

UPLIFT – Urban PoLicy Innovation to address inequality with and for Future generaTions

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# **Table of contents**

Summary	4
ntroduction	6
1 General description of Borlänge Functional Urban area	9
2 Findings	12
2.1 Education	12
2.1.1 Educational inequality and national policies	12
2.1.2 Statistical analysis of educational inequality at the local level	13
2.1.3 Local policies influencing educational inequality	17
2.2 Employment	19
2.2.1 Inequality in employment and national policies	19
2.2.2 Statistical analysis of labour market inequality at the local level	19
2.2.3 Local policies influencing labour market inequality	21
2.3 Housing	23
2.3.1 Housing inequality and national policies	23
2.3.2 Statistical analysis of housing inequality at the local level	24
2.3.3 Local policies influencing inequality in housing	25
2.4. Aspects related to immigration, asylum and minority issues	27
2.4.1 Inequality and national policies related to immigration	27
2.4.2 Statistical analysis of inequality at the local level – levels of segregation	29
2.4.3 Local policies influencing racial and ethnic inequality	30
3 Innovative post-crisis policies	32
4 Discussion and conclusions	35
References	39
Appendix	43



# **Summary**

- In accordance with the Methodological Guidance and Work Plan for WP2 of the UPLIFT project, this report examines the scales and dimensions of inequality affecting the young population in the functional urban area (FUA) of Borlänge, Sweden. National and local dynamics are analysed to find how the drivers of socio-economic inequality operate in this context mediated by policy interventions, including an overview of how policy-makers and stakeholders conceptualize and respond to the challenges. This corresponds to the mesolevel of analysis in the UPLIFT project, i.e. between the macro-level analysis of inequality drivers (the focus of WP1) and the micro-level analysis of individual behaviour and strategy (the focus of WP3).
- The analysis is based on desk research and interviews with 11 key stakeholders at the local and regional level, as well as relevant findings presented in previous deliverables of the UPLIFT project.
- After describing the FUA, we present the main trends and policies in four thematic areas education, employment, housing and aspects related to immigration, asylum and minority issues, relating this to overall national developments. The analysis covers a period commencing shortly before the economic and financial crisis in 2008 (which was less dramatic in Sweden than, for instance, in Southern Europe), the subsequent post-crisis years of recovery and the Covid-19 pandemic. However, as we have access to complete individual records of longitudinal registry data for the region and the country, we base the core of our empirical analyses on the use of these data and compare three particular years: 2007, 2012 and 2017.
- Our findings show that most local actors view refugee immigration issues as key challenges for efforts to combat inequality in employment, education as well as in housing. Interviewees point out residential segregation as a key problem needing policy development and new approaches. This, they state, calls for cross-professional and cross-sectorial collaborations among municipal actors as well as intensified collaborations with housing companies and civil society actors. These challenges are however not unique for this Swedish city region and Borlänge makes use of experiences made elsewhere in Sweden and does receive state support for developing its counter segregation planning and intervention practices. Although these measures are not exclusively focusing on the young, children, adolescents and young adults are key target groups.
- Political and administrative efforts to combat segregation and to mitigate its effect, such
  as planning for social mix, and putting more resources into schooling and leisure activities
  in certain schools and neighbourhoods, are identified as innovative elements in relation to
  local inequality policies but although they can have a big impact on future cohorts of young
  people their focus is not limited to the young. Instead, they are seen and we argue –



should be seen as a more general and structural ambition to tackle inequality and its reproduction. Some positive programme effects are visible but given the challenging foundation of segregation dynamics, the effective reach of policy interventions is estimated to be modest.



### Introduction

This report examines the scales and dimensions of inequality affecting the young population in the functional urban area (FUA) of Borlänge, in Sweden. Our purpose is to understand how the drivers of socio-economic inequality operate in this local context, as well as the role of policy interventions in aggravating or reducing the impacts of inequality on the urban youth. Therefore, particular attention is paid to the room for action of local policies and the manners in which policy-makers and stakeholders conceptualize and respond to the existing challenges. This corresponds to the meso-level analysis in the UPLIFT project, i.e. between the macro-level analysis of inequality drivers (the focus of WP1) and the micro-level analysis of individual behaviour and strategy (the focus of WP3).<sup>1</sup>

Building on previous deliverables of the UPLIFT project, this report expands data collection and analysis by bringing in additional desk research and interviewees with 11 local actors. The desk research was carried out between November 2020 and November 2021, with the aim of collecting and organising the relevant literature produced at the national, regional and local levels on the four thematic areas of analysis: education, employment, housing and immigration/segregation. Special attention was given to studies that scrutinise the patterns and structures of inequality affecting youngsters in Borlänge and policies influencing urban inequality since 2008 and the advent of the global economic and financial crisis.

This report combines statistical data with interview information. The most used statistical data source is an anonymized individual registry-based dataset purchased from Statistics Sweden, the Geosweden database, owned by The Institute for Housing and Urban Research, Uppsala University. It contains annual and geocoded longitudinal information (anonymized) on employment, income, education and housing for all residents in Sweden. We have made use of information from three years, 2007, 2012 and 2017, allowing for analyses of change over time for the entire country, the urban region of Borlänge, and for its core and non-core parts respectively. Some information is also brought into the analyses using online access to other publicly available datasets. All sources are provided in the report. The desk research started in 2020 but was most intense in parallel to conducting interviews in the region April to June 2021.

<sup>&</sup>lt;sup>1</sup> The specific guidelines for the reports on the sixteen FUAs under study in the UPLIFT project can be found in the WP2 Methodological Guidance and Work Plan. As established in that document, this report draws on results from four tasks of the project: Task 1.3 - National policies and economic drivers for inequality, Task 2.1 - Statistical analysis of inequality at the local level, Task 2.2 - Analysis of the main socio-economic processes and local policies influencing inequality during and after the financial crisis and the subsequent recovery, and Task 2.3 - Innovative post-crisis policies.



The Covid-19 pandemic has made the interviews impossible to conduct face-to-face but fortunately, we have not experienced any technical issues with online interviews. Internet connections are well developed, and key informants have mostly worked from home and are used to online meetings on a regular basis. With some (expected) delays we have managed to conduct 11 interviews (sex males and five females) with local officials and other stakeholders in the Borlänge region, predominantly in April, May and June 2021. Planning this we aimed to cover both regional (two interviews) and local actors (including one from a non-core municipality in the FUA region) and we aimed for covering key aspects of Uplift's identified primary dimensions of inequality: the labour market, education and housing. Most interviewees held strategic positions within the regional and municipal administrations and only two represented NGOs. This, we would argue, reflects the general importance of public versus non-public actors in combatting inequality in Sweden. NGOs are important but maybe less important than they are in other countries with a less ambitious welfare state. In addition, the most relevant NGOs work in close contact and are partly funded by State and municipal boards. In total, the transcribed interviews amount to 60 pages of written text and unfortunately only a part of this valuable information can be fully reflected (as citations etc.) in the report.

As we early on found out that residential segregation and policies related to segregation locally are identified as crucial aspects of inequality and of policies aiming at counter-acting inequality in Borlänge, we have conducted several interviews which provide information on this aspect and the related policy interventions. The average length of each (Zoom-)recorded interview is 65 minutes (all are 45 to 80 minutes long) and they were afterwards transcribed into text format. We have then sent the written file to each informant, who have all given their consent to using the material in this report under the condition not to reveal the identity of interviewees. We are grateful for their willingness to participate and have not encountered problems in the scheduling and performing of interviews. Only one scheduled interview had to be cancelled due to Covid-19 sickness.

Public policy decentralisation has a long history in Sweden and municipalities are financially resourceful (municipal income tax and State redistribution of tax money together being the backbone of their budget) and they run most of the welfare state services. However, State regulations certainly frame most of their activities, including law-based requirements to cater for basic social needs of their residents, securing access to housing, and to education and leisure activities for children. Variations in resources and spending are therefore quite modest across municipalities. Within them variation can be greater although poorer neighbourhoods are typically compensated for having a less resourceful population (for instance more money per pupil for running schools in such environments).



Some interviewees were concerned that public policy is not strong enough to have the capacity to counteract structural inequalities created by the modern economy's demand for highly educated while at the same time the demand for those lacking a secondary school diploma has rapidly declined in the wake of de-industrialization (interviews with regional and municipal civil servants). Overall, it is the lack of social integration of refugees and their children that bothers most local actors irrespective of the dimension of inequality discussed.

The report begins with a generic description of the FUA, highlighting key local characteristics and how they compare with the country as a whole. This is followed by a presentation of the main trends and policies at the national and local levels, based on the analysis of literature, statistics and interviews. Afterwards, the case of an innovative policy is examined in greater detail. Finally, we summarise and discuss the main findings, emphasising their contribution to understand the FUA of Borlänge and to fulfill the broader goals of the UPLIFT project.



## 1 General description of Borlänge Functional Urban area

Sixteen Functional Urban Areas (FUA) across Europe are studied at the meso-level of analysis in the UPLIFT project.<sup>2</sup> As explained by Dijkstra et al. (2019), the concept of FUA goes beyond aspects of population size and density to consider also the functional and economic extent of cities. Therefore, the FUA of Borlänge is located some 200 km northwest of Stockholm and includes the city of Borlänge in itself (the "city"), as well as areas around the city that are closely linked to it from a functional point of view (the "commuting zone"). What makes Borlänge somewhat special but certainly not unique is that the FUA region has a twin city urban core made up by Borlänge and nearby Falun, both having 50,000 to 60,000 inhabitants with a geographical distance of 21 km from city centre to city centre. The remaining four municipalities within the labour market region (Gagnef, Leksand, Rättvik, Säter) each have their own smaller urban centres but also more rural areas and each of the four have 10,000 to 16,000 inhabitants (see map on final page in appendix). Local policy analyses will mostly focus on Borlänge municipality –making up a third of the FUAs population– and that is the reason for defining Borlänge as the core in subsequent statistical analyses. We try to avoid conceptualizing the non-core part of the FUA as a periphery.<sup>3</sup>

Interactions between Borlänge and Falun are frequent in the form of commuting in both directions, people changing workplace across jurisdictions, migration etc. However, historically the cities have different origins and still display partly different economic functions. While Falun with a copper mining history going back to the 13<sup>th</sup> century today leans more on central administrative functions (State and regional administration, hospital services), Borlänge is predominantly a product of industrial capitalism in the early 20<sup>th</sup> century, and especially after WWII, with a core of paper and steel production. Both cities are now predominantly service-based, although still more so for females than for males, and they jointly host a growing university college and carry out some common city planning (strategic documents etc). Several interviewees note that Borlänge traditionally has been better connected to the national political scene, partly because of political party connections (Social Democrats) and partly because they have looked for more support during the period of structural economic change. The latter has not felt so urgent for Falun politicians. There is certainly cooperation between the cities but traditionally also competition (Ekstedt & Henning 1990).

With respect to public administration, the municipality of Borlänge is run by a city council with no elected territorial sub-division boards.<sup>4</sup> The administration and its steering functions (thematic

<sup>&</sup>lt;sup>2</sup> That is, as mentioned above, between the macro-level analysis of inequality drivers (the focus of WP1) and the micro-level analysis of individual behaviour and strategy (the focus of WP3). Borlänge will not be part of WP3.

<sup>3</sup> Table 1 in the Appendix displays key population data for the Borlänge FUA.

<sup>4</sup> There are 290 municipalities in Sweden, each with its own city council.



boards with elected members of the city council) are now organized in four broad sectors: *Bildning*, which comprises education, labour market and immigrant integration; *Sociala sektorn*, which runs elderly care, individual and family support; *Samhällsbyggnadssektorn*, which comprises units for city planning, environment and sustainability but also business services; *Sektorn för verksamhetsstöd*, which has a supportive role for serving residents and municipal employees, such as Human Relations (HR), economic office, information, strategic development, and Information Technology (IT). All in all, the municipality employs circa 4,500 people. Our interviews have covered key members of staff within all four of these sectors.

According to the latest data available (Dec. 31, 2020), the municipality of Borlänge has 52,394 inhabitants and a territory of 583.9 square kilometers. It is the most densely populated municipality in the NUTS 3 Dalarna (county) region, with 90 persons per square kilometer (*vis-à-vis* around 10 in the county as a whole and 25 in Sweden overall). The Borlänge population is quite diverse in terms of ethnicity. Around one in four has a foreign background (born abroad or having two foreign-born parents), a proportion much higher than its twin city Falun (13.7%) and the non-core part of the FUA region, but similar to the country average (25.9%), with people born in Somalia being the biggest group followed by Finland, Syria, Iraq, Turkey, Eritrea, Afghanistan and Iran. While the Finnish presence dates back a long time the remaining are mostly refugees and later arrived family reunion migrants.

Certain crimes committed in Borlänge have attracted national media attention but the crime rate in this municipality is nevertheless below the national average, with 111 total reported crimes per thousand inhabitants in 2020 (*vis-à-vis* 151 in the country).<sup>5</sup>

As for the young population, there were 27,969 persons aged between 15 and 29 years living in the municipality of Borlänge in 2017, i.e. 19.9% of the total population are in this age group. This share has been stable over the last decade – it stood at 20.0% in 2007 –, while it has declined in the FUA region overall (down from 18.6 to 17.7) and in Sweden (down from 19.0 to 18.7). When viewing developments over time for particular cohorts – in this case young people aged 15 to 29 – it is wise to recognize the inherent dynamics following cohort approaches. Two thirds of those who belonged to the cohort in 2007 will have left the group in 2017 while two thirds of the 2017 young cohort have entered the group over a ten-year period. The composition of those exiting and entering can vary quite substantially, in particular during times of substantial migration. Figure 1 illustrates this dynamic by charting the proportion by age that has a stable Borlänge presence over time. For instance, less than six in ten of the 18 year olds living in Borlänge FUA in 2007 were still a Borlänge resident in 2017. And similarly, about one in three of the 28 year olds in 2017 was not a Borlänge resident ten years earlier. We will provide some more of this kind of longitudinal

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<sup>&</sup>lt;sup>5</sup> Crime statistics by type of reported crime and territorial unit is available online from The Swedish National Council for Crime Prevention, Anmälda brott - Brottsförebyggande rådet (bra.se)



data in subsequent analyses. However, the format of this brief urban report and UPLIFT's comparative ambition do not allow for extensive exploration of longitudinal data.

The FUA of Borlänge can be regarded well-off in an international perspective but average disposable incomes tend to be lower than in Sweden overall (SEK 216,000 vs. 235,000; the gap has also increased since 2007 when the corresponding figures were SEK 167,000 vs. 175,000, respectively). Welfare state arrangements are generally quite robust and the at-risk-of-poverty measure for the young indicates a position near the national average (29.8 in Sweden and 28.7 in the Borlänge FUA). FUA residents are nevertheless heterogeneous with regard to economic resources and the trend 2007 to 2017 has been an increase in low income residents (bottom national income quintile) and a decrease in the wealthiest residents (upper quintile), compared with the national average. This trend has been affected by developments in the core, i.e. by the influx of refugee migrants who have settled in the core and not yet entered the labour market in greater numbers. Although it affects both genders, the tendency has been stronger for males. Despite this and despite only minor gender differences in employment rates, females are still underrepresented among high-income groups and over represented among low-income groups. Income polarization has a distinct geographical pattern where both ethnic minorities and the poor are clustered into a quite small number of neighbourhoods, which have been identified by city planners since the 1980s. It is primarily in these rental-dominated districts we see social challenges in the form of poorer educational achievements, lower employment rates, and bigger costs for running welfare systems.

The 2008 financial crisis certainly affected the region but mostly its highly export-oriented firms and not the overall society in a fundamental social way. Economic growth and recovery were strong already in 2010. When interviewing local stakeholders, none refers to the 2008 financial crisis as having had much importance for the region's development. More detailed information at the local level, including quantitative and qualitative evidence on occupational structure, unemployment, educational attainment or quality of housing, among other dimensions, will be examined in the following chapters.



# 2 Findings

#### 2.1 Education

#### 2.1.1 Educational inequality and national policies

Inequality has grown and average educational outcomes have deteriorated in Sweden since the early 1990s. (For a recent analysis, see the final report from the Swedish Commission on Equality, 2020). Researchers point at many combined political-institutional and demographic shifts in explaining this development: the transfer of control over schools from the State to municipalities (1991), the introduction of free choice options (1992) leading up to the creation of an educational market to become increasingly dominated by big educational and venture capital companies, the influx of immigrants (primarily refugees) and increasing levels of school and housing segregation. These profound developments have brought about a more polarized educational system with increasing differences in outcomes between high and low achieving children and across primary and secondary schools.<sup>6</sup> The impact of these regulatory and system changes has a different temporality and scale in different regions and not all regions have been equally attractive for investments by private educational entrepreneurs. The proportion of public schools therefore differs across municipalities and between primary and secondary schools. The number of independent schools with public funding, so-called charter schools, is nevertheless still growing in Sweden. Following the law change in 1992, parents and their children can choose among tuitionfree schools, whether municipal or private. (see Education in Sweden).

In 2020, around 17% of compulsory schools and 34% of upper secondary schools in Sweden were charter schools and they attracted 15% of all compulsory school students and 28% of all upper secondary school students. The corresponding figures for Borlänge municipality were 10% and 15%, respectively (Swedish National Agency for Education). Interviewees in Borlänge mention that, maybe due to the city's dominance of Social Democrats, private investments have not been encouraged.

The main criticism over charter schools concerns four aspects (see for instance Dahlstedt and Fejes, 2018 and Fjellman 2019): (1) they are publicly funded but can be run for profit, (2) they tend to attract children from a more resourceful background (and thus contributing to school segregation), (3) they under invest in school libraries and playgrounds and (4) they hire a bigger proportion of non-certified teachers (a certified teacher has a formal teacher's exam/diploma). Obviously, points 2 to 4 are sources for profits as charter schools are funded at the same level as public schools. Most researchers and evaluators agree that charter schools under a free choice

<sup>&</sup>lt;sup>6</sup> See Uplift Delivery 1.4 for a discussion of free choice policies and marketization of public services.



regime have contributed to increasing polarization and inequality in the school system (OECD 2014). School segregation has increased but is still lower in Sweden than in most other countries (Böhlmark Holmlund and Lindahl 2015). As pointed out in the Uplift Framework study on socioeconomic inequality in Europe (Uplift Delivery 1.4, p. 44), "school allocation policies are important as they determine the student composition of schools, which in turn affects the outcomes associated with peer effects, neighbourhood effects and family background effects". Sweden's neoliberal educational experiment since the early 1990s clearly illustrates this and there is an ongoing national debate on how to reform the system.

#### 2.1.2 Statistical analysis of educational inequality at the local level

In table 2 we first use (left panel) a study indicator from the educational registry showing if a person has graduated after school year 9 (at age 16). This is not a perfect indicator: as schools are obliged to make sure all children pass 9th grade, some students – if they fail – will be offered an extra year or extra courses, i.e. they are not formally "drop-outs" but risk having delayed exams. In 2007, 34% of foreign-born students who passed the 9<sup>th</sup> grade did so at age 17 or 18 (Source: The Geosweden database). Ten years later this proportion had increased to 46%. Meanwhile, delayed exams are unusual for native-born students (less than 4%), and for natives it is almost as common to finish one year ahead of the expected timetable (2% finish 9<sup>th</sup> grade at age 15). For the category of foreign-born, values could also vary year by year as their number locally can be small and fluctuating. Recently arrived children will typically not pass exams at age 16, while if the category comprises many who immigrated at younger age they have much improved chances of succeeding to do so. It should also be noted that the full age cohorts reported in table 2 also include children with mental disorders, who may not have been enrolled in standard school education. The bottom line here is that the first section of table 2 should be read cautiously and with these circumstances in mind.

In the next, middle, section of table 2 we have used the online service of Statistics Sweden to download data on enrolment into upper secondary school. Typically, almost all children continue to upper secondary school, but not all manage to finish successfully. Finding a precise measure on enrolment is not so easy because of age variation in starting upper secondary school. We have computed the share of enrolled students at age 17, which – depending on their birth date – for most students is either at the end of Year 1 or the beginning of Year 2 of upper secondary school. We calculate the share of the 17 year old children who are enrolled in upper secondary school education. Unfortunately, this information lacks data on country of birth but we know – and research confirms this – that enrolment and, as data also show, completion is lower for immigrant children of the first generation.

We therefore offer a second set of data (right panel of table 2), showing the proportion of the 19 year olds that has completed upper secondary school. The latter information is available in the Geosweden individual longitudinal database. It should also be noted that many of those failing to



complete secondary school successfully at age 19 have the opportunity to complete later through the system of adult education offered by the municipalities, with study allowances and study loans offered by the state. Borlänge pursues an ambitious adult educational programme involving some 2,000 people at any one time, where most of them are registered as unemployed by the State Employment Office while the remaining (estimated to be 400-500) are excluded by the Employment Office as being too distant from work. About 400 study the SFI programme (Swedish language for Immigrants). "The signal from above (the Government) is also that there is need for a stronger focus on education in labour market policy programmes and a stronger labour market focus in educational policy." (interview with Borlänge civil servant)

The overall conclusions of table 2 for the student population in the FUA are that

- a) over time more 16 year old children are found to be experiencing delayed exams both nationwide and in the FUA and the increasing rate 2007-2012 is driven by the very high and increasing rates of delayed exams for the foreign-born. As their share of all 16 year old school-children almost tripled 2012 to 2017 (up from 5.8 to 16.8%), the reduced drop-out rate for natives as well as for the foreign-born during this period cannot fully reverse the continuing increase in the overall share of children who do not finish 9<sup>th</sup> grade at age 16 in the FUA. However, females in the Borlänge core and males in non-core areas see some improvements 2012 to 2017.
- b) gender differences are pretty small (somewhat higher completion rates from upper secondary school for females nationwide, and in the Falun-Borlänge FUA non-core areas, but less so in the core of the region),
- c) enrolment into upper secondary school (mid-section of table 2) is generally high but the level is comparatively lower for females in the Borlänge core,
- d) the share finishing upper secondary schooling drops substantially in the core 2012 to 2017 but increases in the FUA non-core and this trend has likely to do with the influx of foreignborn to the core.
- e) the most obvious discrepancies are between natives and the foreign-born and this is true both nation-wide and in the region. One explanation is the extraordinary developments in 2015 when many refugee migrants arrived to Sweden, including to Borlänge, many of whom were un-accompanied teenagers.

According to our informants, the low and over time reduced upper secondary school completion rates for the foreign-born risk leading to persistent inequality in the labour market as it can be difficult to find a job, in particular a secure position, if someone has not completed upper secondary education. This is the message sent by all our interviewees, although some make clear that this does not mean completing a *theoretical* education programme. Instead, an informed person in the administration says, "our biggest challenge is to make the vocational training programmes more attractive and relevant for the young". And, "today's manufacturing companies



are highly specialized and the demand for labour having the right specialized training is enormous". (Interview with municipal staff person)

We have exploited the longitudinal character of our data to shed some light on the issue of economic outcomes for those who graduate from upper secondary school. This exercise could be seen as a bridge between this section on education and the later section on employment (2.2.2).

In figure 2 we chart the average work income level in 2017 for those who graduated from upper secondary school in the Borlänge region in 2007, and we do so by the quartile value position of their final grades when leaving upper secondary school (based on the national distribution of grades and including both theoretical and vocational educational programmes). The 2007 graduates are circa 29 years old in 2017 and for comparison we include average incomes also for the 30 to 64 year olds in 2017. This exercise certainly misses out on the more recent cohorts of refugees (having arrived after 2007) but it is nevertheless informative.

It is well known that employment frequencies in Sweden (see LFS by sex and age - indicators (oecd.org) and in Borlänge overall are similar (around 80%) for females and males but it is more common to find females working less hours (see european-semester thematic-factsheet labour-force-participation-women en 0.pdf (europa.eu). However, among EU countries Sweden's gender gap based on full-time equivalent employment rates was among the lowest (4% gap in 2016). This in addition to remaining gender pay differences still result in females earning on average less than males irrespective of their educational performance in upper secondary school. However, for both gender it is still the case that those leaving school with better grades end up earning more (see figure 2). The difference is not spectacular with one important exception: foreign-born females leaving school with the highest grades. The group of high achieving foreign-born students in 2007 was not big so the outcome *could* be more of a coincidence.

It is, finally, interesting to note that this cohort of 29 year old earns a similar income as does the older part of the workforce (with natives earning slightly less and foreign-born slightly more than their older counterparts (see last two sets of bars in the chart, figure 2). We have repeated this analysis for employment frequencies (not shown) but overall the differences are less pronounced; those graduating with higher grades tend to have a slightly higher employment rate (86% employed in 2017 for the quartile 4 students compared with 84% for quartile 1). Despite often stated worries that students failing to be high achievers in the educational system could render long-term negative socioeconomic consequences, the Borlänge data presented here is maybe less worrisome – except for the clear tendency that in particular female immigrants lag behind. They show lower rates of employment and they earn less money than their native counterparts do. This, however, seems not to be clearly related to their school performance.

A recurrent theme in Swedish political debate since the 1990s is the increasing socioeconomic residential segregation (Andersson & Hedman 2016), and in particular the increasing overlap



between low income neighbourhoods and immigrant-dense neighbourhoods. This is driven by integration problems facing refugee migrants and as these migrants are geographically clustered in certain rental-dominated neighbourhoods, these neighbourhoods typically display low employment rates and low average work incomes. Despite redistribution over the tax and benefit systems they also display low disposable incomes. We'll return to this issue later in the report but include in this section a first table (table 3) showing key data on a smaller group of neighbourhoods in Borlänge that in 2007 as well as in 2012 and 2017 ranked at the bottom of the neighbourhood hierarchy in terms of average disposable income level. The selection of neighbourhoods almost completely overlaps with neighbourhoods identified as "exposed" (utsatta) by Borlänge municipality. The seven statistical units make up three neighbourhoods.

These neighbourhoods have seen increasing population density and in fact, two thirds of the population increase 2007-2017 in the region have occurred in the seven neighbourhoods identified. Meanwhile, the proportion having a foreign background in these neighbourhoods increased from 39% to 62%. As can be seen, the relative presence of young people is clearly higher than it is elsewhere in the region, which makes them of particular interest for the analyses of educational inequalities. We focus (see bottom two panels of table 3) on the cohort graduating from compulsory school (most commonly at age 16) and those graduating from upper secondary school (commonly at age 19).

Data show that the younger cohort in the poorest neighbourhoods improves substantially from 2012 to 2017, to reach the region's grade average in 2017 (no gender difference but note that all figures exclude drop-outs). Meanwhile, those graduating from upper secondary school show the reverse trend and clearly fall behind their age mates elsewhere in the Falun-Borlänge region. This happens 2012 to 2017 and hence cannot be explained by reference to the 2008 crisis. It is however related to the influx of minority students in conjunction with the 2015 refugee crisis. Without doubt, the primary educational challenge in Borlänge in terms of equality is to succeed in schooling the many minority students that have arrived. The share minority students not entering and -if they enter- not finishing upper secondary school is very high. Data published by Borlänge municipality highlights how these inequalities manifest themselves across socioeconomic groups and neighbourhoods. While in 2015, 92% of children leaving primary school after school year 9 were eligible for upper secondary school education if they had two working parents, only 45% were eligible if they had two non-employed parents. And while 100% of children graduating from some primary schools in better-off districts were eligible, only 40% to 65% of those having attended a school in one of the poor neighbourhoods had qualified for upper secondary school (Social hållbarhet - behovsanalys 2017.pdf (borlange.se)). These figures are related to the huge discrepancy between native- and foreign-born children, where in 2015 only 52% of the foreignborn had full eligibility for upper secondary schooling while 90% of the natives were reported to be fully qualified (ibid.). For those not qualified for the national upper secondary school theoretical or vocational programmes, municipalities in Sweden are obliged to provide another form of



gymnasium, an Individual Alternative (IA), which aims at providing the student with qualifications for an introductory vocational track. This means that almost all leaving 9<sup>th</sup> grade continue with some form of upper secondary school education. However, according to our Borlänge informants, prospects for the IA group are nor bright.

#### 2.1.3 Local policies influencing educational inequality

It was no coincidence that Sweden and its neighbouring Nordic countries were identified as one of the three basic models in Esping-Andersen's (1990) welfare state typology. The Social Democrats formed the Swedish government from the 1930s until 1976, and then 1982 to 1991. This long-term dominance enabled the party and the labour unions to greatly favour and design economic, social and work life reforms leading to a more equal society with less income disparities. Esping-Andersen's work on the three worlds of welfare capitalism was published in 1990, mirroring the Swedish welfare state at its peak in the 1980s, at least in terms of equality. Borlänge with its industrial base in paper mills, steelworks and other manufacturing activities was a stronghold for the Social Democratic party and the party continues to dominate local politics although presently in a wider coalition including liberal and green parties.

The institutional setup of Sweden leaves municipalities (290 of them) as key actors for funding and administrating most social services, including schools and public housing. The exception is hospital care, which along regional public transportation services is funded and organized by the regions (21 in Sweden). Due to a system of reallocation of tax revenues over the State budget, all municipalities and regions are guaranteed a fairly stable and reasonably strong financial situation and local taxes thus vary relatively little (the average flat tax on work incomes is around 32% (34% in Borlänge), with two thirds of these revenues picked up by the municipalities and one third by the regions Local taxes (scb.se). Above a certain threshold (currently around SEK 500,000) high income earners pay an additional 20% in State income tax.

Even if the available overall per-capita resources do not vary greatly across municipalities, the amount of resources put into education can and do vary somewhat by municipality. Some might prioritize other compulsory services – such as elderly care, pre-school services, or they may have to cater for more people in need of social assistance. Some may also prioritize local tax cuts over school investments. In terms of expenditures, in 2018 Borlänge allocated about 20% of all municipal expenditures on primary schooling (children aged 6 to 16) and 8% on secondary schooling. In addition, they allocated 12% of the budget to pre-school and after-school services (source: Borlänge municipality Annual Fiscal Report 2018). According to law, the municipality has to provide both pre-school and after-school services (the latter for children aged 13 and younger) to all children/families who request them, which most do as the services are highly subsidized. These figures – circa 40% of the municipal budget spent on children's day-care and schooling – have been stable over time although expenditures for secondary schools have declined somewhat and primary school expenditures have increased since 2010. Overall, Borlänge spends somewhat



less than the national average (44%; see <u>Så mycket kostar skolan - SKR</u>). In 2018, more than 2,000 of the 4,500 permanently employed by Borlänge municipality worked in the day-care or school system and a similar number in the social service sector.

Borlänge has been affected by the national institutional reforms mentioned above, and the city cannot deny private interests to set up day care institutions, primary or secondary schools. The municipality has a say in the decision-making process but final decisions are taken by a State board. All schools from primary schools to university are free in Sweden and parents do not pay any fees regardless of school ownership. Basically, all primary and secondary schools provide at least one meal (lunch) and all are funded equally by the municipality. The per-student resource allocation can vary by social indicators so that schools having a high share of students requiring extra teacher's support typically receives more money per student. In 2010, Borlänge had one privately operated primary school and one secondary school unit out of a total of forty and five, respectively. Ten years later more private alternatives have emerged (one more primary and two more secondary schools), increasing the competition over students between public and private schools. Civil servants state that the municipality aims at treating all schools and students in the same way and although sorting along socio-economic and ethnic lines do occur across schools, few identify this as the most critical aspect of inequality in the city's school system.

As stated in the introduction to this section on education, one argument against charter schools is the tendency that they have a lower share of fully qualified (certified) teachers and that they tend to have lower costs for arranging library service and providing other school related resources. We have no information regarding this in Borlänge and the fact that also municipal schools in Borlänge have a high share of non-certified teachers is –according to our intervieewes– a worrisome fact. The share of teachers in Borlänge primary schools being fully qualified (certified) was 64% in 2016/17 compared with 71% in Sweden overall. For upper secondary schools the corresponding figures were 62% and 80%, facts that provide a real challenge for delivering equal educational opportunities. (Social hållbarhet - behovsanalys 2017.pdf (borlange.se) Our informants state that the lack of certified teachers has been seen as a problem for many years but also that their efforts have only recently had some success in increasing the share, in particularly in schools having a very low proportion of certified teachers, i.e. those recruiting children from poor neighbourhoods.

According to municipal documents, plans and interviews, actors highlight existing inequalities and identify these as very worrisome, but they do not explicitly mention private schools as being part of such problems: "The reasons for school failure are many: psychological illness, lack of parental support, language problems and overcrowding housing are all common problems and detrimental for studying. In addition, Borlänge has less than an average share of certified teachers all the way from pre-school to upper secondary schools and with substantial variation across schools." (Borlänge application for State funding to Tillväxtverket (a central State agency), Sept. 2018).



The Borlänge strategic plan for 2020-2023 focuses on what is labelled HTL for the educational ambitions. The Swedish abbreviation HTL stands for Equal Health, Security and Learning and is said to require a holistic framework where parents and parental support and involvement are active aspects of how teachers and schools operate. In addition, teams involving different professions in schools (certainly teachers but also social workers and others) have been set up in two pilot schools located in income-poor neighbourhoods (Borlänge arbetar med HTL från individ- till samhällsnivå - Kunskapsguiden). The pilot ran between March 2019 and June 2021 and an evaluation will soon be published by the University of Dalarna.

### 2.2 Employment

#### 2.2.1 Inequality in employment and national policies

As an export oriented industrial country, Sweden was certainly affected by the 2008 financial crisis. However, like for some other northern European countries (such as Germany), it was much less, and more short-term, affected than many other European countries. Already in 2010, GDP rose by 5%, surpassing the pre-crisis level. The most profound economic developments occurred 15 years earlier (initiated by a monetary crisis) when 10-12% of all jobs in Sweden were lost in a period of 18 months. This triggered substantial financial reforms, and austerity measures including cutbacks in key social welfare programmes (housing subsidies, sick leave pay, unemployment benefits). Like most austerity policies these measures contributed to increasing socio-economic polarization and resulted in a permanently higher level of unemployment (up from around 2% to around 7%). There are still lingering inequality effects of the 1992-93 crisis and the counter-measures taken, but gradually the State's finances grew much stronger and Sweden went into the Covid-19 crisis in 2020 with a low government debt (circa 20% of GDP) after a sustained period of economic growth. For the entire public sector, Eurostat reports a consolidated Swedish debt at 38% for the third quarter of 2020, compared with the EU-27 average at around 90% (Offentlig bruttoskuld internationellt - Ekonomifakta). This gives the Swedish government room for manoeuvre in fighting the devastating effects of the Covid-19 crisis in parts of the private service sector.

#### 2.2.2 Statistical analysis of labour market inequality at the local level

Borlänge is renowned for its steel and paper mill production but in terms of employment, the region – like so many other industrial regions – has seen its manufacturing industry becoming reduced over a long period of time. At the time of writing this report (April 2021) another announcement of plant closure was announced: the *Kvarnsveden paper mill*, set up more than 100 years ago, will now be closed and more than 400 employees will be made redundant. The longer term deindustrialization process continued 2007 to 2017 so that in 2017 only about one in ten in the FUA region found a job in this sector (16.4% of males and 4.7% of females). The net job loss 2007 to 2017 in this sector amounted to about 4,000 with the reduction proportion-wise similar for males and females (-3,000/-1,000). The relative job loss was even more substantial for the



young population (under age 30), which saw the sector's relative importance shrink to half the 2007 value (from 14% to 7% of the under age 30 workforce) and in particular for the foreign-born, where almost two in three manufacturing jobs were lost (down from 18.2% to 6.8% of the foreign-born workforce). This is a rather typical feature as a shrinking sector tend to be more or less closed for new entries, affecting the young and the newly immigrated. The commonly applied principle of "last hired-first fired" also affects these groups the most.

Figure 3 shows the proportion of the under and over 30, respectively, employed in the main sectors of the region's economy. Clearly, the younger age cohorts tend to be over represented in NACE sector G-I, comprising work in wholesale and retail trade, transport, accommodation and food service activities, where almost one in three of the young are employed. They are under represented in the public administration, health and social work sector (O-Q) but the relative employment gap between the young and the older in these activities reduced from 2007 to 2017. Our data does not allow for qualitative assessments of the type of work carried out by the young in Borlänge. Wages in Sweden are regulated and follow collective agreements signed by trade unions and employers' organizations for each industrial sector. Income data per se does not reveal age discrimination. It is however more common that the young, in particular those under 25, have to settle for part-time jobs and insecure employment contracts. This makes the category highly vulnerable for a crisis such as that following Covid-19. From February to June 2020, 127,000 out of 146,000 (87%) who lost their employment in Sweden were on time-limited contracts and 57,000 of these were under age 25. (Svår arbetsmarknad för ungdomar (scb.se)

The structural composition says little about concerns regarding inequality while unemployment and inactivity levels may say more. Table 4 displays key data on the share (%) unemployed (Panel A) and share inactive (not employed, not unemployed and not studying; panel B). There are only minor differences within the region (between core and the non-core) so we include only figures for Sweden and the total FUA region.

A first noticeable tendency in table 4 is that both unemployment and the level of inactivity decrease over time to reach their lowest level in 2017. The other main feature is the high unemployment rate for the 20 to 29 year olds in Borlänge FUA, about twice the national average despite a clear overall reduction 2012 to 2017. A third feature is the foreign-born versus native discrepancies. These remain big for unemployment but in particular for the share of inactive people. It is worth noticing that the 20 to 29 year olds exhibit a higher registered unemployment rate than those aged 30 and above, while their level of inactivity is similar.

A closely related and often used indicator is the share of NEET (Not in Employment, Education, and not Studying) and for enabling comparison across European cities we report these figures for the young in table 4, broken down by Core and Non-Core of the Borlänge FUA. According to the OECD, NEET rates for the 15 to 29 year old in Sweden are among the lowest within OECD countries (see also Uplift Delivery 1.3, p. 54). OECD reports that NEET rates in 2017 are higher for foreign-



born in Sweden arriving before they turn age 15 (9.9 % versus 6.9 % for natives) but even higher (17.4 %) for migrants arriving at age 16+. It should be mentioned that our computation, which is based on our individual datasets (Geosweden), results in slightly lower national values than those reported by OECD (6.5 % for natives compared to OECD's 6.9 % in 2017). However, the advantage is that by using the Geosweden data we can generate the NEET values also for the Borlänge region, and for its different parts. It transpires that the Borlänge FUA NEET values are slightly lower than the corresponding national values for both young males and females and this is true also for those young who are foreign-born, in particular in 2017. Still, the young foreign-born display much higher NEET values than the natives. It is however interesting to note that while NEET values for the native-born in Borlänge increase somewhat over the period, the foreign-born see a substantial reduction, in particular in the core part of the FUA (down from 34% to 15%). Across all sub-groups reported in table 4 it is clear that NEET values are higher in the core than they are outside of the core and this is not only driven by more migrants settling in the core, because, as we can see, the same applies for natives.

By way of concluding this section we can state that the financial crisis as such seems not to have had a long-lasting impact on employment and different measures of inactivity in the region. The loss of manufacturing jobs has affected migrants relatively more and this traditional backbone of the Borlänge economy now plays a relatively small role for providing immigrants with work. Furthermore, more than a quarter of foreign-born aged 15 to 64 are economically inactive – compared to 7.5% of the FUA's native-born population – but the levels of unemployment and NEET indicate that the young immigrants have seen some improvements. Whether this has to do with local policies will be one of the questions raised in the next section.

#### 2.2.3 Local policies influencing labour market inequality

Labour market policy is a state obligation and the administration of such policy measures is carried out by the Swedish Public Employment Service. This organization is regionalized and in Borlänge the (NUTS 3) Dalarna region monitors regional development and initiates and administers certain interventions (Regionala utvecklingsförvaltningen Region Dalarna 2019). In theory, local authorities have little influence over labour market policies, but in practice they can play an important role not only by controlling and investing in land and infrastructure, and provide welfare services for employees, but also by setting up their own business service units. Borlänge municipality's business service unit launches a local industrial strategy and provides services for private firms (assisting with building permit applications, organizing information meetings and seminars, informing on municipal procurements etc.). Borlänge's business service unit has evolved over time, from the first one-person establishment in 1978 to three employees in 1984 and eight in 2021. It's current name "Näringslivskontoret" (business service office) has been in use since 2010. Even if such a municipal unit plays a role for the overall long-term employment situation and private investments, and thereby indirectly affects the local labour market, it typically has a minor



role in combatting inequalities in comparison with other parts of the municipal administration. Key local actors in this regard are those working for the public (State) employment service and the municipal educational and social administrations.

Above we identified issues related to the relative situation for people of immigrant background as key for the region. This is a general problem in Sweden and in Borlänge but it is a problem that stands out also in relation to the young. Interviewees emphasize that reducing NEET rates for the young is a key aim and a focus of policy programmes. Depending on the age of residents, different actors have key roles for assisting people, where –as mentioned in section 2.1.2 above– municipal programmes for improving vocational training in upper secondary schools and the municipality's extensive adult educational programmes (KOMVUX) without doubt carry most weight and is partly tailored to meet local demand for labour.

KOMVUX in Sweden and in Borlänge has a long history. It was introduced in Sweden in 1968 as a vehicle for providing adults with the same opportunities as the new young generation achieved as a result of the introduction of the unitary nine year school system and the expansion of the secondary school in the late 1960s (when the gymnasium in practice came to encompass all 16-19 year olds with both theoretical and vocational tracks). While KOMVUX initially content-wise was a copy of the upper secondary school for the young (but with less teaching hours and sometimes including evening courses), providing adult people with the opportunity to graduate with a gymnasium diploma, it was reformed into a labour market policy tool in the 1980s (with courses typically providing unemployed with retraining opportunities). After 2006 its focus is once again more firmly aimed at providing adults with either a second change – or immigrants with a first chance – to qualify for higher education. (Source: Från folkskola till grundskola 1842-1962 (lararnashistoria.se))

KOMVUX is provided free of cost for adult students and is funded by the municipalities, which according to law are obliged to arrange adult educational programmes. State funding is important but provided as part of the general system of transferring resources from the State to the local level for schools, care and other compulsory services (i.e. not ear-marked for KOMVUX). Adult students are granted a study allowance and students who are working have a legal right to have reduced working hours, or a time-limited absence, for taking part in educational activities such as KOMVUX.

KOMVUX is primarily open for students six months after a person turns age 20 but exceptions can be made (SOU 2020:33, p. 131). However, interviewees in Borlänge confirm that in order to improve integration efficiency and reduce NEET in the long run, interventions have to start much earlier and have their focus on pre-schools and primary schools. Current local policies have been developed with the aim and under the umbrella of social sustainability and as will be discussed later the focus is firmly targeted towards immigrant-dense neighbourhoods.



### 2.3 Housing

#### 2.3.1 Housing inequality and national policies

In order to understand housing conditions in Sweden during the last 15 years we have to go back another decade or two. In the early 1990s, substantial cuts in the state budget due to the unfolding deep economic crisis were believed necessary by almost all political parties in parliament. Liberalization trends in the housing markets of other European welfare states partly became paradigms for deregulating the housing sector in Sweden as well. Key aspects of these actions included a) heavily reduced rent subsidies for new housing construction, b) reduced housing allowances in terms of eligibility and generosity, c) deregulation of the key position earlier given to public sector (municipal) housing companies, d) reduced property tax but no lifting or reduction of tax deduction schemes for home owners. In the largest cities some local authorities have since sold off public housing or enabled conversion of public housing into cooperative housing (a market form) under schemes similar to the UK "Right-to-buy" policy. Together these four decisions have increased housing inequality, reduced the level of new construction, increased property values and led increasingly to both lack of housing and an affordability crisis for the poorer part of urban populations (Andersson & Kährik 2015).

Meanwhile, the earlier key role for public housing was contested and its privileged position has been eroded in the wake of incremental changes in the regulatory system (Andersson 2014). Municipally owned public housing as share of the Swedish housing stock declined from 23% to 17% 1990 to 2010 and has continued to somewhat decline thereafter.

Housing affordability has been much debated in Sweden over the last couple of decades and related phenomena such as rent arrears and evictions from time to time make media headlines. According to the Enforcement Authority's (Kronofogden) statistics, evictions have however become less common in Sweden since the reported top values 1993-95, when more than 20,000 annual eviction applications were handed in to the authority, and when around 7,500 of these were executed each of the years (Source: Avhysning 1982-2020.pdf (kronofogden.se). In 2007, the corresponding figures were 9,400 and 3,200 and in 2019 the numbers were even lower (5,800 and 2,500). For the entire period 2000-2020 the number of eviction applications have trended downwards and as the share of executed evictions remains stable at circa 35%, fewer households are forced to move. When closing in on Borlänge in the next section, evictions will not be analysed but data from the Enforcement Agency indicates relative small numbers from 2018 to 2020 (less than 50 evictions in Borlänge in total for these three years). Much of the debate around evictions concerns families with children but these cases are uncommon both in Sweden and in Borlänge. In 2020, three of the evictions in Borlänge concerned households with children (in total five children affected; see Statistik om vräkningar | Kronofogden).



#### 2.3.2 Statistical analysis of housing inequality at the local level

Housing is a key aspect of inequality as it affects many dimensions of people's life. Some of these inequalities co-vary with tenure. Poorer households in urban areas typically rent their dwelling while more resourceful households are home owners. In Sweden, home owners are more seldom over-crowded, they have more access to green space and their neighbourhoods are almost never deprived in neither a social or physical sense. Children growing up in neighbourhoods dominated by home ownership typically attend better schools and they can more often benefit from positive peer effects (Bergsten 2010). In Sweden, the private and public rental sectors are quite similar in size and housing quality but public landlords have traditionally taken on a bigger social responsibility for housing the poorest, such as newly arrived refugees (see table 6 footnote). As is clear in table 6, renters occupy a smaller proportion of all housing units in the Borlänge FUA compared to Sweden as a whole, while the municipal rental sector over the last ten years has surpassed the national average. It is most often the case that rental dwellings are more common in the core of urban regions, a feature that is true also for Borlänge.

The gradual increase of Borlänge residents renting their dwelling 2007-2017 is primarily driven by increasing density in public housing (over-crowding), which in turn is mostly due to the influx of refugees and subsequent family reunion migrants. However, although increasing density explains most of the public housing increase, an interview confirms that the company (*Tunabyagen*) continues to sell property and to construct new housing units so it is an active property manager. The central organization of Sweden's municipal housing companies (SABO) was setup in 1950 at a time when most municipal housing companies were already -but recently- established. Tunabyggen was established by Borlänge municipality in 1947 although its current name dates back to 1971 (Vår historia | TUNABYGGEN.SE) and it fulfilled an important role in building the city's multifamily housing districts during subsequent decades. It operates under a board and a director appointed by the municipality; the board typically comprises political majority as well as minority representatives, mirroring the power balance of the municipal council). According to Swedish law municipal housing companies cannot subsidize land acquisition, construction costs or rents. It should be run "on market principles", as stated by the law of 2010, but minor divergences from this guideline can be accepted with reference to "social necessities". Precisely what this means remains somewhat unclear. Key operational decisions by Tunabyggen are taken by the board, but its directives are decided by the municipal council and these typically includes recommendations concerning lending priorities, investment strategies etc.. When it comes to lending priorities, the directives include "people with special needs", such as the elderly, students and the young. As transpires in table 6, the municipal housing landlord is the leading actor for providing rental housing in Borlänge and in particular in the city itself.



The municipal housing company continues to play an important role for providing rental housing. It also takes part in most counter-segregation policy initiatives, including seeking to be an active partner in the construction of tenure-mixed neighbourhoods. An innovation here is that Tunabyggen now has a 49% ownership of a new company (*Borlänge Byggproduktion*) that will enable them to construct not only rental housing but cooperatives as well – a quite unique feature among public housing companies in the country. Our informant states: "The present leadership of Tunabyggen has revised its strategy and now aims for mixed housing development. This is however easier said than done."

Figure 4 displays the distribution of disposable income groups (excluding children) across tenure forms and it does so for the entire FUA and the Borlänge core, respectively. Income deciles are based on national breakpoints and Borlänge FUA has a slight under representation of the decile 1 (poorest) and decile 10 (richest) income strata. In the core, the share of decile 1 is however somewhat above the national average (10.4 instead of 10.0) while the under representation of the richest is bigger (6.5 compared to 10.0).

Looking into the tenure composition in each income strata we find what is always expected in urban Swedish housing markets, namely that public housing is a much more important tenure form for the poorest segment and it is even more so in the urban core. The proportion home owners tends to get higher as we move up the income ladder.

Cooperative housing is a market form and it typically has an in-between position for many households, i.e. socially upwardly mobile younger families often move from rental to cooperative multifamily housing and eventually to home ownership, which in Sweden more or less exclusively means single housing. The two market forms both come with a condition that households need a stable income as buying into either of these tenure forms requires a mortgage. We will later turn to the segregation issue, which is tightly connected to the tenure distribution across neighbourhoods (Fellström 2020), but already the overview in figure 4 shows a higher concentration of public housing residents in the poorest income groups and that this concentration increases over the 2007 to 2017 period.

### 2.3.3 Local policies influencing inequality in housing

Despite the fact that municipalities by law are obliged to cater for the housing needs of its residents, homelessness – which was more or less off the agenda in Sweden during the 1970s and 1980s – has been an increasing feature of Swedish cities, including in Borlänge. Some of this development relates to the precarious situation for internal EU migrants, in particular Roma people (predominantly from Rumania) using their EU free movement right to stay in another country for three months. Other causes is the increasing lack of affordable housing, which affects many but some of the poorest more than others. While most poor rely on means-tested cash social allowances and housing allowances, people with drug related problems or those with mental



illness can find it difficult to uphold a rental contract or to be offered a new when a temporary contract expires. We noticed in our interviews with social workers and NGO representatives working with these people that their precarious situation has not improved over time. We also recognize that this is a part of local inequality policies where the municipality not only welcomes NGO initiatives but also to a large extent rely on them, for offering meals and sometimes shelter for vulnerable residents. Overall, it does not seem to be many younger or many minority persons in these groups. They rather comprise older native-born males (NGO interview).

In Borlänge and in most other large and middle-sized cities in Sweden, residential segregation is the biggest inequality debate issue. A range of issues are packed into this debate: safety-and crime-related and "parallel society" issues, school issues, labour market performance issues, discrimination, racism etc. The general character of this national (and certainly European) debate makes it rather difficult to single out local policies that might have produced or reinforced segregation and related problems. Immigration policy matters and this is a State regulatory issue. Refugee placement policy matters, and this is also primarily a State issue, and so is policing. Income inequality is a basic feature of housing inequality in the sense that it affects households' accessibility to different tenure forms and neighbourhoods. Such underlying inequalities are difficult to counteract by local policies.

National housing and school policy reforms have contributed to increasing inequality but both housing and education are clearly more local issues in the sense that municipalities control planning, often control a part of their rental housing stock (municipal rental housing), and run the educational system. And neighbourhood tenure composition (i.e. housing mix) is less difficult for a municipality to affect and our interviews addressed the issue whether this has been or is on the agenda locally. Our impression is that looking back into local housing construction history, planning for social mix has not been on the agenda in Borlänge. Following an increasing awareness of the consequences of segregation, the situation has now changed. Interviewees however realize that the mix ambition can more easily be reflected in new housing construction while altering the existing structure is much more challenging.

Counter-segregation policies in Borlänge are now framed in a new discourse, namely as a key feature of the sustainability issue. Segregation is identified as both a long- and short-term problem for achieving social sustainability. This is now stated in the overall guiding documents of the city (Strategisk plan 2020-2023 med ekonomiska ramar 2021-2024.PDF (borlange.se) and the city administration has been partly reorganized as to enable more effective work towards this aim. They stress more than ever the need for different municipal departments and different professions to systematically monitor, build knowledge and intervene in a more holistic way than before.



For someone who has followed segregation debates in Sweden for a long time, it is noticeable that many of the issues earlier confined to the major cities now have enter local policy debates in smaller cities and towns. Borlänge is a god example of this development although residential segregation per se is not new to the city.

### 2.4. Aspects related to immigration, asylum and minority issues

Borlänge's history as an industrial region is also a history of migration, primarily rural-to-urban migration from within the region but also labour migration from outside of Sweden. For a couple of decades following WWII, labour migration was dominated by people moving in from Finland to take up work in the main manufacturing sectors. What makes Borlänge different today is the more recent influx of people originating from outside of the Nordic countries and who have settled for refugee and humanitarian reasons over the last three to four decades. Some of the older interviewees hope to see the new immigrant cohorts following in the steps of earlier cohorts so that they in the next generation will become better integrated. These informants also point at the personal drive that many second generation immigrants display. Others raise concerns that sentiments of Othering black and Muslim migrants will make this journey much more difficult. They see clear evidence of white flight and avoidance behaviour from behalf of the native Borlänge residents and this make both social and residential integration more difficult and worrisome.

Figure 5 gives the 2017 composition of the 15,100 foreign-born in the Borlänge FUA according to period of immigration. The expansion of the number of immigrants has primarily taken place after 2007 and more than 40% of the current number have been added after 2012. These later arrived migrants comprise predominantly Somalians, Syrians and Iraqi but Borlänge has also attracted more than 650 of Thai origin (mostly females). While the smaller Thai group typically is a result of "love marriages" and therefore seldom live geographically concentrated, the other categories mentioned often live clustered in rather few rental-dominated housing estates built as part of the Swedish Million Programme 1965-1974 (see Hall & Vidén 2006). This State-led housing construction initiative was successful in the sense that the quantitative goal was realized (one Million new dwellings in ten years) but it also resulted in many new large housing estates in most Swedish cities (including in Borlänge) that relatively soon after their completion started to become criticized and later also stigmatized. (For a recent analysis, see Andersson and Bråmå 2018 and for the wider picture on large scale housing in Europe, see Hess et al 2018).

#### 2.4.1 Inequality and national policies related to immigration

In earlier sections of this report and also in the following section (2.4.2) we show that residents in Borlänge with an immigrant background tend to be less well-off compared to native-born in terms of employment, incomes, housing and students' educational achievements. This is not only a Borlänge pattern but can be found all across Sweden. This means that potential reasons or drivers for this ethnic inequality dimension are related to national and systemic factors rather than local



ones (see Uplift Delivery 1.4, p. 48 and 52). However, historical analyses show that the native vs. immigrant gap has grown over time and that it was much less pronounced during the first postwar decades, both in Borlänge and elsewhere (see for instance Ekberg 2009). The number of migrants were then certainly smaller, many were recruited from abroad (but from within Europe) by Swedish employers and were put into work from day one. Some returned after a year or two. With the end to the labour migration regime towards the latter part of the 1960s and early 1970s, which in Sweden was mostly due to criticism from the trade unions, refugee immigration instead became the dominant migration type.

It is not only the case that refugee migrants on average had another and often lower skills profile, Sweden's economy was on a trajectory to restructure from manufacturing, Fordist type of work to a post-industrial economy where higher education gradually became a more important aspect of human capital, and where low-skilled entrance jobs became fewer (see Uplift's literature overview for discussions on these trends). Hence, shifts in demand for certain types of labour together with shifts in the composition of the labour supply, combined to put later cohorts of migrants in a more difficult position.

The regulation of refugee migration is controlled by national decisions and Sweden continued to pursue – relative to most other countries – a generous system for admitting refugee applicants and providing them with basic services and residence permits throughout the following decades. This policy regime certainly more or less collapsed in 2015-16 and since then the number of refugee immigrants has been much smaller and more comparable in per capita volume to other Western European countries.

The dynamics of segregation is another aspect of the influx of refugees and its expressions locally. Refugee placement policy matters for where in the country a refugee settles and this is a complicated and much discussed policy field. To cut a long story short one can say that for most parts of the 1980s to 2010s, refugee placement was a State-Municipal negotiation issue where the number of refugees settling in a municipality was decided on a yearly basis. According to contracts, the State provided basic funding for initial expenses (18-24 months) but the practical reception programme (such as for housing, language training and social services) was a municipal responsibility. One big problem was that a majority of refugees settled not in this regulated fashion but were allowed to arrange housing using an "own housing option", opened for those who had family, friends or other contacts that could offer them housing (see for instance Andersson, Musterd & Galster 2019). It is probably not difficult to understand that refugees arriving in a locality with or without a network and most often without economic resources cannot afford to buy a house or a dwelling but need to be housed in rental accommodation, typically in the less attractive segments of the rental market where turnaround is higher and vacancies appear more frequently. This is also what has happened in urban regions across Sweden, including in Borlänge.



#### 2.4.2 Statistical analysis of inequality at the local level – levels of segregation

There are many available statistical segregation measures. We employ one standard index, the DI (Dissimilarity Index), as to display developments over time. The DI contrasts the geographical distribution of two groups, for instance across neighbourhoods in a city or a region. For Borlänge FUA we use a neighbourhood classification developed by Statistics Sweden, called DeSO. An average DeSO in Borlänge has around 1,500 residents (i.e. around 100 DeSO units in the FUA). We use this for measuring two dimensions of segregation in the Borlänge FUA, income and ethnicity. For income we contrast the neighbourhood distribution of the 20% earning the least with the 20% earning the most (i.e. disposable income quintiles one and five). For ethnicity we contrast born in Sweden with Borlänge residents born in Africa, Asia and Latin America (labelled non-Europeans). For the income measure we thus excludes the middle income groups and for the ethnic measure we exclude immigrants from other parts of the world (most importantly Europe).

Table 7 displays values for 2007 and 2017. Three aspects should be noted. First, the level of segregation is much higher along the ethnic dimension than it is for the income dimension, a feature that is the same across all Swedish cities (Andersson & Hedman 2016). Second, while ethnic segregation is stable there is a tendency over time that income segregation increases. Also this is in line with empirical studies of other Swedish cities (ibid). Third, applying what Gordon (1964) labelled an "ethclass" perspective, we notice that ethnic segregation is much lower for high income residents than it is for low income residents, demonstrating the key importance of economic resources for avoiding or limiting segregation at the level of individuals. We see however a positive tendency that the ethnic segregation of low income residents declines over time, presumably because minority low income families move into less ethnically segregated neighbourhoods.

As pointed out early in the report, some housing estates in Borlänge have a high concentration of minority residents. According to Börjeson (2018) and Fellström (2020) Borlänge has – in relative terms – one of the highest residential minority concentrations in Sweden, which according to Fellström's master thesis is because of the migrant composition with many African refugees, who live more clustered than many other minority residents. Fellström calculates that a quarter of all foreign-born in Borlänge is born in Somalia, compared to 3% in all of Sweden (ibid., p. 27). Figure 6 displays some further contrasting data regarding how the seven statistical units (three housing estates) identified in table 3 differ from other neighbourhoods in the city. As expected (they were identified using income statistics) their income composition is highly skewed towards the lower end of the income distribution and the share of residents in the lowest decile increases 2007-2012-2017, while the share with higher incomes decreases. Meanwhile, the share of residents in the lowest income decile tends to decline in other Borlänge neighbourhoods. This means that income inequality in the region plays out geographically and that a relative small number of neighbourhoods experience a combination of concentration of the poorest households and of more recently arrived refugee migrants. This is a challenge today for authorities, landlords and the



residents but it is also a challenge for the future in terms of education of the young and for labour market integration. Recent Swedish studies confirm the negative effects of concentrated poverty and of clustering of ethnic minorities (in particular for females), see Andersson, Musterd & Galster (2019). Borlänge's municipal actors see these challenges and have tried to address them in different ways.

Contrary to what many believe the increasing concentration of the poor is not so much a result of white flight out from the poorest neighbourhoods. In fact, the likelihood of a non-European-born leaving 2007 to 2017 was the same as for a native-born (see table 8). It is rather selective inmigration that drives the dynamic (Bråmå 2006). What might be equally worrisome is the fact that foreign-born people moving out from these neighbourhoods – who typically more often are employed (see Andersson & Hedman 2016) – tend to leave the FUA region altogether. If people succeed well to integrate (i.e. earn more income), Borlänge might lose a substantial proportion of that potential workforce.<sup>7</sup>

#### 2.4.3 Local policies influencing racial and ethnic inequality

As we discussed in the former section (2.4.2), racial and ethnic inequality is easy to document across Swedish cities (and elsewhere) and its explanations are multi-facetted. It may thus seem as if little could be explained by limiting the perspective to a single city, be it Borlänge or another one. At the same time, disregarding place-related developments and decisions is unwise, in particular if we ask local authorities to be able to counteract segregation dynamics. Some aspects are certainly difficult to affect locally – in particular those depending on national regulations and law – but three broad approaches have a capacity to affect local expressions and outcomes of inequality produced by segregation. All three of these approaches are now on the agenda of Borlänge policy makers:

- (1) Try to affect neighbourhood sorting and concentration of poverty by considering segregation effects in planning for new housing developments and for allocation of new refugees across neighbourhoods.
- (2) Try to counteract neighbourhood isolation by improving communication (links, flows) between poor neighbourhoods and other neighbourhoods, and the city centre. Neither of these first two approaches have been implemented in the past, at least not in a strategic fashion. A recent paper produced in the Uplift project (Hedman et al 2021) found that immigrant ethnic concentrations in housing in Borlänge was not compensated by geographic mobility of ethnic minorities during daytime, which otherwise somewhat could have compensated for residential segregation.

<sup>&</sup>lt;sup>7</sup> For some recent Swedish studies of residential mobility in relation to segregation, see Alm Fjellborg 2018, Kadarik 2019 and Vogiazides 2020. The Dalarna Region also provides a comprehensive analysis of geographical mobility from an ethnic perspective, see Regionala utvecklingsförvaltningen 2019.



(3) Try to mitigate effects of poverty concentrations by allocating municipal resources (school resources, leisure time activities, adult education, social services etc.) as to compensate for social disadvantage both in the short and in the long run. Borlänge and many other municipalities have indeed pursued such strategies for a long time and they partly come as an effect of how the welfare state is organized and regulated, requesting local authorities to cater for the needs of those who need them most. But have they been effective? Interviewees confirm that there are many signs that they have not been effective enough: Borlänge is one of the most ethnically segregated middle-sized cities in Sweden, Borlänge has one of the highest frequencies of child poverty in Sweden and a high proportion relying on social allowances, schools in poor Borlänge districts have had a substantial shortage of qualified teachers, and second generation immigrants live in more crowded housing.



# 3 Innovative post-crisis policies

As was indicated above the three potentially effective counter-segregation approaches are now on the agenda of Borlänge policy makers. Why this is the case is a long story but based on several interviews we judge that it is due to three developments.

First, local developments on the ground have exposed the degree of seriousness of the emerging situation where in particular one Borlänge neighbourhood have figured frequently in the national debate and has been and still is on the Police list of the (security-wise) worst neighbourhoods in Sweden (utsatta/exposed neighbourhoods is the term applied). That designation further stigmatizes this particular neighbourhood but renders also Borlänge a bad reputation. A comprehensive overview document published by the municipality in 2017 draw the conclusion that "Borlänge is a segregated municipality where people with different socioeconomic background to a large extent live socially distant from each other and where children grow up under unequal conditions regarding life opportunities and health." (Translation from

#### Social hållbarhet - behovsanalys 2017.pdf (borlange.se).

Secondly, the city has had a growing focus on sustainability issues for a couple of decades and like so many other cities, the sustainability concept have gradually come to include the social dimension. This conceptual broadening has also been pushed by city planners and other members of the municipal administration (according to some informants not without some internal resistance).

Thirdly, central state counter-segregation programmes have been launched from time to time since the mid-1990s (see Andersson 2006) but only recently have these programmes broadened their urban focus to include smaller cities like Borlänge. Initially they only targeted city districts in the Stockholm, Gothenburg and Malmö urban regions.

In 2018, the Government launched a new policy to be carried out by a new State authority, "The Delegation against Segregation (*Delmos*). Delmos "should encourage cooperation, produce and spread knowledge and provide economic support as to make interventions for countering segregation more effective. Its long-term aims are to improve the situation in socioeconomically deprived neighbourhoods and to counteract structural causes that produce segregation." (translation from website: <u>Delegationen mot segregation - Delmos</u>). The government has made it clear that Delmos' primary focus is on socioeconomic segregation, and not ethnic segregation (however, they acknowledge that these dimensions overlap). The new agency has now developed online public databases, proposed indicators and produced national overviews of segregation development in Sweden over time. Regions as well as municipalities and NGOs can apply for different types of support for either more structural knowledge-creation in the field of segregation,



or specific projects. As one of 32 municipalities, Borlänge received funding for 2019-2020 for developing its approach towards socially deprived neighbourhoods and for particular project activities, partly in cooperation with NGOs (focusing on younger schoolchildren and their leisure-time activities). The State funding was not huge in monetary terms but our local informants nevertheless very much welcome this and see this as an important and innovative part of the municipality's approach to combatting inequality. In June 2020, Borlänge's renewed application for counteracting and reducing segregation was again approved by Delmos. (Beslut borlänge 2020.pdf).

In Borlänge's strategic plan for 2020 to 2023, the explicit key vision is "social sustainability and to combat inequality and segregation". A strategist (a new municipal position within the unit working with education and labour market issues) have had a key role in developing Borlänge's applications for Delmos funding, and an informant taking an active part in the process emphasizes that focus is on "bringing together physical planners and professionals from other sectors in order to promote a more holistic approach". According to the application itself (Delmos document no 2019/515), Borlänge states three aims for its cross-sectorial cooperation approach:

- 1. Internal coordination of Borlänge's work with social sustainability.
- 2. Strategic cooperation for equal community planning that contributes to decreasing and counteracting segregation.
- 3. Strategic cooperation with civil society for increasing children's and the youth's equal opportunities for leisure time activities that can promote democracy, health and quality of life.

The latter aim arises from an insight that "different actors need to jointly address key issues of participation and trust, childhood living conditions and social anxiety and disorder, as well as develop methods for establishing more fair conditions for the young and their leisure activities" (ibid). The list of people involved in the planning of this programme is long and involves the heads of the sustainability unit, crime prevention, public health and youth health, pre-schools, primary and secondary schools, adult education, labour market, refugee reception, neighbourhood project leaders, social work, and strategic units working for the welfare of children and the youth.

Establishing cross-sectorial teams and bringing different competencies together are seen as necessary for accomplishing real development. Interviews with physical planners confirm their active participation in such collaborative planning discussions although in practical terms work has so far not resulted in many concrete plans. Some ideas, such as planning for housing tenure mix and to let administrators working in the social sector become earlier involved in the physical planning activities, may bring benefits in the long run. Some of the Delmos-funded initiatives, such as a project on younger children's leisure time activities, are also followed (on-going evaluation) by researchers based at the university college in Borlänge (Dalarna University). The municipality closely monitors and analyses inequality issues, including comprehensive reporting on child



inequalities from a range of perspectives (school results, poverty, physical and mental health, domestic violence etc.; see for example <u>Social hallbarhet - behovsanalys 2017.pdf (borlange.se)</u>)

To conclude, as far as we and our informants judge, the bulk of activities aiming for improving life opportunities for children and the youth are run as standardized routines in schools and the social services. The most innovative parts have more to do with clearly stating aims and priorities but also with municipal re-organization. Municipality actors in Borlänge understand that combatting structural problems calls for long-term structural counter-measures. Some of these could more easily be developed locally but without State support this up-hill battle has small chances of succeeding. What can also be put in question is the apparent lack of long-term involvement of local residents in the efforts to change the trajectory of poor neighbourhoods. Some informants state that this is due to lack of trust in authorities, making it difficult to involve residents. According to one young informant (a university student not formally selected for interview), the level of local self-organization for defending the interest of residents in poor neighbourhoods is low, which makes it difficult for authorities to find negotiating partners. Our quite superficial analysis indicates that outreach activities to involve local residents, including the young, seem so far not efficient enough to result in real local influence over the selected interventions.



## 4 Discussion and conclusions

According to earlier Uplift studies (Delivery 1.3), Sweden has a very low rate of material deprivation, including for the urban young. However, this urban report has hopefully made clear that neither poverty nor inequality are abstract concepts in Borlänge. All our informants rather confront different concrete aspects of inequality on a daily basis – be it NGO representatives working to assist poor people, the unemployed, or the homeless, or be it municipal staff active in planning and performing municipal services and interventions. They almost in uniform point at segregation as not being only a geographical reflection of inequality but indeed part and parcel of its production and reproduction. In doing so, most seem to strongly believe in negative contextual effects of concentrating poor people. Some but rather few of our informants mention ethnic clustering as part of the problem, instead they tend to stick to the problem perception that it is socioeconomic and not ethnic segregation that should be avoided. Although being a methodologically tricky research field, they find increasing support in Swedish and international research (see Musterd et al 2019), showing that even in a quite robust welfare state context neighbourhoods play a role (see Uplift Delivery 1.4, p. 33 for a discussion of segregation as a driver of inequality). This is why Borlänge actors link inequality and segregation strongly together. The leading actor in this regard is without doubt the municipality itself and its educational, labour market, physical planning and social service administrations. NGOs share the problem description and fullfil roles as complement to public actors, in particular in addressing problems related to drug addicts and homeless people but less so in relation to the young.

The overall conclusions of this urban report can be summed up under four headings, corresponding to our thematic empirical focus on education, labour market, housing and immigration.

<u>Education:</u> According to municipal documents, plans and interviews, actors highlight existing inequalities and identify these as very worrisome. Contrary to what can be seen in the national debate they do however not mention private schools and free choice policies as being part of such problems. We lack sufficient data to confirm or contradict this view but it is likely that school sorting is indeed a problem but maybe primarily within the municipal school system itself.

Our empirical analyses of educational outcomes show both positive and negative developments over time. Enrolment into upper secondary school is generally at a high level but the level is comparatively lower for females in Borlänge than it is elsewhere in the urban region, and it is lower from the foreign-born. The share of students finishing upper secondary school drops substantially in the core 2012 to 2017 but increases in the FUA non-core and this trend has likely to do with the influx of foreign-born to the core. The most obvious discrepancies are between natives and the foreign-born and this is true both nation-wide and in the region. One explanation but not the only



one is the extraordinary developments in the years around 2015 when many refugee migrants arrived to Sweden, including to Borlänge, many of whom were un-accompanied teenagers.

Labour market: Borlänge's decline as a centre for manufacturing follows a similar trajectory as for early industrialized cities in other developed European countries. It has however not resulted in high unemployment or severe crises in Borlänge. Rather, the city has been able to successfully restructure into a more service-based economy, partly because of new companies emerging in new sectors and partly because of an expansion of State authorities, such as the national transportation agency and a university college (Dalarna university). De-industrialization has however reduced manufacturing activities' historic role of employing young people and immigrants and thus contributing to the current labour market integration problem facing more recently arrived refugees. According to our informants, the demand for labour in the modern Borlänge economy is more or less restricted to those leaving upper secondary school with a passing grade.

Overall, both unemployment and the level of inactivity decrease over time to reach their lowest level in 2017. These levels are lower for females, in particular in 2017. The other main feature is the high unemployment rate for the 20 to 30 year olds in Borlänge FUA, about twice the national average despite a clear overall reduction 2012 to 2017. A third feature is the foreign-born versus native discrepancies. These remain big for unemployment but in particular for the share of inactive people. It is worth noticing that the 20 to 29 year olds exhibit a higher registered unemployment rate than those aged 30 and above, while their level of inactivity is similar. Like for education, municipal actors identify more recent immigrants as a core group for interventions (for avoiding drop-outs from upper secondary school and also for launching targeted measures within the adult educational programme).

Housing: Inequality in housing in Sweden is not so often related to its quality dimension. Most, including the relatively poor, live in modern housing of a reasonable standard. Over-crowding has to some extent returned as a problem in the new millennia and it is tightly related to segregation as it is mostly limited to immigrant-dense housing estates. Another key and related housing question is affordability and that has been a growing problem in urban Sweden for a couple of decades, following a sustained period of low levels of new housing construction. Building more is a stated aim by Borlänge municipality but the problem is that new housing is very expensive and that it is unlikely to improve the outlooks for those who currently lack housing or who live in overcrowded conditions. Finally, as affordability problems have been growing it is somewhat surprising to see reduced numbers of evictions over the past 25 years, in Sweden as well as in Borlänge. This is likely due to intensified municipal interventions (such as assistance in relation to rent arrears) but we lack precise information about the causes of the evictions trend.

Like for education and the labour market, most housing inequality issues discussed in Borlänge are in one way or another related to the situation for recent groups of immigrants, and their



neighbourhood conditions. That is why our last sections dealt with this issue and identified segregation and counter-segregation policies as being of prime interest.

Immigration and segregation: The bulk of all immigrants in Borlänge has arrived after 2007 and 40% of the 2017 foreign-born population have arrived after 2012. It is not immigration per se that has produced socioeconomic segregation in Borlänge – it existed long before – but as labour market integration of the newly arrived has worked poorly many of them have few tenure options other than renting. And, rental housing is geographically clustered into a fairly small number of neighbourhoods, which has rapidly increased the presence of low income people with an immigrant background in these neighbourhoods. We showed that while the share foreign-born increased from 8% to 14% in non-poor Borlänge neighbourhoods 2007 to 2017, the corresponding increase was from 39% to 62% in the poorest neighbourhoods.

<u>Innovative post-crisis policies:</u> We identified counter-segregation policies as the most innovative policy field in Borlänge. These policies are not limited to the young but the focus is on the young and they will – if they are successful – contribute to positively affect future living conditions for the most at-risk-of-poverty young residents in Borlänge.

Contrary to the situation in many European countries, in particular in the South of Europe, the 2008 crisis was not as severe and not so long-lived in Sweden or in Borlänge. Job growth was restored only a couple of years after the crisis. Unemployment for the young was higher in 2007 than it was in 2012 and in 2017.

### Some reflections on the effects of Covid-19

It is still far too early to fully evaluate the effects of the Covid-19 crisis. Sweden partly diverged from the rest of Europe in not activating any lockdown in the spring of 2020 and the government decided not to close schools (some have been temporarily closed when particular schools were experiencing a high number of cases). Mask wearing has not been required (except much later in public transportation). Guidelines concerning working from home and social distancing, cancelling of big events, and stop for visits at long-term care facilities were issued early on. At times recommendations not to travel to other regions, and later restrictions for seating in restaurants, were issued and like in the rest of the world this severely damaged the private service sector such as firms and employees in the tourism, hotel and restaurant sectors. Many of those made redundant were young adults working part time and often on temporary work contracts. However, firms as well as employees have been fairly well covered by social insurances and extra State support.

The NUTS 3 Dalarna Region has issued weekly reports concerning the societal consequences of the pandemic, including its economic consequences. In November 2021, the unemployment rate reported for the region is actually below the pre-pandemic level, while the rate of long-term unemployment (more than 6 months) is gradually falling but is still somewhat higher than it was

UPLIFT (870898) Deliverable 2.2 Urban report – Borlänge, Sweden



in February 2020. The same is documented for total unemployment of the under-24 age group. (Region Dalarna - Standard Powerpointmall). For non-European-born the reported trend is clearly positive as the number of unemployed is lower now than for any point in time over the past three years.

For Borlänge municipality, the number of unemployed in October 2021 was about 15% higher than the average level for October in 2018 and 2019, which illustrates that variation exists also within the region. This is even more obvious for youth unemployment, where Borlänge scores almost at the bottom (second highest unemployment) if compared with other municipalities in the NUTS 3 region).

In terms of effects on education, Covid-19 mostly affected students in upper secondary schools and universities, which early on decided to rely on remote learning techniques. Overall, this seems to have worked quite well in Borlänge but our interviews confirm what has been experienced everywhere: students who struggled most with their learning process before the pandemic faced the harshest consequences during the pandemic. This could be pupils/students living in overcrowded housing or those having a poor Swedish language understanding (interview). This, once again, illustrates the old lesson that inequalities tend to increase during economic and social crises.

In November 2021, Covid-19 vaccination rates (for two doses) stand at circa 82% in Sweden but the 12 to 15 age group is not yet fully vaccinated so some further increase in the rate can be expected. The rates are slightly higher for females in all age groups and in all regions. Vaccination data provided by Public Health Sweden is available at the level of municipalities and neighbourhoods and the pattern shows expected variations: highest in places having more educated and more high-income residents and lower in places having a concentration of low educated, low income people, and of immigrants (Vaccinationstäckning per födelseland, inkomst och utbildningsgrad — Folkhälsomyndigheten (folkhalsomyndigheten.se). Socioeconomic and ethnic segregation matter for both explaining the number of Covid-19 infections, casualties, and vaccinations.



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<u>Anmälda brott - Brottsförebyggande rådet (bra.se)</u> (data on crime rates provided by the Swedish National Council for Crime Prevention)

<u>Avhysning 1982-2020.pdf (kronofogden.se)</u> (Evictions statistics)

<u>Beslut borlänge 2020.pdf</u> (Delmos' decision June 12, 2020 to approve Borlänge's application for State funding for counteracting segregation).

<u>Borlänge arbetar med HTL från individ- till samhällsnivå - Kunskapsguiden</u> (describes a pilot school project)

<u>Delegationen mot segregation - Delmos</u> (the website presents the Swedish Delegation against Segregation, a State authority)

european-semester thematic-factsheet labour-force-participation-women en 0.pdf (europa.eu).



<u>Från folkskola till grundskola 1842-1962 (lararnashistoria.se)</u> (Provides the history of adult education in Sweden)

Karta över Borlänge kommun (arcgis.com) (Map of the NUTS 3 Dalarna region)

<u>LFS by sex and age - indicators (oecd.org)</u> (employment frequencies by age and gender)

Local taxes (scb.se)

Offentlig bruttoskuld - internationellt - Ekonomifakta (on public dept in EU 27, 1st quarter of 2021).

Region Dalarna - Standard Powerpointmall (this is the week 44, 2021, weekly report on societal consequences of the Covid-19 pandemic, describing its effects on the labour market in the NUTS 3 Dalarna region)

<u>Så mycket kostar skolan | SKR</u> (statistics on the cost of running schools in Sweden)

<u>Social hållbarhet - behovsanalys 2017.pdf (borlange.se)</u>; (a municipal document outlining the city's social sustainability strategy)

<u>Statistik om vräkningar | Kronofogden</u> (Evictions involving children)

<u>Strategisk plan 2020-2023 med ekonomiska ramar 2021-2024.PDF (borlange.se) (Strategic plan of Borlänge municipality for 2020 to 2023)</u>

Svår arbetsmarknad för ungdomar (scb.se) (On labour market effects of the Covid-19 pandemic)

The Swedish school system | sweden.se

<u>Vaccinationstäckning per födelseland, inkomst och utbildningsgrad — Folkhälsomyndigheten (folkhalsomyndigheten.se)</u> (Covid-19 vaccination data in late November 2021 by age, income, education and country (region) of birth)

<u>Vår historia | TUNABYGGEN.SE</u> (About the history of Borlänge's municipal housing company)

#### Database

The Geosweden database, Institute for housing and urban research, Uppsala University.



# **Appendix**

Figure 1. The proportion by age of young Borlänge residents in 2007 and 2017 that were present in the region ten years later or earlier, respectively.

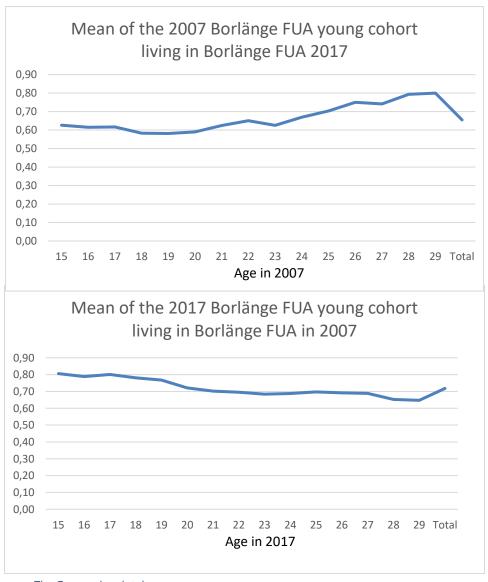




Table 1. Population data for Borlänge FUA 2007, 2012 and 2017. Source: The Geosweden database. (2 pages table)

		TOTAL	Sex		Age	Age					
	Year	Total	Men	Women	Young age group (15- 29)	Young age group a) 15-19	Young age group b) 20-29	30-64	65+		
National	2007	9,182,856	4,563,884	4,618,972	1,748,993	637,007	1,111,986	4,283,718	1,608,391		
	2012	9,555,504	4,765,808	4,789,696	1,840,709	564,592	1,276,117	4,274,770	1,828,282		
	2017	10,119,178	5,082,320	5,036,858	1,895,684	544,814	1,350,870	4,423,540	2,005,370		
FUA	2007	150,091	74,806	75,285	27,947	11,435	16,512	69,189	28,379		
	2012	152,491	76,116	76,375	28,367	9,365	19,002	66,621	32,513		
	2017	158,188	79,452	78,736	27,969	8,711	19,258	66,486	36,005		
FUA Core	2007	47,657	23,959	23,698	9,539	3,585	5,954	21,781	8,435		
	2012	49,381	24,737	24,644	10,165	3,052	7,113	21,242	9,488		
	2017	51,971	26,256	25,715	10,338	3,041	7,297	21,713	10,199		
FUA	2007	102,434	50,847	51,587	18,408	7,850	10,558	47,408	19,944		
"Non- core"	2012	103,110	51,379	51,731	18,201	6,312	11,889	45,379	23,025		
	2017	106,217	53,196	53,021	17,631	5,670	11,961	44,773	25,806		



		Family type					Country of	Country of origin			
	Year	Couples with children	Couples without children	Singles with children	Singles without children	Total excl. aged under 15	Foreign born total	Foreign born men	Foreign born women	Natives	
National	2007	2,571,683	1,627,961	671,777	2,642,130	7,513,551	1,227,744	593,011	634,733	7,955,112	
	2012	2,758,449	1,658,410	753,301	2,773,219	7,943,379	1,472,875	717,039	755,836	8,082,629	
	2017	2,827,707	1,705,652	790,011	3,000,974	8,324,344	2,073,254	1,008,628	1,064,626	8,045,924	
FUA	2007	42,353	28,144	11,520	41,222	123,239	11,438	5,575	5,863	138,653	
	2012	42,784	28,942	12,482	43,283	127,491	14,086	6,786	7,300	138,405	
	2017	42,024	29,450	12,753	46,225	130,452	18,849	9,408	9,441	139,339	
FUA Core	2007	12,681	8,488	3,794	14,113	39,076	5,227	2,656	2,571	42,430	
	2012	13,006	8,606	4,398	14,880	40,890	6,667	3,282	3,385	42,714	
	2017	13,103	8,492	4,766	15,886	42,247	9,205	4,668	4,537	42,766	
FUA	2007	29,672	19,656	7,726	27,109	84,163	6,211	2,919	3,292	96,223	
"Non- core"	2012	29,778	20,336	8,084	28,403	86,601	7,419	3,504	3,915	95,691	
	2017	28,921	20,958	7,987	30,339	88,205	9,644	4,740	4,904	96,573	



Table 2. Early school leavers, enrolments into, and share (%) finishing upper secondary school in Sweden and in Borlänge functional urban area (FUA), 2007, 2012 and 2017. (Note on 2nd page)

		-		(not comp nd country	oleting 9th of birth	grade), %	enroll		aged 17 upper chool			rts aged :hool at ag		ing upper
			Sex		Country o	forigin		Sex			Sex		Country	of origin
Geography	Year	Total	Men	Women	Foreign- born	Natives	Total	Men	Women	Total	Men	Women	Foreign- born	Natives
National	2007	7.7	9.0	6.4	31.0	5.6	94.6	95.4	95.0	62.4	60.4	64.6	32.2	66.1
	2012	9.5	11.3	7.5	40.3	5.5	95.1	94.9	95.3	69.2	67.2	71.3	26.7	74.2
	2017	9.7	11.2	8.1	35.7	4.4	93.8	93.4	94.2	65.8	62.6	69.3	23.5	76.3
Borlänge FUA	2007	8.6	8.4	8.8	35.3	7.0	94.4	94.0	94.9	67.0	65.6	68.6	31.3	69.3
	2012	11.2	12.6	9.7	58.0	6.2	95.1	94.8	95.0	67.4	71.6	68.0	21.6	73.4
	2017	11.6	12.9	10.2	43.7	5.2	93.1	93.4	92.8	63.7	66.1	61.5	13.8	74.1
FUA Core	2007	9.7	9.7	9.6	45.3	6.9	94.3	98.3	90.4	65.0	64.0	65.9	24.2	68.7
	2012	16.7	17.3	16.7	68.9	7.9	93.3	94.8	91.7	70.0	67.7	68.0	21.6	71.8
	2017	17.1	19.9	14.5	49.7	5.8	92.2	94.6	89.8	54.9	53.4	54.9	13.8	74.0
FUA Non-	2007	8.1	7.8	8.5	28.9	7.0	94.4	92.2	97.0	68.0	66.3	70.0	37.5	69.6
core	2012	8.5	10.6	6.3	48.3	5.4	95.8	95.3	96.5	62.8	67.7	58.2	12.1	71.8



Note: Data on early school leavers (left panel) are difficult to analyse. These values show the % leaving school after year 9 at the expected age of 16. However, while almost all native-born do leave at 16 delayed exams are common among the foreign-born students. In 2007, 34% of them finished at age 17 or older. In 2017, this share was even higher: 46%. The notion "early leavers" should therefore rather be interpreted as "delayed exams".

Source: The Geosweden database and Statistics Sweden for the mid-section's enrolment data.

(http://www.statistikdatabasen.scb.se/pxweb/sv/ssd/START\_UF\_UF0507/StudiedeltagandeK/)



Figure 2. Work income 2017 for native and foreign-born students graduating from upper secondary school in 2007 by grade quartiles. (Age in 2017: circa 29 years).

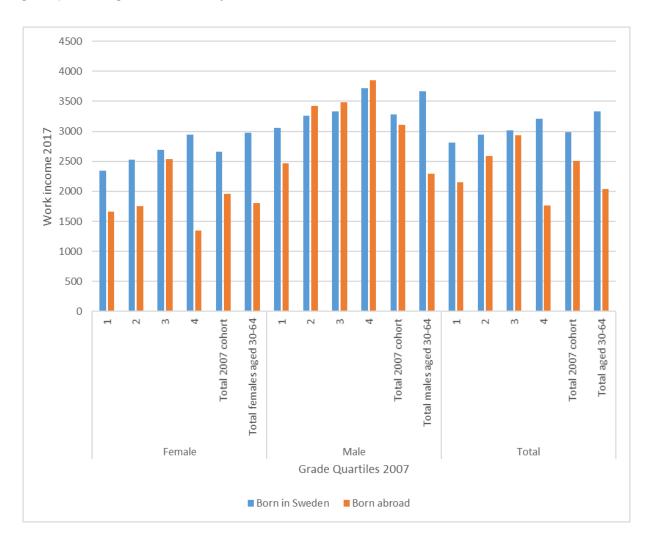




Table 3. Key demographic and socio-economic indicators for the seven poorest statistical units (three neighbourhoods) and all other neighbourhoods in the Borlänge FUA, 2007, 2012, 2017. Source: The Geosweden database.

Variable	Year	Seven poorest	All other
		statistical units	neighbourhoods
		Statistical arms	in Borlänge FUA
			in bonange roa
Population, N	2007	11,950	138,357
	2012	13,327	139,391
	2017	15,127	143,061
Pop aged 15 to 19, %	2007	7.8	7.6
	2012	6.9	6.0
	2017	7.4	5.3
Pop aged 20 to 29, %	2007	19.3	10.3
	2012	20.7	11.7
	2017	16.7	11.7
Mean age of residents	2007	36	42
	2012	35	43
	2017	34	43
% foreign background aged 15-29	2007	39	8
(Born abroad or two parents born	2012	47	10
	2017	62	14
% males	2007	50	50
	2012	50	50
	2017	50	50
% in public rental housing	2007	62	10
(% of all residents, not housing units)	2012	66	11
	2017	63	10
Mean disposable income aged 20-64	2007	133	172
(1000 SEK)	2012	144	195
	2017	161	230
% Employed aged 20-64	2007	58	82
	2012	53	81
	2017	58	83
Average grades Year 9 (age 16)	2007	87	101
(% of FUA average)	2012	83	102
-	2017	99	100
Average grades Upper sec school (age	2007	97	100
(% of FUA average)	2012	96	100
-	2017	82	102



Figure 3. Share (%) employed by industrial sector (NACE Rev.2) in 2007 and 2017 by age groups (Young: 15-29; Old: 30-64.)

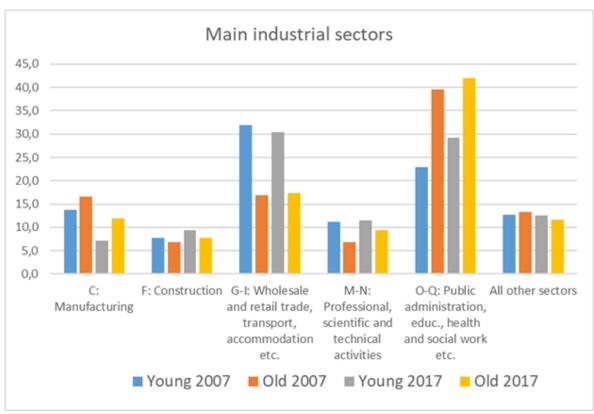




Table 4. Share (%) unemployed and inactive in Sweden and in Borlänge FUA 2007, 2012 and 2017, by gender, age groups (15-64) and country of origin.

A.					%	UNEMPLOY	ED				
		TOTAL	<u>S</u> (	ex_		<u>A</u>	<u>ge</u>		Country of origin		
					Young	Young	Young	Other working age			
					•	age group	_	_	Foreign		
		Total	Men	Women	(15-29)		b) 20-29	(30-64)	born	Natives	
National	2007	11.6	10.8	12.4	15.6	5.4	20.3	10.0	17.3	10.5	
	2012	5.8	5.8	5.7	8.2	4.7	9.7	4.7	13.3	4.0	
	2017	5.0	5.0	4.9	5.8	2.3	7.2	4.6	13.3	2.5	
FUA	2007	10.4	9.9	11.0	19.9	5.7	26.7	10.4	15.0	10.3	
	2012	8.8	9.5	8.1	17.6	6.7	22.7	9.2	15.9	7.2	
	2017	7.1	8.0	6.1	11.5	2.6	15.5	9.0	10.4	4.4	
B.		9/	6 ECONOM	ICALLY INA	CTIVE (OUT	SIDE THE LA	ABOUR MA	RKET and n	ot studying	z)	
		TOTAL		ex	Age				Country of origin		
					•			Other			
								working			
					Young	Young	Young	age			
					age group	age group	age group	groups	Foreign		
		Total	Men	Women	(15-29)	a) 15-19	b) 20-29	(30-64)	born	Natives	
National	2007	12.3	11.4	13.3	8.1	2.3	10.7	14.0	28.7	9.2	
	2012	12.3	11.5	13.0	9.1	2.3	12.1	13.6	28.6	8.5	
	2017	11.8	11.2	12.5	8.8	2.3	11.5	13.1	25.6	7.7	
FUA	2007	10.3	9.5	11.3	7.7	1.9	10.8	11.3	27.1	8.7	
	2012	10.7	9.8	11.6	9.5	2.3	13.0	11.1	29.5	8.3	
	2017	10.3	11.3	9.4	8.5	1.8	11.5	11.1	26.3	7.5	

Note: Data on employment and unemployment comes from the LISA registry at Statistics Sweden, which is part of the Geosweden database. Employment status is reported for the first week of November, while unemployment status is derived by a combination of the employment status during this week and information on unemployment benefits for the full year. We define an economically inactive as a person who is not registered as active in the taxed-based employment registry (code 6 for SyssStatusF) if the person is also not studying. Due to the fact that the under-20 age group is typically studying, employment rates in Sweden are normally calculated for the 20 to 64 age group (around 80% employed; see also table 3 for neighbourhood averages).



Table 5. NEET (in %) for age group 15 to 29 in Borlänge FUA 2007, 2012 and 2017, by gender and country of origin.

Geography		15-29 ys			Country of origin		
		Total	Men	Women	Foreign- born	Natives	
National	2007	8.8	8.4	9.1	27.2	5.5	
	2012	9.2	8.9	9.6	23.5	6.4	
	2017	8.8	8.6	9.0	18.1	6.5	
Borlänge FUA	2007	7.1	6.7	7.6	27.6	5.4	
	2012	8.6	7.7	9.7	20.3	7.1	
	2017	8.0	7.7	8.3	14.4	6.6	
FUA Core	2007	9.2	8.5	10.0	34.3	6.0	
	2012	10.7	9.1	12.5	24.3	8.0	
	2017	9.4	9.0	9.8	15.1	7.4	
FUA Non-core	2007	5.9	5.7	6.2	19.8	5.1	
	2012	7.4	6.9	8.0	15.6	6.7	
	2017	7.2	6.9	7.5	13.7	6.2	



Table 6. Tenure structure in Sweden and in Borlänge 2007, 2012, 2017. Share (%) of all inhabitants living in each tenure form.

	Year	Ownership	Rental	Municipal rental
National	2007	71.0	28.7	14.2
	2012	71.6	28.4	14.0
	2017	71.8	28.2	13.4
FUA	2007	80.3	19.7	12.2
	2012	78.2	21.8	14.2
	2017	75.4	24.6	15.5
FUA Core	2007	74.8	25.2	16.9
	2012	71.6	28.4	20.0
	2017	67.4	32.6	23.0
FUA Non-core	2007	83.1	16.9	9.9
	2012	81.5	18.5	11.3
	2017	79.4	20.6	11.6

Note: Public (municipal) housing in Sweden is not subsidized but as the municipalities are obliged to assist residents in need of housing, the sector in practice functions partly as social housing. In the table, municipal rental is included in the overall values for rental (which also include private rental).

In order to make the ownership category more comparable with ownership housing in other countries we have included cooperative housing (coops) in the ownership category. In coops people buy the right to dispose of the dwelling, but the property as such - typically one or several multifamily housing units per housing cooperative - are collectively owned by all individual members of the cooperative. A coop dwelling is market priced and exchange takes place in an open bidding process. The board of the cooperative has to approve each transaction (and the new member/co-owner) but the approvement process is normally a



formality. About 20% of all housing in Sweden is cooperative housing while home ownership (typically single housing units) comprises half the Swedish housing stock.

Figure 4. Tenure composition (%) in Borlänge FUA and Core by disposable income groups 2007 and 2017.





Figure 5. Number of foreign-born in Borlänge FUA 2017 according to country of birth and period of immigration.

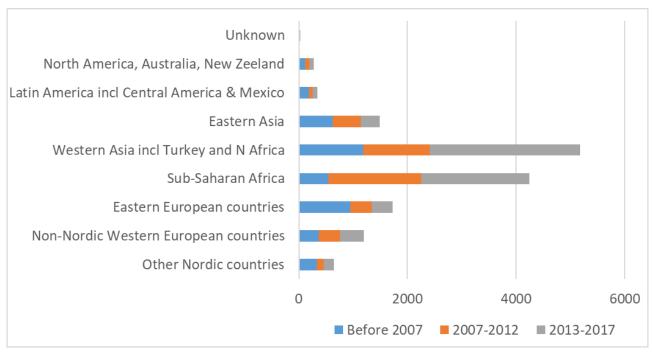


Table 7. Dissimilarity index\* for ethnic and disposable income categories in Borlänge FUA 2007 and 2017. Neighbourhood units=94 (circa 1,600 residents per unit).

Segregation measure	2007	2017
Dissimilarity index Non-European vs. Native-born	.47	.48
Dissimilarity index Lowest income Quintile vs. Highest Income Quintile	.17	.20
Low income Natives vs. Low Income Non-European-born	.55	.47
High income Natives vs. High income Non-European-born	.39	.38

<sup>\*</sup>A dissimilarity index is constructed by comparing the residential (neighbourhood) distribution of two groups using the overall size of the two groups in the city for standardization. It runs between complete lack of differences in residential distribution (=0) to complete separation (=1).



Figure 6. Individualized disposable income decile composition of the poorest neighbourhoods in Borlänge FUA 2007, 2012 and 2017 compared to all other neighbourhoods in the FUA. (Deciles computed using national breakpoints.)

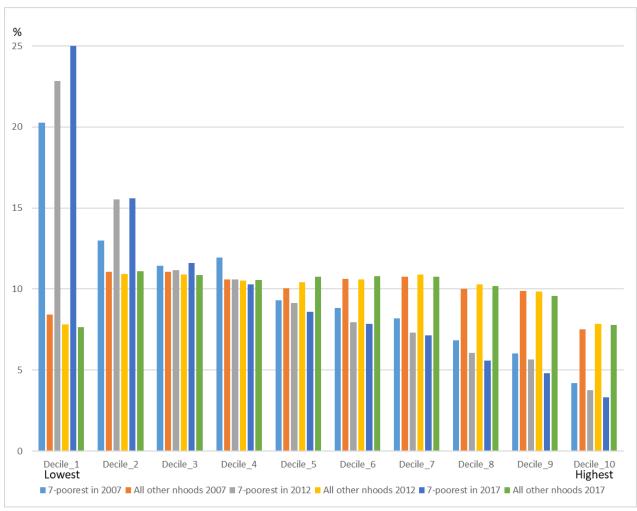




Table 8. Number and share (%) of 2007 cohort of residents in the seven poorest neighbourhoods, by country of birth, who remain in this category of neighbourhoods up to 2017.\*

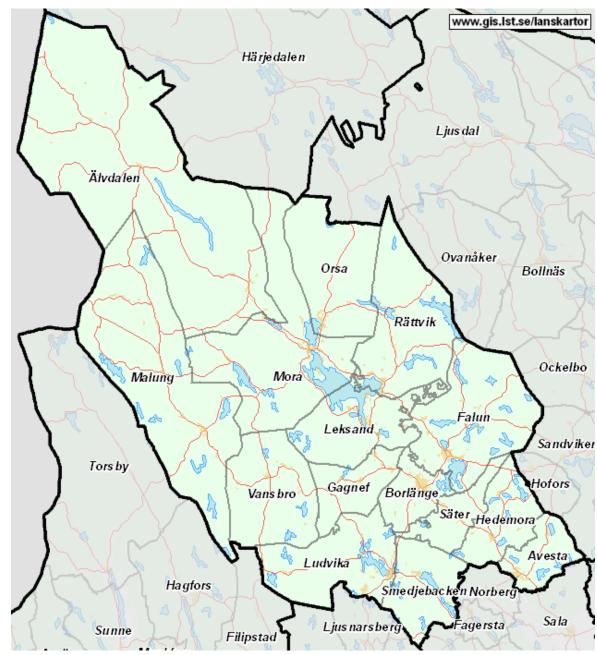
Variable	Sweden	Western countries	Eastern Europe	Asia with Turkey, Africa, Latin America	Total
Total N of residents in 2007	8,972	430	375	2,173	11,950
N remaining in any of these n'hoods in 2017*	3,873	185	109	941	5,108
% remaining in 2017	43.2	43.0	29.1	43.3	42.8
N remaining in Borlänge FUA 2017	6,620	249	226	1,300	8,395
% remaining in FUA 2017	73.8	57.9	60.3	59.8	70.3

<sup>\*</sup>People categorized as remaining might have relocated between these poor neighbourhoods. Not remaining thus means having left this category of neighbourhoods.

Norway



Map of municipalities in the NUTS 3 Dalarna region.



The Borlänge FUA comprises six municipalities: Borlänge, Falun, Gagnef, Säter, Leksand and Säter. For a more detailed Borlänge map, see <u>Karta över Borlänge kommun (arcgis.com)</u>

Towards Stockholm, circa 200 km from Borlänge by road or by train



The table below contains data/indicators that are able to display social inequalities in a way that is the most comparable with other urban areas. Each urban report includes this data table, which is also intending to show not only the scale and dimensions of inequalities in the functional urban area of Borlänge, but indicates also the scale of missing data that makes any comparative research difficult to implement.

	National data (Sweden)	Regional data	(Falun-Borlänge	City level data (Borlänge municipality)
	Popula	tion		
Population in 2007	9,182,856		150,091	47,657
Population in 2012	9,555,504		152,491	49,381
Population in 2017	10,119,178		158,188	51,971
Population aged 15-29 in 2007	1,748,993		27,947	9,539
Population aged 15-29 in 2012	1,840,709		28,367	10,165
Population aged 15-29 in 2017	1,895,684		27,969	10,338
	Income/p	overty		
Gini index 2007 (disp. Inc. age 20+)	.18		.15	.15
Gini index 2012 (disp. Inc. age 20+)	.17		.15	.15
Gini index 2017 (disp. Inc. age 20+)	.18		.16	.16
Equalized personal income quintiles (mean for the 1st quintile) 2017, SEK	76,500		82,800	80,200
Equalized personal income quintiles (mean for the 2st quintile) 2017, SEK	140,300		140,100	140,000
Equalized personal income quintiles (mean for the 3st quintile) 2017, SEK	187,500		187,600	187,800
Equalized personal income quintiles (mean for the 4st quintile) 2017, SEK	255,900		255,000	255,000
Equalized personal income quintiles (mean for the 5st quintile) 2017, SEK	515,500		467,500	436,200
At risk of poverty rate 2007	16.4		15.3	16.3
At risk of poverty rate 2012	17.4		16.4	18.3
At risk of poverty rate 2017	17.8		15.7	17.2
At risk of poverty aged 15-29 2007	30.3		30.5	32.7
At risk of poverty aged 15-29 2012	31.5		33.9	37.2



	National data	Regional data	FUA data	City level data
	(Sweden)		(Falun-Borlänge labour market	(Borlänge municipality)
			region)	······································
At risk of poverty aged 15-29 2017	29.8		28.7	32.0
	Housi	ing		
Share of municipal rental housing 2007	14.2		12.2	16.9
Share of municipal rental housing 2012	14.0		14.2	20.0
Share of municipal rental housing 2017	13.4		15.5	23.0
Average housing price/average income 2007	n.a.		n.a.	n.a.
Average housing price/average income 2012	n.a.		n.a.	n.a.
Average housing price/average income 2017	n.a.		n.a.	n.a.
	Educa	tion		
Early leavers from education and training 2007/2008	7.7		8.6	9.7
Early leavers from education and training 2011/2012	9.5		11.2	16.7
Early leavers from education and training 2018/2019	9.7		11.6	17.1
Share of inhabitants aged 15-64 with a maximum ISCED 2 education 2007	33.4		26.8	29.0
Share of inhabitants aged 15-64 with a maximum ISCED 2 education 2012	26.5		24.7	27.8
Share of inhabitants aged 15-64 with a maximum ISCED 2 education 2017	24.2		24.2	27.9
Enrolment in upper secondary school 2007	94.6		94.4	94.3
Enrolment in upper secondary school 2012	95.1		95.1	93.3
Enrolment in upper secondary school 2017	93.8		93.1	92.2



	National data	Regional data	FUA data (Falun-Borlänge	City level data (Borlänge	
	(Sweden)			municipality)	
		_	region,		
Employment					
NEET youth aged 15-29 2007	8.8		7.1	9.2	
NEET youth aged 15-29 2012	9.2		8.6	10.7	
NEET youth aged 15-29 2017	8.8		8.0	9.4	
Employment rate aged 20-64 2007	77.9		79.7	77.0	
Employment rate aged 20-64 2012	77.1		78.7	74.9	
Employment rate aged 20-64 2017	79.1		80.9	77.4	
Employment rate aged 15-29 2007	52.5		56.2	54.8	
Employment rate aged 15-29 2012	49.2		50.8	49.7	
Employment rate aged 15-29 2017	55.2		55.1	54.2	
Unemployment rate 2007	11.6		10.4	11.1	
Unemployment rate 2012	5.8		8.8	9.9	
Unemployment rate 2017	5.0		7.1	9.0	
Unemployment rate aged 15-29 2007	15.6		19.9	20.9	
Unemployment rate aged 15-29 2012	8.2		17.6	19.3	
Unemployment rate aged 15-29 2017	5.8		11.5	13.6	
Share of precarious employment 2007	n.a.		n.a.	n.a.	
Share of precarious employment 2012	n.a.		n.a.	n.a.	
Share of precarious employment 2017	n.a.		n.a.	n.a.	
Share of precarious employment aged 15-29 2007	n.a.		n.a.	n.a.	
Share of precarious employment aged 15-29 2012	n.a.		n.a.	n.a.	
Share of precarious employment aged 15-29 2017	n.a.		n.a.	n.a.	



	National data (Sweden)	Regional data	FUA data (Falun-Borlänge labour market region)			
Health						
Life expectancy 2007/2008	81.0		n.a.	n.a.		
Life expectancy 2011/2012	81.9		n.a.	n.a.		
Life expectancy 2018/2019	82.4		n.a.	n.a.		
Teenage birth rate 2007 (%)	0.45		0.35	0.52		
Teenage birth rate 2012 (%)	0.34		0.41	0.52		
Teenage birth rate 2017 (%)	0.28		0.37	0.36		