easy for you to come to an agreement?*

Yes, I think so. Because everyone saw the problem, everyone understood that they had to take part; they had to contribute in what way they could

*Lund university didn't like this idea?*

Yes, of course. Because they thought that would tip the balance for them as the only university in this region. They had a certain position, they were afraid they would in some way lose a little bit of that position. Like when you are competing for money from the government to relocate in different universities around the country, you have normally a bag of money, and then they distribute that money in different portions to different universities. And if it comes a new player, a new university, of course it would be a little bit more competition, if you are not adding new money into the bag.

That was something they were afraid of, and the competition from the new university which were young, not the traditional way of working. I can give you one example, or a couple of examples. As soon as it was quite clear that would be a university here, a lot of people who worked at Lund university contacted me, we had meetings, they were very early and would like to discuss how they could engage themselves in the building of the new university and what kind of contribution they could make, how they could be part of the new university with ideas, so some of them felt that a number of ideas that they had, maybe they found a bit unorthodox, if I use that term, means a bit ahead in the thinking, not the normal way of thinking, but some new ideas of how things could be done, how could you teach, how could you make research, and so on. They saw the possibilities to come to a new environment where there are no strict rules, like normally are in traditional universities. And this is a new arena could be very interesting for them to develop things. And many of them also came when the university had been created and started. And now in many cases, it's very successful, it had built new departments with new profiles, new images, etc. Because when we discussed what kind of university do we want, so we said we don't want to have a blue copy of Lund, Uppsala, all the old traditional ones, but we want something new, we would like to combine different disciplines within the same department for example, like culture, communication, and arts., which is one quite new.

*Who decided the ideas?*

We had a group with different people they discussed and came up with ideas. Like we always do in Sweden, we launched a special investigation or survey before we make any decisions. And these were presented to the government and I was on that group, task force? For example, that was a group of 15 persons, maybe, coming from different universities, and from the city, from disciplines, we discussed what new profile we should have in this university. One major idea based on our discussion was we should have a cross-disciplinary university in all aspects, actually. To some extent, we have reached that, but it's a combination. Some of more traditional departments like the teachers' school. And some other ones are quite unique and new ways. So we have put together different disciplines. That was the discussing of that group, then we presented our proposal, and it was assessed by the government. Slight changes, maybe, but not that very much. Then they decided: OK, we'll have this structure of the new university. And then they launched it, then it started to work, and then after the university opened, of course there had been changes because one found out this was not very good way to organize things, maybe we should do it in another way. So of course some changes have occurred afterwards. I think the basic idea is still there.

*Has the state participated in the discussion?*

The state headed this group that was investigating what kind of organization should the university have, what kind of content should have, so that was headed by the state. Different parties were invited into that group, and I was one of them from city, and there were people from Lund University, people from Göteborg University, so forth. So different expertise were gathered together. It was institutionalized by the government of the state, and it was headed by the state, and the assignment came from the state to do this.



*The state decided who should be in this group?*

Yes, that's right.

*Has EU been part of this discussion?*

No. In my case, for example, the state asked for the city, or said to the city, you would have one seat in this group, or two. I think we had two. You had two seats in this group; you decide who will be appointed for the group. So the city decided which person should be in the group. But the state government decided that should be one seat for Lund University, two seats for the city, one seat for the department, for example, somewhere else. So that could mix different expertise and competences in the group.

*When you decided to build the university, you must have some expectations that the university will bring some good things for the city, what did you expect at that time?*

First of all, we expect to raise the general level of education, because compare to the other two big cities in Sweden, the general level of education in Malmö was lower, that was the first goal. The second goal which I already touched upon was to attract young people from low-income families and immigrant families, young people who normally wouldn't go to the university, because they would find Lund too exotic and too far away for them to attend, so that was the second important goal. The third important goal was to try to construct the university in a way, so that it could be an interesting partner for other sectors of society, other sectors of the region, the city, like industry, I also mentioned before. So these were the main goals.

*Can you explain to me why it's important to attract the young people from the low-income families?*

Because that's a way of ensuring that they would be able to get the jobs in the labor market that demands more and more education. And if they are not educated, they would be exposed to unemployment in large portions. So that was extremely important.

*So to prevent them from causing problems?*

Yes, that's right. And they had been successful, over 30% of the students in Malmö University have a foreign background, and that is far more than any other university in Sweden.

*Have all these goals been realized? Have all the expectations been fulfilled?*

More or less, I should say, because if you take all what we expect into account, I would say it's very successful. Everything could be improved, of course, but as I said, the goal to attract young people from those target families has been achieved. I think there is more to be done, concerning the cooperation between the university and the society. There is a lot of good work has been done, but you can do a lot more, I think. We have raised the level of education, of course. More young people go to the university now than before. So, the expectations, everyone would say it has been quite successful and this was really the right decision to build this university. And the students also contribute to creating a younger city, a more thriving and exciting city. Because they also make it possible for many new restaurants to start, theaters and so forth, the environment of the central part of the city is very much affected by student life, you can say. And it has been very popular to live in Malmö even for students who study at Lund university, in many cases they prefer to live in Malmö because these is more going on.

So it's very positive effect in that way as well. And it also has economic impacts, because they are buying things, even they don't have a lot of money, they spend their money in certain areas, like cafes, restaurants, cinemas, theaters and so forth. That's interesting, of course.

*So you expected these will happen when the decision was made?*

By locating the university in the middle of the city, we thought it would add extra value for the city to develop and I think it's better than expected in that way.

*Have you expected the new university will help the city become more tolerant because you have more open-minded young people, so the citizens will be more tolerant?*

Yes, absolutely, yes. It has affected that as well. We haven't done any surveys or something like that showing that, but there's a study now concerning the Øresund region. They asked the young people about their attitude towards black people, homosexuals and so forth. And the result shows that people in Malmö are more tolerant than people in other municipalities around Malmö in the rest of scania. So hopefully, it has had an impact on that as well.

*When you made decisions, has that idea occurred to you?*

Not explicitly, I would say, we didn't discuss in those terms. It was maybe embedded in other ambitions to attract students. Not explicitly did we discuss the issues of tolerance.

*Last weekend I interviewed the deputy vice chancellor of Malmö University: Ingrid Elam, she told me at the beginning when Malmö University was founded, the municipality considered it as theirs, for they provided the land at very cheap price, so the university had a difficult time to explain to the municipality it's on their own. How does it make a difference to the municipality when the university is theirs?*

I recognized that discussion, but I think it was a little bit exaggerate, because I think it was not as much the city itself who looked upon in that way, it was more people around the city. We didn't looked upon the university as our property, as it was the city Malmö's university. It was a university in the city of Malmö of course. And we were quite aware of this is not municipal institution; this is a governmental state institution. But when the city is so deep engaged in the process of creating the university, it was very easy that discussion like that rises, but I think maybe sometimes there was something to it, but I think everyone knew and respected that it's an independent institution, organization, and it's very good we can develop a very close and productive cooperation between the city and the university. But the university must have its integrity as a self-dependent organization. Yes, the discussion has been there, I think it's more a discussion than reality. I think the city may express itself like this that the university was to a large degree made possible by engagement and evolvment of the city in the issue. The driven force for the university was the city, but at the same time, the city is aware of that when the university is built, it's a self-dependent organization, you have to respect that, and you don't look upon it as your own, but it's a very important partner for cooperation.

*Do you know Richard Florida and creative class?*

Yes

*How do you think about his ideas? Does his theory apply to Malm ö's transition?*

I'm not that overwhelmed by his ideas. In general, of course there is something in his theories and ideas, but I think maybe sometimes it's over exaggerate that the importance of what he says, the factors. I think the driven force for a city is having a university and having a young population who have ideas, who want to strive forward, who have ambitions for the future, who have positive attitudes towards the future. That is a very important factor in the development of the city. Maybe also create some environment like Florida describes. But what is causing, one of the other I think it's difficult to assess, I mean you cannot put the finger exactly the factor which is the most important one that is a group of different things that happen at the same time that normally starts those development processes.

*But have his theories, or his thinkings affected Malm ö's transition?*

No. First of all, they came later, so the initial phase of the transformation how everything started, all the players, who were active and the strategies that was made up and laid out way before Florida's theories came around, and the next stage when we were discussing the knowledge base city, of course, some of the ideas of Florida affected that discussion. Discussions that we have had with especially Malmö University, concerning the next stage of the transformation of the city, then Florida came up with his ideas. People knew it and related it to them sometimes, in a way they may have affected the discussion.

*But now does his idea affect the politicians and leads in the city?*

No, I don't think so. Not to a large extent. A little bit maybe, but I wouldn't say that it has a great impact.

*How do you view this whole transition?*

In which way do you mean?

*Political, cultural?*

It's very important to have a strong political leadership if you are going to accomplish transition like this, and combine with good expertise in administration, which can back up the politicians in their work, good connections among the politicians with the government, is also important, of course. And building networks with different parties in the city, both among politicians and among officials, and including people in industry, of course.

*Do you think there are some problems in the transformation?*

Yes, of course. One or the biggest problem is that we have not been successful including all people in the transformation process, we still have pockets in certain residential areas of very poor people, unemployed who have to live so social benefits. And they are not included in the society. They live very much outside the community. There are a lot of young people in these areas, who need to be educated to a level where they can compete on the labor market. And we are not successful in educating all the young students, actually or you say one fourth of people or something like that those who leave the secondary school, who are not equipped and don't get the marks so they can enter the high school. So the average percentage for Sweden is 10 %, we have 25% who are not able to enter high school. That's a problem, a big problem. In these areas, there is also a problem of segregation. This is something the city is addressing now, in a

strategic program for four areas, which is called the area program for social sustainable Malmö, and that is the prioritized work all departments must contribute, and it's a five-year plan for trying to change and improve the situation, and make the percentage of drop-outs much lower

*During the decision-making process, different parties were engaged. Usually parties disagree on many things, but in this case, they agree on many things. How do you view this? Why this happened?*

I think the problem is so big that everyone realized that we must work together and we had this common vision of what we were like to achieve, and maybe could be different routes. To reach the goal, but everyone understood that we need to work together, even the politicians lay some of the ideologies aside, in order to work together for a better city. So you got an attitude that united many people, and many people were invited to take part in the process and also demanded you were ready to accept the descriptions of the problem and some of the main step stones in order to reach the new vision for the city. So it was quite easy, actually. Because I think everyone felt very pressed and they realized something has to be done, and we must do it together. Otherwise we will fail.

*Have the regional government been engaged in the process?*

Not so much, actually.

## ***A.4 Interview with Christian Lindell***

### **Interview Guide**

#### **Background Information of Interviewee**

**Date:** June 22<sup>th</sup>, 2011

**Name:** Christian Lindell

**Job Title:** Senior Analyst, Region Skåne

#### **General Questions**

- Your position and work
- The responsibilities and goals of Region Skåne
- What was the role of Malmö in Region Skåne before the crisis started?
- How did the crisis influence Skåne region and how did the regional government react on it?
- What role did the region play in the transition? (If it hadn't played, why?)
- What are the factors to attract enterprises to locate to Malmö? What kind of enterprises have the region attracted? What role does the university play in this?
- What is the role of Malmö in Skåne region these days?
- How do you view the role played by universities in regional development?

#### **Script**

*Could you introduce your work?*

I'm working as a senior analyst, have been working in the regions since 1998. And most of my work is in the fields of following the education levels and the enterprises industries, development in the region and development in the labor market.

*Could you first tell me the responsibilities and the goals of the region Skåne? What's the function?*

You have to have the history. Before 2000, we had Länsstyrelsen that was regional organization for the state. We have landsting who was responsible for health care, that was regional elected. And what happened in the... to those was that the regional development questions were moved from the Swedish state regional organization to landstinget Skåne? The regional elected government. Now Region Skåne, you can say we have three pillars/legs to stand on. One is health care, that is 90% of the budget, roughly. Another pillar that is traffic, collective traffic. The third pillar is regional development, including culture, trade and industry development, and also rural development. So I'm working with just one piece of all pillars, trade and industry development, and labour market.

*What role does Region Skåne play? Can I consider it as a regional government?*

We have a vision, it's four values we want to achieve: growth; attractiveness, attractive region, for both people and for firms; we want to achieve balance, and also we want to have social and economic sustainability. Based on those values we have a regional development plan. So if you look at the difference between the state and regional elected government, in many other regions in Sweden, state government has a role that is more like legal institution. If you don't like your municipality's decision, you can go to the state government. And they would act more like a court to say is the municipality right or not. And in many other regions, they are also responsible for regional development. They are not in Skåne. Because Region Skåne has responsibility for regional development. I think there are 21 regional authorities, or Länsstyrelser, and we also have 21 regional elected governments. And we have on the local level 290 municipalities, they are locally elected. So what happen in our case is that in our case that we have to pick some responsible of this from this level are transferred to the regional elected level. but if you look at our relations to the municipalities, it' not a relation of hierarchy. We are not above the local level, we cannot tell the municipalities you should do that or that. We are parallel organizations, we are on different regional levels, but not in hierarchy. So if you look at our powers related to Swedish state, it's not an organization that in between of state level and local level. It's not that kind of relationship. We are parallel to the municipalities. But we focus on different areas and have different responsibilities. I have some material in English describing this, I can send it to you later.

*Does region Skåne help municipalities to cooperate with each other?*

Yes, we try to in some cases work as service function to municipality level, if they want our help. But we cannot order them. It is more cooperation. We are talking in terms of governance, not government.

*When was region Skåne founded?*

As a formal organization it started in the year 2000. But already in 1998 we started to build up this organization, but we had an election before we could formally start, had to elect the parliament. After the election in '99 we could formally start, on the first of January 2000

*What made the organization to be initiated?*

It was the regional politicians who want to have more responsibilities. And it's also the discussion held in European level about region power. I think it was in the 90s, there was a big discussion that national state's role was fading, that it should be union level and level and then strong regions, then the state level would in some aspects to give away some power to both up to European Union and down to the regions. I think it was in that context the discussion started.

*Before the crisis, Malmö was a typical industry city?*

Yes, in some way, I know people used to say that, but if you look the employment in the manufacturing industry, it was not that big even before the shipyard was closed. I think since 70s, Malmö was the trade center for retail. So the low level service sector was strong in Malmö even before the shipyard was closed down. But I think the spirit or the soul of the city was associated with the shipyard, it was very visible in the city. And of course it's 6000 persons lost their jobs, that's a very strong signal that something was happening. But I think the change from manufacturing city to a service city has started much earlier than the shipyard closed down. If you look at the statistics of the distinction.

*So you mean the service industry had already started before the crisis took place?*

Yes, but what happened in the 90s was that the enterprise services had a very very strong growth. In the late 90s, I think it was in 98, 99, the service started to grow rapidly. They continued to grow until 2008, at least.

*What made the enterprise grow in that region? what are the factors?*

I think Malmö's factor is Øresund region. I think it's even before it actually had a strong impact on the spirit in the city, its trademark was strange from Malmö had the bridge. It took a long time before anything really happened in the industrial process. In 60s, it had a strong trading sector. But when the shipyard was closed down, the image of the city was very strong. It was in some way a turning point, because on the politician level, they realized that we had to do something else, trying to find new manufacturing industry in the shipyard area.

*Before the crisis, what do you think the role of Malmö to the whole region?*

Well, since long time ago it has been the third biggest city, so it had a regional and national role. But what happened in the 60s and 70s was the population began shrink, because we had big suburbs beginning growing around Malmö and Malmö wasn't very good at building houses. So you had already suburb municipalities like Lomma were specialized in building houses and livings. So what happened was that people live in the suburbs and they commute to Malmö. The problem with that was the taxes. They did not land in Malmö, but in Staffanstorps or in Lomma, all the suburbs around Malmö. That was one explanation of the crisis from Malmö in the 80s, so it wasn't just the shipyard, it was the population began to shrink in the middle of the 70s. That's interesting because I think that in the 70s, Malmö had its highest population in 1973, I'm not sure. I think first it was 2004 or 2005 Malmö had the same population as it had in 1973. So it was a long period decline for Malmö if you look at the population. It was first in the 90s that the population started to grow strongly. I think in the Øresund, if you look at the yearly change of population in Malmö, between 1991 and 1995, Malmö lost average 303 people every year. And then the turning point came in the late 80s, it

started to grow: 79 persons per year. Then you can see that it really happened something in the 90s. If you look at the latest period, 2006 to 2010, the growth rate were over 5000 people per year. It was a turning point in late 80s to 90s. And that was also followed by the change of employment structure, when the strong decline of the manufacturing industry, you can see enterprise starts to grow, the business trade started to grow. The business trade was strong, and the retail trade as well, and the enterprise services. It mostly was the retail sector started to grow, the enterprise service sector I think it had the strongest grow from the late 90s up to now. This is the enterprise services and financial sector, between 1990 and 2009, the employment nearly doubled. And in education and research, the employment is more than doubled.

*What factors made these sectors grow?*

If you talk about enterprise services, I think one reason was the image of Øresund integration. Now the factor is Malmö University.

*So the university plays a role?*

Yes, absolutely, it plays a role. And what happened was that the market grows larger when people move into Malmö again after the long decline in the 70s and 80s.

*Do you mean the enterprise sector started to grow after the university was founded?*

I think it was simultaneously process. It's hard to say what starts with. Because everything happened in the same period. Everything tends to happen in a few years, you also have the change of municipality policies. They work very hard to attract new growing private sectors in the for example, this area: Västra Hamnen area. The municipality has new strategies in both housing and attracting enterprises. It started in 2000 with a large housing exhibition Bo01, and that was in some way a starting point to change the image of Malmö. I think for the whole transition of Malmö, they are very successful using story telling as a tool to change the image of the city. And also used the physical structures of the buildings as a tool for story-telling with turning torso and Bo2001. I think they have a strategy that has a strong focus on story-telling. When you talk about Malmö, it's always two stories: the story of being successful and story of social disparity. One of the problems for Malmö is they had been so successful in creating jobs, but many jobs don't go to the population living in Malmö, but go to the population living in the suburbs. That explains why you have a strong growth in employment but very low level employment in the municipalities. Because the employment is well, but not for the people living in Malmö.

*Won't people move in Malmö when they have jobs there?*

Yes, to some extent. Obviously, if you look at population in Västra Hamnen, it's no low-income population. So to a larger extent than before, people with higher income will stay in Malmö. But the typical pattern for last decade was most people move in Malmö are young people. It was immigrants and young people from other parts of the region. They move in Malmö because it's a large city and have a lot of opportunities. But when you start to build a family and have children, you move out to the suburbs. So you studied here, you worked for a few years and then you start a family and you moved out of the city. But we may have a new trend from last a few years, when people have children they stay within city. That happens very fast, that changes the migration patterns. It causes some panics in the municipality, they realize that people are staying here with children, then we have to build day-care, schools, a lot of things we haven't

planned for. So it was very rapid change, the migration pattern. In some perspective, it's very positive for the region, because people are staying, they start job careers, their get income, taxes start to grow. But it was also a problem, because they have children, they have to build daycares and schools in a short run. That costs money for the municipalities, they had to find places to build these infrastructures. But maybe it's a few years early to say the new pattern will continue in the future. but it's interesting. It's a strong change in the last two or three years. It may also have to do with the finance crisis that people with children don't think they can afford the housing so they stay in the city. We don't know if it's the tendency or it will change.

*Does region Skåne work on making sure every municipality has equal chance to grow, or do you focus on some municipalities to help them grow faster?*

Well, it's a very good question, because we had this discussion since we started: if we should focus on growth poles or if we should be active in all municipalities, normal municipalities. And we haven't come to a solution. But we are working with four region parts. So we have had a focus to simulate the municipalities in those four region parts to work together, to stimulate its cooperation, because we have to in some way find some functional regions to work with, because every municipality can have strong labour market, at least in some extent, try to focus on the regional central for these areas: Malmö, Lund, Heisingborg, Kristianstad, most eastern part of the region. But the success has been mixed, you can see that we have a very good cooperation between municipalities for instance, in northwest Skåne. We have a strategy working with region parts, but only part of it been successful.

*Your focus is on the economic growth?*

Yes, mostly.

*And how do you achieve that goal? Does it require you to focus on the growth poles?*

Yes, but we also focus on to make a prognosis for what education would be most wanted in the labor market in the future. We try to affect the education system as well. That is not local, that's regional systems. Even responsible for high schools, municipalities labor market are regional. We also try to talk to universities in the region, to tell them what education would be most wanted in the labor market. But we have no power, we can only talk to them. It's up to them to act on that information. I have a colleague working with stimulating firms to export, have export-selling programme, that firms could have education how to export, we also sponsor them to some extent in that education. We have one department working with innovation system and cluster initiatives, we try to form clusters, around food and life science and so on. Those clusters have of course different geographical impact. If you look at life science, the impact is very strong in Malmö and Lund, because it's where research and the big companies are. If you plot all the companies in the life science sector, and medical sector, medical technology, we have nearly everyone of them in Malmö or Lund, few are in Heisingborg and Kristianstad, but it's very strong focus in southwestern Skåne, especially in Malmö and Lund. Because these we had universities, we had big hospitals as well. But if you look at food sector, that has a different geographic impact in the region, we have large companies in northeastern Skåne, especially in Kristianstad where we have a big strong (words missing) and big food manufacturing firms, to a large extent, northeastern Skåne. So you can see that, we focus is not to work with different geographical areas. But we have different geographical impact, when working different



clusters. The agglomeration tendency is very strong if you look at life science sector, it's very hard to try to localize company sector outside Malmö-Lund, the network there is very strong, the education, the research systems, and they have a common labor market with other companies, so if you try to establish a company outside the agglomerations, you will very hard to find employees. We have had researchers talking to the clusters, if you look at life science, they say the reason why we are in Lund or Malmö it's the labor market. You can find very high, specialised labors in Malmö and Lund, but we cannot find them in northeastern Skåne.

*Do different industries play different roles in the region?*

Yes, of course.

*Does the knowledge produced in the universities have to be connected to the local industry environment?*

Yes, I think you can say that. If you look at the strong research areas in Lund university, we have a very strong focus on medical sector, that to a large extent is we have in the region, and if you look at Lund University, they have a strong focus on electrical, engineering and radio communications. That is a big reason Sony Ericsson locates there. So I think you can find strong connections between the research areas and university and the enterprises.

*Which industry has been affected by Malmö University?*

I think you can say that they don't have the strong research role as Lund University. I think they had a focus for example, on media, communication sector. And they have tried to build Medion science park for medical sector in Malmö, but that has been partly achieved, perhaps because you have research hospital in Malmö, but you don't have academic research to the same extent to you have in Lund. It hasn't been successful, it has been very hard for stimulating companies to go to the science park.

*When the shipyard closes, they had lost a lot of employees, now at the same location, just around Malmö University, there are about 300 enterprises locate there, why does that happen?*

I think if you look at an example we have some small communicating companies locate in the small area, I think that has connection to the Malmö University, because they have a focus on media, those in research and education, you also have a focus on IT sector, perhaps not at the same high-technological level as in Lund, but more with aspect of communication, web-solution, and so on. That can to some extent explains why you have IT companies locate there.

*Do you mean because Malmö University has some sectors which can attract some companies, after these companies locate there, they create the business atmosphere to attract more companies?*

Yes, I think so. I also think if you look at Malmö-Lund as trade markets, I think Lund has a much stronger reputation for technical advanced companies, for example, Sony Ericsson. Malmö has a reputation as a more hip city for media and if you are working advertising or communications, so if you build website, I think it's easier to attract employees in those sectors if you locate in Malmö.

*So you mean the two cities have two different labor market patterns?*

Yes, I think so.

*Does this have to do with the traditional university?*

Yes, this has to do with traditional university. We also can see that Lund had some large companies that have shaped the business climate in the city, you have ST Ericsson, Sony Ericsson, you have Tetra Pak, and at least for a few months you have Astra Zeneca (they are closing down and moving to Goteborg). They have large companies also affect the research areas in the university. At least in the tele communication areas. If you look at civil engineering and electrical engineering, to a large extent, they have the labor market in Sony Ericsson. So sometimes it is symbiosis between the research and education and enterprises. If you look at the enterprise structure in Malmö, you don't have large companies left. I think it's very difficult to find private companies with more than 300 or 400 employees. If you look at the largest employers in Malmö in 2010, you can see, most are some kind of governmental offices. Malmö municipality is the largest, Skånes landstinget, which is the same as Region Skåne, the second largest, Skanska - building construction company, you have the police, you have Malmö University, you have post services. Other than that, a company for mentally and physically disabled people in the labor market. The largest private company after Skanska is ISS Facility, which is working with cleaning. I think that's interesting, when we talk about Malmö, we always talk about the Media, the high-tech sector, but it's also low level service sector is growing. The third largest private company is a bakery, and then they have the kriminalvård, the prison. Also the public sector. And if you look at the public sector, there is Försäkringskassan, that is responsible if you are sick, it pays the insurance. You have DSB. First, it is a transportation company with traffic in the trains and busses, pågatågen. You have Sydsvenskan, a newspaper - a big regional newspaper in Malmö and Lund. And then you have the first qualified service sector company, Logica - ITK (Information Technology and Communication) company, but that is not so big, it is 525 employees. In Malmö it is both high-tech and low-qualified sectors. If you look at the company structure in Lund, Lund is very dominated by a few very large companies. And if you look at the largest amount of employees, they are in Ericsson. If you look at the high level service sector, research sector, if you take ST Ericsson, Sony Ericsson. you have 5000-6000 employees. In Lund only, and that's a really large employer. But if you look at the largest employer in the ITK sector Malmö, it's Logica with only 500 employers. So you have a totally different structure in the qualified service sector in Malmö than in Lund, you have more small- and medium-size companies. So it's different patterns. If you look around there, it's a lot of companies in the information and tele communication sector, but most of them are small- and medium-sized. That could be a more creative environment, but could also be harder to find a global success, because you don't have the global channels to support big global companies.

*Do you mean it's necessary for cities to attract people who could do the qualified jobs?*

As large city as Malmö, or has population like Malmö, you have to find tax payers, you have to attract people with high incomes, you have to build environments that they want to live in, so they have to stay and move in the municipality. If you have all the tax payers in the suburbs, and growing population with migrants, you financially couldn't handle that situation. So you have to stimulate the local economy in some way. I think

Malmö to some extent has succeeded in both attracting companies in qualified sectors and building environment where people want to live if they have high incomes. Because that's one of the biggest problems that people with incomes didn't want to live in Malmö, the segregation is too large and social problems are too high and so on. But they have managed to build areas like Västra Hamnen, you have transitions of city centers from social problem areas to areas with high housing prices, high-income people move in. You could see strong tendency of gentrification in larger part of the central Malmö as well, not only in the Västra Hamnen areas. If you look at the price level of flats in Malmö, central Malmö is just as expensive as central Lund now. But if you go back 20 years, people moved from Lund to Malmö, because it was much cheaper to live in Malmö than in Lund. But that's not the case now. So you have gentrification to some extent to attract new groups to live here, not to work here. And that is of course good for the municipality's finances. But you still have the same problem as before, segregation, people who can't find a job move in and so on. So you are beginning to turn this large ship, this supertanker of Malmö around, but it's still early in process, so they have many problems. You have managed to attract new companies, and people with higher skills and incomes, but you still have severe problems with segregation

*Could you talk about the role of Malmö University in attracting the companies?*

It's mostly my own opinion, that I think it has a strong role in the attractiveness in the city. You have students move in the city, and also will find a labor market here. That's part of the transition of Malmö to high-educated population. And you have managed to attract companies, perhaps mostly in the IT, communication, advertising sectors. I know some companies that have move from Lund to Malmö if you work with advertising sector, Malmö is a strong advertising market, it's younger, it's more hip, it's larger, it's more urban than Lund. And of course the university itself is a big employer. I think Malmö University has played a strong role in the transition for the city.

*Also a strong role in attracting business? Can I say that?*

Yes, in some sectors, I think. If you look at the research and education in Malmö University. Lots of the students are educated to be teachers, that doesn't apply to companies. They are mostly educated to employees to the public sector. Also they have a lot education in health sectors, that's also most people will be employed in public sectors, so that doesn't either attract companies to a large extent. So I think, to a large extent, the research and education in Malmö University doesn't connect well to the private sector, because they are teachers and they are nurses, that is mostly people who will find labour market in the public sector. But as I said before, they also have these education in media, in communication, and IT sectors, that is strongly connected to private sector. That is perhaps an explanation why we would see a lot of companies in media, in IT locate around the university. But you won't find companies that service are provided for the manufacturing sector or something like this. Because you don't have that kind of specialization in education and research areas, that is more connected to Lund.

*When Sweden and Denmark cooperated to build the Øresund region, does that have something to do with the crisis in Malmö?*

Yes, I think it has at least in two different ways. One is the strongest lobbies for the bridge was Malmö municipality, because it was connected to the crisis of Malmö, they

saw the bridge can provide an opportunity to find a new labor market, and that was a success. If you look at the statistics, there are around 11,000 people commuting from Malmö to Denmark. Obviously, they managed to build a labor market. But I'm not sure they would build the bridge, if we hadn't seen the crisis in Malmö, because it was really that the university was something that Malmö worked very hard to achieve, because they worried about the crisis, they had to find some solution. At national level, they saw the crisis of Malmö as a national problem we had to find some kind of solution. If the engagement in Malmö hasn't that big in the lobbying the bridge and the university, I don't think that would happened. Also you can say that, when they built the bridge, most of us who work in the region thought that the intergration will start in the labor market, but actually what happened was that intergration started in the housing market. What happened first was that people with jobs live in Copenhagen realized they could find much cheaper housing in Malmö, so they move in Malmö but kept their jobs in Copenhagen. So they have become commutes. They live in Malmö and commute to Denmark. It was as late as 2007, the commuters were dominated by people who were born in Denmark, and first in 2010, people who were born in Sweden commute to Denmark were larger than the group of people who were born in Denmark and commute from Skåne to Denmark. So it was the intergration of the housing market in the early phase. That was a surprise, really. In 2007, we had a housing bubble burst in Copenhagen, so the housing prices shrink with 30% in a short period than a year. That has risen, to some extent, but not that much, along with the change of currency, people are moving back from Malmö to Copenhagen now, because the price is much lower, so we had net immigration to Copenhagen to 3000 people a year, now we have negative, it's close to zero, but it's a little bit more people moving to Denmark than from Denmark. But that's due to the burst of the housing bubble in Copenhagen and the currency effect.

## ***A.5 Interview with Inger Sellers***

### **Interview Guide**

#### **Background Information of Interviewee**

**Date:** June 22<sup>nd</sup>, 2011

**Name:** Inger Sellers

**Job Title:** Planner, Region Skåne

**The General questions for Inger Seller's interview are the same with the interview with Christian Lindell**

### **Script**

*Could you tell me about your position and working experience?*

I worked in Region Skåne since September last year, and we work mainly with planning. I'm a human geographer, but I worked a lot in the field of physical planning. Before I started in Region Skåne, I worked in municipality of Malmö for five years, with housing policies. Also master plan. We don't have a regional plan, or region physical planning in Skåne. But we have a programme for development, and then me and my colleagues are trying to work with development plan or programme, and master plans, and bring them together. So that's master plans use regional development plan. The

Swedish municipalities are strong and independent. So at some level, the regional development programme should be used in physical planning at the local level.

*So what's the main role for Skåne region?*

Mainly it's health, of course, I think about 90% it's health care, then it's prenatal development

*How can this organization contribute to regional development? How do you work for that?*

It's got a parliament of its own. And like a municipality court for the whole Skåne. We have regional politicians, the government of Sweden they give us the right to do this structural development for the whole region.

*When you say you have regional politicians in the parliament, does the city also have their own politicians in the parliament?*

The municipality has the role, they have their own local parliament, and we have a regional parliament.

*Your role is parallel with the municipalities?*

We work a lot with municipalities, that's our main working partners, for me and my colleagues.

*(Can I understand this regional government plays a role to contribute to the regional development and make the municipalities to cooperate with each other?)*

Yes, we are dealing with the physical plan. The municipalities are very independent and strong, it's the Swedish way, compared to other countries in Europe, and it's very different. Some cities are growing more, like Malmö and Lund, compared to Kristianstad. Malmö and Lund help the rest of region develop as well. #00:08:15-9#

*Are the more advanced municipalities willing to help the rest?*

Malmö and Lund are more and more working together. They also know they have a role for the region to grow. Some cities grow faster than the others that are Malmö, Lund, and Helsingborg. But that's not big news. But there also are other cities could be growing more, if they work together. We are trying to make them to be aware of this context: You must work together, you must do something. But we are not telling them what they should do. You have to make some political decisions, sometimes.

*Has Malmö's role in the region changed after the transition taken place?*

I think Malmö didn't have this strong leader position. It was a town of lots and lots inhabitants, it was poor. If you see its relationship with Lund, for instance, Lund hasn't changed so much. Lund changed too. But it's a university town now and before. What happens now is in Lund there are a lot of jobs in industry sector, high-technology level, and high skills. I think the two towns are more connected to each other now than before. There was a gap between Lund and Malmö, mental gap, before. It was very big. I think Malmö and Skåne region think of them as big city region, and they didn't think that before. You didn't live in Häsleholm and worked in Malmö before. But you do it now, easily.

*So you mean the connection in the region has been strengthened?*

Yes, much stronger. And there are some decisions could be made at the regional level. Like transportation, train system. There wasn't such a system before. And Skåne was divided before, two regions. One Malmö region and one Kristianstad region. Back 25 years ago, something like that.

*Now it's considered to be a whole?*

Yes, that's one really important political decision. You should be one region and you should be more independent as well, and you should also work with more than just health care.

*When you make the strategies for the region's development? do you take Malmö's role into consideration?*

We always have Malmö with us. Malmö is the big city and we always try to have them to work with us. And meet them. We work a lot with those kinds of projects like this project picture of Skåne.

*What's the most important factor for the region to grow?*

It's very important that it's not just Malmö and Lund are growing, other parts of Skåne must also be strong. I think they must also allow Malmö and Lund to be the strongest, to take the lead. I think it's very important for Malmö and Lund to work together, more and more. And also have ties to Copenhagen, the Denmark; they must work with us, too.

*Does the connection of Denmark play an important role? The most important?*

No, I don't think it's the most important, but very important. The bridge changes a lot of Malmö. And also the new trains that you could easily to commute to Copenhagen to work. Lots of Danes come to live in Skåne. There is a special system, you pay where you work, and it's not good. The Danish government gets some tax money to give Swedish government, on this level. Then the Swedish government tries to give it back to the municipalities. Of course it's the municipalities are paying for, schools and roads and all these things, so they need the tax payers. Some try to fix it, but it's a strange way to do it.

*Are you aware of that the gentrification problem in Malmö? How does region Skåne think about this problem?*

It is Malmö's problem, first, more than us. The gentrification, you can never say it's bad. But of course it's bad when poor people cannot find housing. But Malmö is a complex city, I think. Malmö needs the rich people, that's one reason they need to have areas like Västra Hamnen, where there are expensive to live, cause you need these habitants as well. Malmö is one of cities attracts refugees.

*Do you have to compete with other regions in Sweden, like Stockholm region, Goteborg region?*

In some way, yes, I think so. But we try to cooperate, of course. But yes, like you want more big companies, head offices, you want them to move in Malmö, even Copenhagen, rather than Stockholm, for instance. That's kind of competition.

*Are you funded by the state government?*

No, we have a tax possibility. We tax people, individual inhabitants. There is a regional tax, as well.

*What's the position of Skåne region and its relation with the municipalities?*

In our work, the physical planning, the municipalities are very important for us, they are our main co-workers.

*Is there some left problem of industrial time when you do this physical planning?*

Yeah, could be. Like Trelleborg, for instance, it's a town in South coast. It's an old industrial town, their transition started much later than Malmö's. We would like them to be more aware of what they can do, how they can act, what decision they can make to have the city grown.

*How do you think about the role of universities for regional development?*

I think it's important. If you hadn't got the university, you couldn't have all the people. Development also comes from people, people's mind. Universities attract the educated people, and they stay, they build new companies. There is the development.

*Why it's so important for Malmö and Lund to cooperate?*

I think it's you are much stronger that alone, the cities as well. And Malmö and Lund, for instance, so different, but they are very close. I think if they work together, they are much stronger than they work single-handed.

*How do they work together?*

Like they can have some strategic plan, master plans together, for instance, how do they want to develop the physical area, how they connect. They take a lead role.

*Do they work together these days?*

Yes, they do now.

*Do they also compete?*

Yes, I think they compete. But I think Malmö competes more with Helsingborg than Lund. That's an old competition.

*In which aspect do they compete?*

Like where do you have big investment from the national government, for instance. Malmö has got a bridge to Copenhagen. Helsingborg wants a tunnel to Copenhagen. Malmö won the bridge. Malmö now says, of course, Helsingborg must get a tunnel, new connection to Denmark, that's good for region. But they wouldn't have said that if they hadn't got the bridge first.

## ***A.6 Interview with Gunnel Stenqvist***

### **Interview Guide**

#### **Background Information of Interviewee**

**Date:** June 27<sup>th</sup>, 2011

**Name:** Gunnel Stenqvist

**Job Title:** Retired

Former: General director, the head of the department in the ministry of higher education and science

Member of the committee set up for Malmö University, University College of Södertörn and Gotland

## General Questions

- When the crisis of Malmö emerged, what was the attitude of the state? How did the state react on it? What role did the city Malmö play to Sweden during that time, from the state's perspective?
- There were other industrial cities going through same problems, how did the state deal with that? How did the state decide which cities should the state help more and how much help should it give?
- \What made the state to sign the agreement about the bridge with Denmark? Was it caused by Malmö's crisis?
- When the state assigned and organized the conference where Malmö 2015 was came up with? How did the state decide the member structures? (Which groups should be included? How many seats for each group)
- Was it difficult for the state to pass the proposal to build Malmö University? Does it cost a lot for the state to open a new university in Malmö? Consider during that period, it had already cost a lot of money of the state to help alleviate Malmö's depression.
- Have other municipalities with similar problem complaint about it?
- Malmö University's foundation is partly caused by the social democratic party's decision to make 50% of the generation to get higher education, do you agree with that? Why do you think the social democratic would make such a decision and get support at that period?
- Is the state satisfied the solution to build a university in Malmö and Malmö's current situation today? What role does Malmö play now to Sweden?
- How do you view the transition? What problems and difficulties do you see in this transition?
- How does the state view the role played by universities for regional or urban development?

## Script

(Interview conducted via telephone)

*Could you first tell me your position and your work during the time when Malmö had the crisis and they determined to change the orientation of the city?*

I worked in the ministry of education and science and I was a general director, I was the head of the department in the ministry of higher education and science. I was also in the committee, there was a committee set up for the university college of Malmö, and university college of Södertörn and Gotland, it was three places in the same time. And then I was ex officio depending on my duties, I was in those three committee I was in the committee that built up Malmö högskola, I was there because I was the head of that department in the ministry so I was the representative for the ministry and it was the undersecretary of state who was the chairman of the committee in my ministry.



*(During the crisis, do you know the state government's attitude toward the whole thing?)*

I'm not a politician, I worked there as a civic servant in the ministry, but by that time, when the university college started, I'm taking that position because that was when Sweden wants to build the university up in the surroundings where there are many unemployed, many immigrants, and where there was a transition from the industry society to a knowledge society, it was in that period that those new universities started, and it was also during that time when the government and the parliament made the decision. You know, they government made the proposal to the parliament, so it was in that time, the government decided to build all the universities in Sweden. They decided there should be a lot of seats in higher education at that time. Because Sweden should be a leading nation in higher education, because we should be well-educated people, so therefore it was built up all over Sweden, but there were extra seats in the surrounding of big cities, Malmö, Stockholm, Göteborg, especially in the surrounding of Stockholm and Malmö, but also in smaller towns in Sweden. It was sort of two transitions, on one hand, the transition from industry society, it's not only for Sweden, it's all over the world, the same, to a knowledge society, and the other was Sweden made extra effort to build up the higher education in the areas where I said there were many immigrants, unemployed, and also to give up opportunities to people from uneducated homes to get higher education.

*But during that time, Sweden had the financial crisis*

The biggest crisis that was in 1991 or 1992, those university colleges were built up in 1994, 1995. The bigger crisis was early in 1990s. But it's also a way to strengthen Sweden to get the people more educated, it was many jobs which were moved abroad, because it was cheaper, the salary was lower in eastern Europe, for example, there were also a lot of jobs where moved to China, where they paid lower, and it was also in the time, 1990s was the wall between east and west fell. So it was many transitions by that time. Eastern Europe is our nearest neighbor so we have a lot of cooperation with Baltic states, for example, Estonia, Latvia and Lithuania, and Poland, and so on. And it was also a big transition with European Union, by that time.

*So was there enough budget to build up so many universities?*

To build up universities is not so expensive, to finance the research and science, for example, in Södertörn university, they took, (words missing) by that time, when the (words missing) do you know what Löntagarfonder is? There was a big firm with money from the ..., the big discussion is all these money that funds where built up, are they from the employed or from the factory.... n äring. But there was a lot of money that was built up in Swedish society that was put in funds and the conservative government decided to lock up those funds and put it in other funds to finance research and also money was taken from the funds to finance the science in Södertörn university. But money for Malmö högskola was taken from the normal budget. So every depends on what priority you do, by that time, it was high priority for higher education, and lower for other things. There is for example taking money from the military defense, by that time So it was a transition from that. Also taken from other budget, I can't say exactly from which budget, but from different sources. Usually when you make budget in the government, you take a little here, and a little there, if the government decide something to be done. If you don't have new money, it depends on economic growth. And if you

don't have any state debt, then you have money left to make reforms. By that time, it was not so big growth in Swedish economy, but the Swedish government thinks it you educate the people, and if you put money to research to get innovation and get new companies, then economy will grow, then you will get money. Then it's very important to put money just on education and research, because that is one measure to make economy grow.

*During that time, there were many cities having economic problems, Malmö is just one of them, how did you decide which city could have a university?*

In Malmö, that was a big problem, because the industry company closed, for example, Kockums, but also others. In Karlskrona, they also built up, because they have a technological university and with data and information technology and that was important, so they get seats, and in Stockholm, Stockholm university, because in Stockholm, it was a new university, south of Stockholm where there were many unemployed and many immigrants, and many low-educated people. So they get more seats in that area. There was a variation in the reasons why a university was built up.

*Do you mean they decide by seeing which city has a more serious situation?*

By that time, Sweden put seats on almost every university by that time, because Sweden, as a whole, should be a knowledge nation. Therefore, every university gives some seats. But some cities get more seats, then I gave you two examples where they get more seats. That's was Malmö and South Stockholm. Example to such areas. It was all over Sweden they got new seats, but it was a puzzle who was laid by that time. Because it also depends on how many new seats university could take, it depends on if they have enough teachers, for example, in one area in Sweden, one town in Sweden doesn't have enough teachers, professors, graduated teachers, they didn't get so many seats. It depends on if they have the possibility to take seats. So you don't put seats to universities that not have capacity to take the seats, so you could say in every case, it's many reasons. I was in the ministry when those seats were put out at every place in Sweden and it was big discussion, every town in Sweden who got more seats. It was discussion between the four parties, because by that time, when it was started, it was conservative government with one, two or three or four parties, when it started, it was the conservative, the liberal, the central party and the christ-democratic, it was four parties, and they discussed. If there was a person from one part from the country, perhaps she says I want more seats to my town, otherwise they don't like me in this town if my town don't get any seats. You see the point it is a lot of research of every place but it was the bottom reason of how the places were spread over the country, and those reasons where as I said from the very beginning that some university have a special profile, who was important to build up, because they have education that was important for the county, for example, information technology then I said to you, that Blenkinge Högskola, also south of Sweden, was important. And Malmö, and South of Stockholm, were the other places in Sweden that got many seats. Malmö, a lot of seats that were moved from Lund university as a base. I hope you have read about the Malmö know the compensation of the university, because there are technological education, teaching education, science, and social science. It was important that Malmö högskola had a base of seats from Lund, that was only moved then the resources were taken from Lund, and put to the new university. For example, teacher education, and some others. And in south Stockholm, Södertörn. Have you read about Södertörn

university? (Not yet) You could read Södertörn University on our homepage, I used to work in Södertörn university, I was the leader in the vice chancellor stuff but now I only help them a little bit, because I'm retired now. But I have worked within the university college, or Swedish higher education seats, that now I call university, but when they started, they were called university colleges. The system has changed three or four times since I worked there.

*Yes, I know the differences. I just don't know how did you decide should you build a university or a university college?*

A university college was a construction where we started, because it was decided from the beginning that Malmö and Södertörn should be universities, it was built up in that way. Södertörn University from the beginning had 65% teachers with doctor degree, that was the highest degree percentage in Sweden. It was only Stockholm school of Economics and one other university that had so high amount of teachers with doctor degree and professors. But then the new government made new reforms and change the system again, and therefore Södertörn and Malmö never were pointed out universities, but now they have changed the system again, you could be permitted to give degree in groups of subjects. That is too complicated to explain in the telephone.

*Do university and university colleges have different functions, for example, Malmö University focus more on labor market than tradition universities?*

I don't agree. Because which university in the world are not directly to the labor market? Everyone who studies in the university should work somewhere when they have finished their studies. I think that's also the university is part of the labor market. How many people that study in university will be university teachers? Other will work in the hospital and other will work in the school. I don't know will you call that labor market, but I call that labor market. If you compare Lund University with Malmö University, if you compare those two universities. What are the differences between Malmö and Lund? Lund educated civil engineers, Malmö educates dentists, Lund educates medical doctors, Malmö educate teachers, etc. Uppsala and Lund have existed in 1400 and 1600, so it's clear there are some differences between those old universities, they have all sorts of education in those university towns. But I say no when I have a perspective of education in Sweden's university. It was very hard for me to say there are differences between universities in that means. If somebody has told you that is like this, because some universities called themselves professional universities. Borås, if you look upon Borås, do you know what Borås is? It's a middle-sized university in Västra Götaland, near Goteborg, you can go their website and look upon them, on Borås they say professional universities, because they educate people for decent medical education, but not doctors, but nurses. they also educate engineers, and if you look upon Malmö, they also have technical people and they also educate teachers, and that is professional. Södertörn university has more general education and the students pick together their education themselves, they could talk together language, information, technology, mass media communication and then they work with information technology sectors. For me, that is very professional education, because if you look upon Södertörn University and the programmes Södertörn has, all those programmes are decided to for different professionals, that was very important when Södertörn started, that students there should have composition of subjects that could lead them to the labor market. So therefore you have with information technology, medical technique, for example, also

entrepreneurship and languages in good communication, so they could have for example, economy, information technology and language, that will lead them to companies and good job companies. So that is for me, education directly links to the labour market. And that was very important to Södertörn, to make those mixes of education to be sure that students who come from different countries and from different homes, also uneducated homes that the education is constructed so that students get jobs when they get out of the university of Södertörn. And they also get jobs, all of them. We don't have any doctors education or no education of lawyer, and not of priest, and not of these traditional university education that you have in Uppsala and Lund, for example. We also have teachers education, and they give jobs to all of them, because our teachers education is specialized so it is in the cultural-led teacher education and in the cultural education, it's very progressive and not so many universities have that programme. I think it depends on what perspective you have, I say from the governments' perspective, then I also say from one of the new universities, from Södertörn, so I say it from two perspectives. It is easier when you have a new university to organize, it was the government from the beginning said Malmö University should be organized from the five fields. but you see, the other universities also have changed, Lund and Uppsala don't look like 200 years ago, they also follow what happened in the world. So therefore they have also changed their education and programmes so to be more modern. Exactly so it is. But the new have been to more progressive because they could start from the beginning, and they also have the instruction from the government that they should do things in new ways to meet the new world. So in that way they are more progressive, but some parts of old universities also change their education to be more up-to-date, and to meet the competition in the world, so sure, that stresses that new universities have some other focus in the beginning and that was the governments' instruction that they should have, they should profile in fields that were important for Sweden by that time, and one of the areas that Sweden should be no.1 was information technology, in Sweden we had one of the most progressive company in the world, you know, Ericsson. And Sweden was one of the front countries in information technology, so that is Sweden and US. Sweden was one of the leading countries if you judge from how big part of population who use information technology and has computers and has mobiles, for example. So that is one big field for transition. That is the way of communication, depending on the information technology. So the big company Sweden had and still have is information technology and we also use a lot of medical products. That was good and bad.

*Do you mean for the state government, like people from the ministry of education, think what the university should teach should be in line with the country's development strategy?*

No, one idea among governments is the best thing to do, that is to let everybody choose their own education, choose free what they should be, and give the resource to that education. Do you know which is the biggest education in Sweden, if you should give the money to the seats where people want to study? Then it should be journalist education and theater and art education. Because those are programmes most students to seat. For example, theater education that are hundreds of persons to every seat who want to sit, there were so many seats in that field, but there are many students that want to be that, that want to study that subjects. And also, journalist, very popular. Not so many people want to be engineers in Sweden, that is a big problem in Sweden and the

rest of the world. That people don't want to be engineers. And also they don't want to be teachers and physics, chemistry and maths. Therefore, we are lack of a lot of people in those fields. And we are happy when we got immigrants from other countries who want to study those subjects, because there are lack of students in that fields. It also has been a good thing that because one of the greatest industry in Sweden has been the musician industry, it has been a very great export market in Sweden, so that was a great export article to produce music. That was one of our big success area. Chemical, medical, technical are also big areas for Sweden.

*Does the higher education in Sweden mainly focus on labor market?*

If you had asked me ten years ago, I couldn't imagine our cars are not produced in Sweden. I couldn't answer these questions to say now we shouldn't educate any more people to produce cars, because we don't produce cars in Sweden anymore. Who knows. It's a new generation who decide what Sweden should do in 25 years. We don't know that. It depends on what people want to work with. If you don't have any people who want to work with that the government put in universities, then something else will be produced. So perhaps the best is everybody studies what they want to be, perhaps that will be the best society. I don't know and I don't think anybody knows. But you must have some sort of base in the country, every country must have some sort of base, I think. You must educate teachers in every country, you must do that. You must educate some people to do medical professions in every country. You could import those people from Poland, from China, but I don't think that is good. I think every country has to educate people for medical professions. I think perhaps also every country must educate some people for the nuclear industry, because you must be sure that you have a group of people who have knowledge to put the nuclear stations down, if you decide not to have nuclear industry anymore. So you must have some people educated for that reason. That is what we say in Sweden. Which groups of profession that a country must educate, that is a question of discussion, how many that should be, in which seats, that is also what the government discuss. Medical doctors is a good example. Because then community says we need 100 new doctors here, and 50 new doctors in other parts of Sweden, so you have to put more seats in the university of Umea, Uppsala, Lund and Goteborg. But then the doctor organization said, no, don't educate so many, you know why they say so? Because if you educate too many, then the salary will go down. And that is not what the doctors want, they want the government educate few doctors, then they could have a higher salary. It's complicated history area. I've worked for 30 years as a civic servant in these fields, so I have been with a lot of discussions with different ministries, with different parties, from conservative to social democratic. And it's weeks and weeks of discussions, every year when the budget should be laid: which town should have more seats and in which fields should they have more seats. Do they have more seats in the fields that they want themselves? Or should the government press on them and say you have to educate more engineers? And less actors and journalists. And it's not so easy because if they don't have any applicants it's not easy to educate people if there are no people who want to study those programmes. Universities have important roles in the country's process, that's sure.

*How do you think about university's role in regional development?*

Very important, very important. If you go to areas like Umea, Luleå or Blekinge around Sweden and imagine there is no university, because the universities are also attracting

the labor market to come there. In Skåne, it is easier. In those regions, if you don't have any university, any cinemas, theaters, libraries, then you don't have any labor market, either. Because nobody wants to work in the industrial cities if there is no culture, education, then the people who works in the industry won't have any school to put their children in, it won't be society. It was very important to have higher education in Malmö, what can they do otherwise? It's very important. But it's also important in other places, because it's a way to attract industries and companies to come there. I know that because I have been in the discussion when other countries wanted to establish the factories in the surroundings of Gävle, in the Northeastern Sweden, and one of the first questions they put was: what sort of higher education and science and research does Sweden have in these areas? And if we didn't have, they wouldn't invest and establish in those areas.