The spatial manifestation of inequality

Residential segregation in Sweden and its causes
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Abstract


The thesis examines the relationship between income inequality and residential segregation in Swedish cities. In recent years, in Sweden, much attention has been given to the direction of causality from residential segregation to income inequality. Residential segregation is considered to lead to a differentiation of opportunities between neighbourhoods and, therefore, to be a contributing factor to or even a major cause of income inequality in cities. The thesis focuses on the opposite direction of causality, from income inequality to residential segregation. In fact, residential segregation can also be seen as the spatial manifestation of existing disparities in income distribution, since residential location choices are always (although not exclusively) made within a predetermined framework of economic constraints.

Specifically, two research questions are addressed in this thesis. What institutional factors, in the Swedish context, favour the transformation of the social divide between specific population subgroups into a spatial divide between those groups? To what extent and in what ways does income inequality contribute to the development of residential segregation in Swedish cities?

The first part of the thesis explains why Swedish cities are characterized by higher levels of residential segregation than cities of other countries characterized by higher levels of income inequality. The historical and comparative analyses developed in the first two studies indicate that it is not so much the magnitude of immigration that accounts for this difference between Swedish cities and their more unequal counterparts in other countries but, rather, the institutional factors influencing the modes of incorporation of immigrants into cities.

The second part of the thesis analyses how, in recent decades, the increase in income inequality has influenced residential segregation patterns in Malmö and in the three major Swedish metropolitan areas. The third and the fourth study show that, during the studied period, the widening of income disparities between neighbourhoods mirrored the general upward trend in income inequality in the population. The growth of the immigrant population contributed only slightly to this trend and income inequality was primarily driven by changes in the distribution of market incomes. During the late study period, however, income sorting processes have played a steadily more important role in contributing to economic residential segregation. Therefore, neighbourhood-based urban policies have not succeeded to reverse, or even just impede, the trend towards an increased spatial clustering of poverty and wealth in Swedish cities.

Keywords: residential segregation, income inequality, immigration, immigration policy regime, welfare state, housing, Sweden, Malmö, Genoa, Swedish metropolitan areas
Acknowledgements

Continuing an academic career in a foreign country with which I was already familiar, for accomplishing a goal that I had already accomplished once before (obtaining a PhD), seemed to be an almost risk-free endeavour at the beginning of this journey. If this expectation had been met, the journey would perhaps have been easier but also less adventurous than it has been. Now that the journey is over, I can see that encountering some perils and difficulties along my way reinforced both my pessimism of intellect and my optimism of will.

I have become more pessimistic about the possibility for social researchers to discuss and evaluate the validity of their ideas solely on the basis of their scientific merits, rather than on the basis of their degree of adherence to traditional beliefs and practices. For this reason, I have also become more pessimistic about the possibility for social researchers to have the same understanding of what is happening in the world, regardless of where they come from (geographically and ideologically).

At the same time, I have become more optimistic about the possibility to accomplish research goals in any academic environment, despite all perils and difficulties that one may have to go through. The thesis that the reader is holding in her/his hands (or reading on a computer screen) is the primary reason for this optimism.

The other reason for optimism is the existence of people like Tapio Salonen and Susanne Urban, my two supervisors, without whom this thesis would not exist.

I must thank Tapio Salonen for having introduced me to the Swedish social work research world (almost by accident, and what seems like many lifetimes ago) and for keeping the faith that I would eventually provide a meaningful contribution to existing debates.

I owe Susanne Urban a great debt. First, she helped me to obtain the permission to use the dataset possessed by the Institute for Research on Migration, Ethnicity and Society (REMESO) at Linköping University, when my hope to add empirical substance to my theoretical ideas was almost lost. Then, I consider myself very lucky and honoured to have been the first PhD student that she ever supervised.

I am grateful to my supervisors for having encouraged me when things were not going well and having shared in my happiness when things were going more smoothly.

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Through Susanne Urban, I got the opportunity to participate in different seminars at REMESO, from where I always came away with new and useful knowledge. I wish to thank Aleksandra Ålund and Carl-Ulrik Schierup in particular for having made me feel part of that vibrant research group.

I also need to thank two members of the small Italian Diaspora in Sweden.

Luca Fumarco started his PhD with me at Linnaeus University but in a different department. Over the years, we had the opportunity to discuss several culinary and football-related matters (as per the stereotype) but also to support each other with practical help when needed.

My high school friend Piersimone Crinelli made the move to Sweden just a few months after I did and he rapidly and deservedly established himself as a talented saxophone player in the local jazz scene (this is his latest project together with David Bäck on piano: www.backcrinelli.com). Although we live quite far from each other, it has been nice to have an old friend like him with whom I could share the experience of being foreigners in the same country.

In Rome, my home town, my dear friend and artist Marco Soellner should be thanked for the picture that appears on the cover of this thesis. I am waiting for the next album of Klimt 1918, his band, with much impatience!

Last, but first in my mind, I want to thank Ewa Lisowska for being the best thing to ever happen to me.

Växjö, January 2015, Simone Scarpa
The aim of science is not to open the door to infinite wisdom, but to set a limit to infinite error.

Bertolt Brecht, *Life of Galileo*
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References
1.1. Prologue

During the last months of work on this manuscript, I would take breaks from my writing sessions by watching episodes of Welcome to Sweden, a TV series inspired by the real life experiences of Greg Poehler, an American accountant who, about a decade ago, moved from New York to Stockholm to live with his Swedish girlfriend. In addition to being the author, Greg Poehler plays the lead role of Bruce, his alter ego in the TV series.

In the third episode of the first season, Bruce wonders why Emma (his Swedish girlfriend) takes so much time checking the peephole just before she is about to go out. Emma explains to Bruce that in Sweden checking the peephole before opening the door is a common practice for avoiding interactions with neighbours. Privacy is highly valued in Sweden and Swedes feel intimidated by intrusions from strangers, even when these strangers are their next-door neighbours. Bruce decides to ignore Emma's advice and to take the initiative to get to know the neighbours. However (as predicted by his girlfriend), the neighbours react with embarrassment to his uninhibited but futile attempts to initiate conversations. Bruce does not succeed in making new acquaintances. The task of finding a job appears to be also hard in the new country and Bruce is forced to use all his savings in order to survive. His sole friend is Hassan, an Iraqi engineer who attends the same Swedish language course and works as a taxi driver. Whereas Bruce and his Swedish girlfriend reside in a centrally located middle-class neighbourhood, Hassan lives in a public housing suburb and his next-door neighbours are also non-western immigrants.

This TV series has been a very entertaining break from my thesis work because I could identify myself with many of the situations that the main character encounters as an immigrant in Sweden. When I watched this episode in particular, however, I could not help but attempt to compare Bruce's and Hassan's situations using the academic knowledge that I gained through my PhD studies.
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This TV series has been a very entertaining break from my thesis work because I could identify myself with many of the situations that the main character encounters as an immigrant in Sweden. When I watched this episode in particular, however, I could not help but attempt to compare Bruce’s and Hassan’s situations using the academic knowledge that I gained through my PhD studies.
Although Bruce seemed to be more disheartened than Hassan about his chances of integrating into Swedish society, many Swedes and immigrants alike would think Bruce had a more secure and promising situation than Hassan because he lived in a centrally located middle-class neighbourhood and not in a public housing suburb. In Sweden, middle-class neighbourhoods are predominantly inhabited by natives and are thought to provide more and better opportunities for personal advancement, to native and immigrant residents alike, than public housing neighbourhoods with many immigrant residents. The neighbourhood where Bruce lives with Emma is thought to be more opportunity-rich than the one where Hassan lives because of the different types of residents who inhabit it. Having neighbours who are well integrated into society, who are well-educated, and who have good jobs is considered to be an advantage for those who are not well-integrated, who lack important skills (e.g., language proficiency), and who are unemployed or in low-paying jobs. That is, it is believed that well-integrated neighbours may exercise a positive influence as role models on less well-integrated individuals. Eventually, well-integrated neighbours may provide access to valuable social networks (e.g., for finding jobs). For the opposite reasons, there is a widespread belief that the lack of well-integrated residents in a neighbourhood may be a disadvantage for those who are not already well integrated into Swedish society. In sum, residential segregation is thought to be associated with a differentiation of opportunities between neighbourhoods and, therefore, to contribute to income inequality in Swedish cities.

Clearly, Bruce’s and Hassan’s chances of integration into the Swedish society will be influenced especially by their individual characteristics and living circumstances (e.g., differences in age, education, and the employment situation of their partner). Still, many in Sweden would believe that an additional and independent source of inequality might be identified in the different population composition of their neighbourhoods of residence. Whereas Bruce may benefit from additional advantages stemming from his (so far not rewarding) interactions with Swedish middle-class neighbours, this opportunity will not be available to the same extent in Hassan’s immigrant-dense neighbourhood.

In recent years, the issues of how and to what extent neighbourhood population characteristics influence the life trajectories of residents, over and beyond their individual characteristics and other living circumstances, has occupied a central place in public and academic debates on residential segregation in Sweden. The importance attributed to these issues is not unique to the Swedish context. In this respect, the US experience has clearly been a key reference and Swedish residential segregation research has been strongly influenced by American research. Hence, one may wonder whether Bruce, as an American in Sweden, was as surprised by the existence of marked differences in population composition between his neighbourhood and the one where Hassan lives as he was by the strong sense of privacy of his neighbours.
In the US, residential segregation is a longstanding feature of cities but has different historical roots and displays different socio-spatial forms from those observed in Swedish cities. In Swedish cities, poor neighbourhoods are usually located on the outskirts rather than in the downtown areas as in US cities, and their populations usually comprise many different nationalities (even more than one hundred nationalities in certain neighbourhoods) rather than being dominated by particular ethnic groups, as is the case in so-called American “ghettos” (Andersson, 1998:421).

To an European observer like me, the existence of high levels of residential segregation in Swedish cities and, above all, the importance attributed by policymakers to this issue in a country characterized by a comparatively low level of inequality like Sweden have been a greater cause of wonder than the ways in which natives interact with each other in their neighbourhoods. A comparison with Italy, my home country, is striking in this regard. Italy belongs to the most unequal OECD countries and the level of inequality (measured by the Gini coefficient) is about 30% higher than in Sweden (OECD, 2011). Italy is also among the OECD countries that experienced the largest inflows of immigrants since 2000, both in absolute numbers and as a percentage of the population (OECD, 2014a:15). In spite of this rapid growth of the immigrant population, the level of ethnic residential segregation remained comparatively low in Italian cities, and it even decreased slightly over the last decade (Barbagli & Pisati, 2013).

This thesis is rooted precisely in the curiosity to understand why residential segregation has risen to the forefront of the Swedish policy debate and why this issue seems to be more important in Sweden than in other European countries characterized by higher levels of inequality (such as Italy). In an attempt to satisfy this curiosity, this thesis seeks to investigate how the social changes that have occurred in Sweden in recent decades, and the growth of income inequality in particular, have contributed to the development of residential segregation in Swedish cities. Therefore, this thesis focuses on the possible causes of residential segregation rather than on the possible consequences of living in certain neighbourhoods on the life trajectories of residents.

When the focus of research is on the consequences of residential segregation, segregation is usually regarded as an undesirable and potentially harmful phenomenon. As such, the aim of the researcher is to examine the extent to which residential segregation contributes to the reinforcement, perpetuation, or independent creation of social privileges and disadvantages in

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1 According to OECD data, Italy received almost 4 million immigrants between 2000 and 2011, and this inflow was the largest, in absolute terms, among OECD countries after those of USA (12.4 million), Germany (7.6 million), Spain (6.7 million), UK (4.7 million), and Japan (4 million) (source: http://stats.oecd.org/Index.aspx?DataSetCode=MIG).
cities. When, however, the focus of research is on the causes of residential segregation, segregation is not regarded as a problem in itself but as a symptom or the “spatial manifestation” (Cheshire, 2012a) of other underlying problems related to the unequal distribution of resources and opportunities in society.

1.2. Introduction: aims, research questions and outline of the thesis

Since the early 1990s, the Swedish welfare state has undergone a number of significant transformations involving, among other things, the reduction of benefit levels and periods, the tightening of eligibility requirements, and the privatization and marketization of social services. The nature and magnitude of the consequences of these transformations have been discussed at length in Sweden and abroad (see Pontusson, 2011; Schnyder, 2012; Steinmo, 2013). There is a certain consensus that, despite recent reforms, the Swedish welfare state maintained many of its defining features, such as the unparalleled effectiveness of redistribution mechanisms in reducing poverty and the nearly all-encompassing coverage of the social protection system. Nevertheless, Sweden has lost its leading international position with regard to the level of generosity of many income transfer programmes (Ferrarini, Nelson, Sjöberg & Palme, 2012; Kuivalainen & Nelson, 2012). Because housing policy has been dramatically affected by the decline of state intervention, some scholars have argued that the Swedish housing regime has become one of the most market-driven in the world (Hedin, Clark, Lundholm & Malmberg, 2012).

The restructuring of the Swedish welfare state has been accompanied by a shift of priorities in the social policy agenda. In particular, there has been a rise in importance of the issue of residential segregation that, in the Swedish context, is assumed to have both a socio-economic and an ethnic form. As has been noted (Andersson, 1999:616), this policy shift redirected efforts from regional issues and, therefore, from the problem related to the spatial distance between cities, to urban issues and, therefore, to the problem related to the spatial distance within cities.

Compared to other European countries marked by wider regional differences in socio-economic development (e.g., Italy), the uneven distribution of opportunities across cities seems to be a matter of limited concern for Swedish policymakers. On the other hand, a great deal of attention is devoted to the division of cities between poor and immigrant-

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2 Sweden is one of the OECD countries where the gap in poverty rates between the region with the highest rate and the country as a whole is the lowest, regardless of the way it is measured (OECD, 2014b:20-21).
dense neighbourhoods and affluent residential areas predominantly inhabited by natives. What characterizes the Swedish context is, in fact, a high degree of residential separation between native and immigrant groups living in the same cities. Despite the limited cross-national comparability of the data, the few studies conducted to date indicate that Swedish cities are as much or even more sharply divided along ethnic lines than the cities of other countries characterized by higher levels of income inequality (e.g., Malheiro, 2002; Musterd, 2005; Arbaci, 2007; Arbaci & Malheiro, 2009). It is no surprise, then, that the phenomenon of residential segregation in Swedish cities has attracted a growing interest in social research. As explained below (Section 1.4), much of the focus of this research has been on two issues: (a) the consequences of residential segregation and, especially, of living in poor and immigrant-dense neighbourhoods on a number of individual outcomes for residents (the neighbourhood effect hypothesis) and (b) the role of residential location decisions, and selective migration moves in particular, in reproducing and reinforcing residential segregation patterns. Although this thesis builds on this existing research, it takes a different perspective and addresses the following research questions:

§1. What institutional factors, in the Swedish context, favour the transformation of the social divide between specific population subgroups (namely, native and immigrant groups) into a spatial divide? How does social inequality translate into spatial distance and, therefore, residential segregation in Swedish cities?

§2. To what extent and in what ways have the recent growth in income inequality contributed to the parallel increase in residential segregation in Swedish cities?

It is conventional wisdom in Sweden, both among policymakers and in society at large (as discussed more in detail in Section 1.4), that there is an inherent relationship between the level of residential segregation and the intensity of inequality in cities. However, the predominant focus in political and public discourses is on the direction of causality from residential segregation to inequality. Poor neighbourhoods are thought to provide fewer opportunities for upward social mobility to residents and, therefore, to exercise a detrimental environmental effect on their life chances. In Sweden, the reasons for this detrimental environmental effect are not (usually) attributed to the physical features of poor neighbourhoods (e.g., their infrastructure, location, and institutional resources): “[R]elatively few people believe that the physical structure of the

3 The Swedish Ombudsman Against Discrimination report concludes that “Sweden is regarded as one of the most segregated countries in Europe and Sweden ranks high on the OECD’s index of ethnic segregation” (Diskrimineringsombudsmannen, 2008:3).
residential segregation. In fact, there are reasons to believe that inequality is not only a consequence of residential segregation but also a complementing the existing body of literature by focusing on the direction of effects as the two principal mechanisms” (Edling & Rydgren, 2012:2).

On the academic side, the number of studies focusing on the (alleged) effects of residing in certain areas, this thesis aims at selecting a number of poor and immigrant-dense neighbourhoods. In later years, this programme was followed by other initiatives inspired by the same rationale. However, most policymakers and researchers agree that the gap in living conditions between rich and poor neighbourhoods remains largely

estates and even less the quality of housing are important factors in the reproduction of ‘racialised’ social exclusion” (Andersson, 2006:792). Rather, living in poor neighbourhoods is considered to be an independent and additional cause of social disadvantage for residents as a consequence of the type of social interactions taking place in these neighbourhoods. Neighbourhoods are thought to play an important role in delimiting the size and quality of the social networks of residents. Therefore, individuals are either enabled or constrained in accessing valuable resources and information (e.g., about job or career opportunities) by the population composition of their neighbourhoods of residence. When cities have high levels of residential segregation along ethnic and income lines, individuals are expected to interact especially with similar people (e.g., poor immigrants tend to socialize predominantly with their poor immigrant neighbours whereas well-off natives tend to socialize predominantly with their well-off native neighbours). Since residential segregation is believed to lead to the formation of neighbourhood-bounded and unequally-endowed social networks, residential segregation is also believed to reinforce (or even be an independent cause of) income inequality in cities.

In Sweden, the view that the problems of poor neighbourhoods have to do, at least to some extent, with the weakness of locally embedded social networks has significantly influenced policymaking and academic debates on residential segregation.

At the policymaking level, residential segregation is thought to result in social isolation, which may hinder the socio-economic prospects of immigrants and other marginal groups. Established by the Swedish Parliament in the 1990s, the Commission on Metropolitan Areas provided guidelines for policies aimed at counteracting residential segregation:

Residential segregation implies outsidersness [utanförskap] and generates a vicious and self-reinforcing circle of problems that leads people to become excluded from important aspects of community life. Social isolation is a major obstacle to the development of a solid and well-functioning social network able to provide an admission ticket to the labour market. Consequently, a large proportion of outsiders will probably never have a reasonable chance to enter the labour market and start a new life. (Storstadskommittén, 1997:79)

This official report inspired the first area-based urban policy programme, which was launched in 1999 and aimed at improving living conditions in a selected number of poor and immigrant-dense neighbourhoods. In later years, this programme was followed by other initiatives inspired by the same rationale. However, most policymakers and researchers agree that the gap in living conditions between rich and poor neighbourhoods remains largely
unaffected in spite of decades of interventions (see Section 1.4) (SOU, 2005; Andersson, 2006; Andersson & Musterd, 2010).

On the academic side, the number of studies focusing on the (alleged) effects of neighbourhood population composition on individual socio-economic outcomes has increased considerably in recent years along with a concern about social isolation of residents in poor and immigrant-dense neighbourhoods of Swedish cities. It has been noted that the majority of these studies focused on some of the ways in which neighbourhoods influence residents’ lives: “Swedish research has singled out network and interaction effects as the two principal mechanisms” (Edling & Rydgren, 2012:2). However, the opinions of researchers differ with regard to the nature and magnitude of neighbourhood effects on residents’ socio-economic outcomes in the Swedish context – a point developed further in Section 1.4.

Differences in population composition between neighbourhoods are also believed to be key determinants of residential location decisions. In fact, there is evidence that residential segregation patterns in Swedish cities tend to be reproduced by selective migration processes that sort immigrants into poor neighbourhoods and natives into more affluent neighbourhoods. Natives seem to decide where to live on the basis of their assessment of population composition differences across neighbourhoods in order “to avoid the negative effects of residing in certain areas” (Andersson, 1998:418).

Whereas residential segregation debates in Sweden focused predominantly on these “effects of residing in certain areas”, this thesis aims at complementing the existing body of literature by focusing on the direction of causality from inequality to residential segregation. In fact, there are reasons to believe that inequality is not only a consequence of residential segregation but also a necessary precondition for its development. To put it bluntly, in the absence of inequality, all individuals would dispose of the same amount of economic resources and, therefore, their intra-urban residential moves would not bring about changes in the level of residential segregation in cities. Furthermore, in the absence of inequality, if neighbourhoods exercise environmental effects on residents, these effects would be of the same type and intensity in all neighbourhoods.

Still, inequality cannot by any means be considered a sufficient precondition for the development of residential segregation in cities. In fact, as mentioned before, although Sweden remains a country with one of the lowest levels of inequality in the world, Swedish cities are more spatially polarized than cities of countries marked by higher levels of inequality. This means that other mediating factors affect the causal relationship between income inequality and residential segregation.

This thesis aims at identifying these mediating factors and at explaining how, through the influence of these factors, the social divide between individuals and population subgroups is translated into and takes the form of a spatial divide between neighbourhoods in Swedish cities. In the Swedish
context, the large-scale immigration that has occurred since the early 1990s is identified as a contributing factor to the development of residential segregation in cities. However, in other countries, the growth of immigrant populations in cities has not been equally associated with an intensification of residential segregation. Furthermore, whereas in most countries ethnic residential segregation is usually a phenomenon that concerns primarily the metropolitan areas playing an important role in national urban systems, in Sweden poor and immigrant-dense neighbourhoods can be found in municipalities located both within and outside the largest metropolitan areas.

Adopting a historical (in the first study) and comparative (in the second study) perspective, the first two studies presented in this thesis highlight the mediating role played by the welfare state and the immigration policy regime in influencing the modes of incorporation of immigrants into Swedish cities.

In addition, this thesis assesses to what extent, in recent years, the growth in income inequality has contributed to the parallel increase in economic residential segregation in Swedish cities. Despite the low level of inequality, Sweden is also the OECD country in which inequality has grown the fastest, in percentage points, since the mid-1980s (OECD, 2011; see Section 1.4). Against the background of this trend, by taking into account one city in particular (Malmö, in the third study) and the three largest metropolitan areas of the country (in the fourth study), the second part of the thesis investigates to what extent the growth of income inequality exerts a causal influence on residential segregation.

The analytical focus of the thesis, together with its position in the current debate on residential segregation in Sweden, is illustrated in Figure 1.1. The remainder of this introductory chapter is organized as follows. The next section presents and discusses relevant theoretical perspectives related to the causal relationship from inequality to residential segregation. The fourth section focuses on the Swedish context and reviews recent academic and policy debates on residential segregation in Swedish cities. The fifth section discusses the methodology employed in the four studies included in this thesis and introduces the research materials on which the studies are based (and, in particular, to the REMESO-dataset). The sixth section summarizes the four papers that constitute the thesis. The seventh and last section summarizes the main conclusions from the thesis, discusses the policy implications of the findings, and presents suggestions for future research.
The analytical focus of the thesis, its position in the debate, and its structure

Figure 1.1. The focus of the thesis

The causes of residential segregation
Nature of the relationship: Necessary but not sufficient consequence of residential segregation
Origin of causality: Level of income inequality in the population
Counteracting policy strategies: Measures influencing income distribution

How does income inequality influence economic residential segregation?
Article 3: Malmö case study.
Article 4: An analysis of Sweden's three largest metropolitan areas.

Income inequality
Nature of the relationship: Possible but not necessary consequence of residential segregation
Origin of causality: Networks and interactions in the neighbourhood
Counteracting policy strategies: Measures improving the networks and interactions in the neighbourhoods

From residential segregation to inequality
From inequality to residential segregation

The consequences of residential segregation
Nature of the relationship: Possible but not necessary consequence of residential segregation
Origin of causality: Networks and interactions in the neighbourhood
Counteracting policy strategies: Measures improving the networks and interactions in the neighbourhoods

How does inequality translate into residential segregation?
Article 1: A case study of a Swedish city from a historical perspective.
Article 2: A comparison between a Swedish city and an Italian city with comparable characteristics.

The analytical focus of the thesis, together with its position in the current debate on residential segregation in Sweden, is illustrated in Figure 1.1. The remainder of this introductory chapter is organized as follows. The next section presents and discusses relevant theoretical perspectives related to the causal relationship from inequality to residential segregation. The fourth section focuses on the Swedish context and reviews recent academic and policy debates on residential segregation in Swedish cities. The fifth section discusses the methodology employed in the four studies included in this thesis and introduces the research materials on which the studies are based (and, in particular, to the REMESO-dataset). The sixth section summarizes the four papers that constitute the thesis. The seventh and last section summarizes the main conclusions from the thesis, discusses the policy implications of the findings, and presents suggestions for future research.
1.3. The theoretical points of departure

Poor households cannot choose to play polo, nor buy private healthcare. That is because they are poor and polo and private healthcare are expensive. Strangely this rather obvious insight does not seem to translate into our discussions about neighbourhood segregation or how cities generate (and distribute) welfare.

(Cheshire, 2012a:17).

As the above quotation suggests, income inequality and residential segregation are two interrelated phenomena. In fact, residential location decisions are always made within a predetermined framework of constraints imposed by individual living conditions. Nevertheless, the acknowledgement of this mutual interrelation between income constraints and residential location decisions seems to be less undisputed than other statements relating individuals’ consumption possibilities to their own level of economic well-being. The reason for this is that the relationship between individual income possibilities and residential location is thought to be circular. Many believe that neighbourhoods of residence may be a distinct and independent source of constraints on individual economic possibilities. The assumption is that the life prospects of individuals tend to be limited by resources and information available in residential environments. Accordingly, individuals tend to be advantaged or disadvantaged in their economic advancement by residing in neighbourhoods with certain characteristics (Friedrichs, Galster & Musterd, 2003; Musterd & Andersson, 2005; Galster, 2007; Galster, 2012).

Although the two directions of causality (from income constraints to neighbourhood choice and from neighbourhoods of residence to individual economic possibilities) may coexist and be mutually reinforcing, they can be disentangled from each other for analytical purposes.

The focus of this thesis is on the direction of causality running from inequality to residential segregation. The most relevant theoretical perspectives on this topic will be presented and discussed in this section, which, for expository reasons, consists of two subsections. The first subsection considers the vertical dimension of inequality (i.e., the overall distribution of income within the population) and reviews a few studies addressing the causal relationship from income inequality to residential segregation. The second subsection considers the horizontal dimension of inequality – i.e., income inequality between native and immigrant groups. This second subsection summarizes theoretical and empirical studies that have examined the links between immigration, inequality, and residential segregation in cities.

In this section, the distinction between vertical and horizontal dimensions of inequality is purely maintained for the convenience of exposition and
1.3. The theoretical points of departure

disentangled from each other for analytical purposes. Economic possibilities may coexist and be mutually reinforcing, they can be

neighbourhood choice and from neighbourhoods of residence to individual

advantaged or disadvantaged in their economic advancement by residing in available in residential environments. Accordingly, individuals tend to be life prospects of individuals tend to be limited by resources and information constraints on individual economic possibilities. The assumption is that the neighbourhoods of residence may be a distinct and independent source of possibilities and residential location is thought to be circular. Many believe being. The reason for this is that the relationship between individual income decisions seems to be less undisputed than other statements relating mutual interrelation between income constraints and residential location. Nevertheless, the acknowledgement of this are two interrelated phenomena. In fact, residential location decisions are as the above quotation suggests, income inequality and residential segregation the

expository reasons, consists of two subsections. The first subsection considers inequality to residential segregation. The most relevant theoretical perspectives summarizes theoretical and empirical studies that have examined the links between immigration, inequality, and residential segregation in cities. However, as discussed below, this relationship should not be considered deterministic, as the existence of a housing market allowing for a differentiation of residential choices across groups is also necessary for residential segregation to develop.

1.3.1. The causal relationship from income inequality to residential segregation

The Tiebout model of residential sorting (Tiebout, 1956) correlates residential location decisions with individuals’ ability to pay for public goods and amenities in a neighbourhood and represents a classic reference in the field of research on the impact of income inequality on economic residential segregation. According to this model, neighbourhood-sorting processes are linked to individuals’ preferences for residential locations presenting specific attributes, including population characteristics, which suit their tastes and incomes. Preferences for residential locations are thought to reflect existing economic disparities within the population. Therefore, the most evident factor contributing to the spatial separation between affluent and poor groups in cities is income inequality. Affluent individuals can afford higher housing costs and, therefore, they can outbid poor individuals for neighbourhoods with more desirable attributes. The concentration of affluent individuals in these neighbourhoods drives up local housing costs to a level unsustainable by poor individuals. Poor individuals can only afford lower housing costs and, therefore, they choose neighbourhoods with less desirable attributes.

The Tiebout model inspired some studies that demonstrated that income inequality has recently played an important role in increasing economic segregation in northern US cities (e.g., Watson, 2006; Watson, 2009; Reardon & Bischoff, 2011; Marcińczak, Tammaru, Novák, Gentile, Kovács, Temelová, Valatka, Kährík & Šabó, 2015). For instance, one of these studies found that

4 As the authors state, the cited studies are inspired by Tiebout’s seminal work. Professor Sune Sunesson (Lund University) suggested that these and similar references to Tiebout’s study may be inappropriate since “[Tiebout’s study] is not at all about the relationship between residential
between 1970 and 2000 the increase in inequality in US metropolitan areas was associated with an increase in segregation of both poverty (i.e., the spatial concentration of low-income households) and affluence (i.e., the spatial concentration of high-income households) (Watson, 2009). However, the spatial concentration of the rich seemed to have contributed more to overall residential segregation than the spatial concentration of the poor. The rise in inequality among black households was reflected in an increased spatial separation between rich and poor black households within US metropolitan areas. Similarly, another study found evidence that in US metropolitan areas, “income inequality affects income segregation primarily by affecting the segregation of affluence rather than the segregation of poverty” (Reardon & Bischoff, 2011:1138). This study also showed that over the same 30-year period rising inequality had a stronger effect on the segregation of black households than white households. The authors interpreted this difference between the two groups as an evidence of a steady integration of middle-class black households into white middle-class neighbourhoods.

This link between the increase in economic residential segregation and widening disparities between households has also been investigated by Chen, Myles, and Picot (2012) in a study that focused on Canadian metropolitan areas between 1980 and 2005. Their study separated the effect of income inequality on economic residential segregation into two components: one component related to the degree of residential sorting (i.e., changes in the spatial distribution of population caused by the migration of households into socio-economically homogeneous neighbourhoods) and one component related to overall household income inequality (i.e., changes in income distribution between households, irrespective of residential sorting). Their findings indicated that even in Canada rising income inequality was accompanied by a greater concentration of rich and poor households in socio-economically homogeneous neighbourhoods. As neighbourhoods became more socio-economically homogeneous, high-income neighbourhoods flourished economically while low-income neighbourhoods stagnated. Depending on the metropolitan area, neighbourhood sorting contributed between one-quarter to one-half of the increase in inequality between neighbourhoods. The rest of the increase in inequality between neighbourhoods was due to the general rise in income inequality between households.

These studies provided evidence that socio-spatial divisions in cities are linked to and affected by processes of income distribution within the
population: “the relation between income inequality and economic residential segregation is undoubtedly causal” (Kawachi, 2002:165).

Although income inequality is a necessary condition for the development of economic residential segregation, it is not a sufficient condition by itself. Clearly, other conditions – three are identified here – are necessary for income inequality to take a spatial form and become residential segregation. In fact, the causal relationship from income inequality to residential segregation can be influenced by a wide range of institutional and contextual factors such as those related to the national regulation of the housing market, the ethnic composition of the population, and the local history of urban planning and development in cities. First, apart from income-related preferences, another indispensable prerequisite for the development of residential segregation in cities is the differentiation of the housing market by location, tenure, and price. Economic residential segregation may exist insofar as an urban housing market is spatially compartmentalized into neighbourhoods with different housing costs. Second, immigration may represent a key determinant for the development of inequality and, therefore, residential segregation in cities, depending on the mode of incorporation of immigrants into host societies. If employment opportunities for immigrants are confined to low-paying jobs and/or if immigrants face problems integrating into urban labour markets, immigration may result in an increase in income inequality and, eventually, ethnic residential segregation in cities. Third, and related, changes in population composition caused by immigration may contribute not only to an increase in income inequality but also to a differentiation of residential location choices between ethnic groups. In cities characterized by ethnic diversity, individuals may prefer, or be forced, to live in neighbourhoods in which their own ethnic group is strongly represented, regardless of their own economic well-being. For example, ethnic minority households may be limited in their residential location choices by legal or illegal discriminatory practices from the ethnic majority population in general and/or from actors in the housing market in particular (cf. Massey & Denton, 1993). For the same reasons, ethnic majority households may choose to avoid (or move away from) neighbourhoods with higher-than-average immigrant population shares, producing the phenomenon that is known as “white avoidance” and that (as discussed further in Section 1.4) has also been identified in the Swedish context (Bråmå, 2006).

Therefore, the possibility that income inequality may take the form of a spatial divide between neighbourhoods with different population characteristics depends on specific macro-level institutional factors. The redistributive policies of the welfare state, together with the immigration policy regime (influencing the modes of incorporation of immigrants into cities), determine the extent to which income inequality results in a social divide between ethnic population subgroups. Moreover, housing and planning
policies define the degree of spatial differentiation and compartmentalization of housing markets by income levels in cities.

To acknowledge the role of these institutional factors in influencing residential segregation developments in Swedish cities, the focus needs to shift from the vertical to the horizontal dimensions of inequality – i.e., from the magnitude of this phenomenon in the population as a whole to the patterns of inequality between subgroups and between natives and immigrants in particular.

A population which is socio-economically partitioned into subgroups which are homogeneous in terms of the attributes of their members (e.g. ethnicity) and, at the same time, heterogeneous from one another (i.e., different subgroups have members with different attributes) can be defined as “socially polarized” (Esteban and Ray, 1994). Therefore, the concept of social polarization can be used as a synonym for horizontal inequality. However, there is no direct relationship between the degree of social polarization and the overall level of income inequality in a population. In fact, a population may be partitioned into two subgroups that are different from each other with regard to the attributes of their members, but at the same time marked by a low level of inequality. This means that income inequality does not require the existence of social polarization although the latter requires some degree of income inequality (even if low).

1.3.2. Immigration and the changing forms of inequality in post-industrial cities

At least since the mid-1980s, residential segregation studies have been dominated by a view that Western cities have been socially and spatially transformed by what has been defined as a post-industrial economic restructuring (Castells, 1989; Mollenkopf & Castells, 1991; Sassen, 1991; Sassen, 1995; Sassen, 1998). Stated in the simplest form, this view hinges on the argument that the reduction in manual industrial jobs was compensated for by an expansion of the service sector as a source of employment. The shift towards a service-based economy is thought to have generated a greater dispersion of income and, therefore, an increase in inequality in cities. That is, the service sector is characterized by “a greater incidence of jobs at the high- and low-paying ends of the scale than [...] older industries [...] in decline” (Sassen, 1991:9). According to this view, the occupational structures of post-industrial cities tend to be polarized between high-paying jobs in high-skilled

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5 The term “polarization” is the one commonly used in debates on socio-economic changes and changing forms of inequality in post-industrial cities. Other terms are used in other fields of research to refer to the same phenomenon, such as “dualization”, “segmentation”, “marginalization”, etc. For a review and discussion of the meaning of these terms, see Emmenegger, Häusermann, Palier & Seeleib-Kaiser (2011).
societal and geographical variations, such as “dualization”, “segmentation”, “marginalization”, etc.
for a review and discussion of the meaning of these terms, see Emmenegger, Häusermann, Palier & Seeleib.

Changing forms of inequality in post-industrial cities. Other terms are used in other fields of research to refer to the same phenomenon, such as “dualization”, “segmentation”, “marginalization”, etc. For a changing forms of inequality in post-industrial cities.

1.3.2. Immigration and the changing forms of inequality in post-industrial cities

The term “polarization” is the one commonly used in debates on socio-economic changes and industrial cities tend to be polarized between high-paying jobs in high-skilled sectors (e.g., finance, information and communications technology, and research) and low-paying jobs in low-skilled sectors (e.g., cleaning and catering services). In the context of this occupational polarization, immigrants from poor countries tend to take low-level service jobs that natives are unwilling to take, including those jobs whose demand is driven by the lifestyles and consumption behaviours of natives themselves (e.g., private services to households).

Structural changes at the extreme ends of the employment scale, together with the growth in international migration, are also thought to transform the spatial forms of inequality in cities. In fact, the socio-economic polarization originating in the labour market is expected to lead to an increasing spatial separation between the affluent neighbourhoods inhabited by the high-skilled professional elite and the poor neighbourhoods inhabited by low-level service workers, among whom immigrants tend to be overrepresented: “Structural dualism leads at the same time to spatial segregation and to spatial segmentation” (Castells, 1989:227).

An alternative explanation of the social and spatial consequences of the post-industrial transformation of cities has been offered by William Julius Wilson (1987). Wilson contended that since the late 1970s economic restructuring in US metropolitan areas resulted in a “mismatch” between the skills possessed by less educated workers and the skills required in the service economy. In addition to this “skill mismatch”, black urban residents are also confronted by a “spatial mismatch” between their inner-city residential locations and the suburban and non-metropolitan locations of the job openings for which they are likely to be qualified. As a consequence of the combined effect of the skill and spatial mismatches, inner-city blacks suffered from a reduction of job opportunities in their neighbourhoods of residence. Accordingly, a new post-industrial line of social and income divisions has been drawn between those who have jobs and those who do not together with a spatial divide between middle-class and predominantly white neighbourhoods and racially segregated neighbourhoods with high levels of unemployment and welfare dependency.

Both the aforementioned theories have been developed by taking into account US cities. Therefore, they have been challenged by a series of studies that have questioned their lack of contextual sensitivity as well as their monocausal economic determinism:

[S]ocial polarisation is not a single, homogeneous process which operates in the same way in different places. It is [...] necessary [...] to examine the extent to which different forms of polarisation are found in different contexts and to theorise the reasons for such variations. (Hamnett, 1998:16)
Following this line of argument, a body of critical research has focused on three interrelated issues:

1. the socially-stratifying effect of welfare states and the cross-national variation of urban inequality patterns;
2. the position of cities within national and international urban hierarchies and the intra-national variation of urban inequality patterns; and
3. the extent to which of the forms of migration prescribe, at least to some extent, the integration potential of immigrants into reception contexts and, therefore, urban inequality patterns in cities.

With respect to the first issue (cross-national variation), European scholars have pointed out that although European cities experienced an increase in income inequality, there is no evidence that this increase in inequality was generated by an intensified polarization between occupational groups (Hamnett, 1994; Murie & Musterd, 1996; Hamnett, 1996; Hamnett, 1998; Hamnett, 2003). Instead, European cities seem to have experienced an increased demand for high-skilled jobs that led to an overall upgrading of occupational structures, along with a detachment of low-skilled workers from the labour market, leading to their increased dependency on welfare benefits: “The problem in [...] key European cities may not be that there are too many low-skilled jobs but that there are not enough to provide work for those with few educational qualifications” (Hamnett, 2003:61).

The European ramification of this debate centred mainly on the hypothesis that the outcome of post-industrial economic restructuring is not the same for all cities as it is contingent on local labour market conditions, which are affected by forms of state intervention. National welfare systems have been identified as crucial institutional mechanisms of differentiation of urban inequality patterns between countries. An important role has been ascribed to redistributive policies and, above all, to the level of generosity of the benefits provided to those unable to find work (Musterd & Ostendorf, 1998; Lehto, 2000).

Following a similar line of reasoning, other scholars have called for greater recognition of the importance of differences in the built-environment characteristics of cities and, in particular, for a greater recognition of the importance of the role of housing and planning systems in affecting the transformation of horizontal inequality between groups into residential separation between them (Arbaci, 2007). Housing policies determine the composition of housing tenure structures in different countries (e.g., the different types and qualities of housing and the shares of owner-occupied/rented housing in the total stock). Therefore, they are particularly important for establishing the level of availability of affordable housing for immigrants and other low-income groups. Planning systems, in turn, affect the degree of spatial concentration housing tenures within cities and,
therefore, the degree of spatial separation between socio-economic and/or ethnic groups. Indeed, an essential prerequisite for the development of residential segregation is the existence of housing tenure homogeneous neighbourhoods into which different socio-economic and ethnic groups may be sorted6.

With respect to the second issue (intra-national variation), some scholars have highlighted that immigrant incorporation patterns vary not only across countries but also across cities in a same country (Glick Schiller & Çağlar, 2009; Glick Schiller & Çağlar, 2011). The position of cities within national urban hierarchies and their level of integration into the global economy provide different opportunities of social integration to immigrants in terms of possibilities of finding employment and building transnational ethnic networks. Therefore, it is neither correct to generalize findings from cities that are deemed to be representative of entire countries nor correct to focus on a subset of cities presenting specific characteristics without taking into account the existing variation between cities of a same country.

The dissatisfaction with the methodological nationalism embedded in the approaches generalizing findings from single cities to countries (and vice versa) has led some scholars to advocate a more careful consideration of the ways in which the specific urban histories of cities mediate the impact of economic restructuring at the local level. Cities are in fact thought to impose contextually specific sets of constraints and opportunities to immigrants, depending on their position in national urban systems. In this regard, it has been argued that cities that are well-positioned in national urban systems tend to provide more low-skilled and entry-level jobs to immigrants, so they tend to be also characterized by a skill-based occupational polarization (i.e., a “Sassen-like” structure of inequality). In contrast, because peripheral cities, and especially those affected by economic decline, tend to provide less low-skilled employment opportunities for immigrants, they tend to be characterized by a polarization between those who have a job and those who do not have a job (i.e., a “Wilson-like” structure of inequality) (Burgers & Musterd, 2002; Marcińczak, Musterd & Stępniak, 2012; Marcińczak, Gentile & Stępniak, 2013).

With respect to third issue (the forms of migration), some scholars have questioned the hypothesis that there exists only one type of international

6 In addition, planning and housing systems establish institutional framework that, to some extent, predetermines the outcome of urban transformation strategies aimed at altering the population composition of neighbourhoods. Depending on the constraints imposed by local regulation and housing market conditions on planning authorities, urban transformation strategies can either be of a large-scale nature (and, therefore, bring about overall changes in neighbourhood population composition) or be performed in a small-scale (and thus bring about small changes in neighbourhood population composition) (van Gent, 2010).
migration from poor countries to western cities fuelled by increased demand for cheap labour. Challenging this view, Ivan Light (2006) noted that the first immigrants who settled in Los Angeles were attracted by opportunities of employment in the local labour market and established self-sustaining networks that generated further labour supply from their countries of origin. When immigration became too large and the supply of immigrant labour surpassed the absorptive capacities of the local labour market, immigration changed from being demand-driven to being supply-driven (or network-driven). This type of “saturation” of the labour market leads to a rise in the unemployment rate of immigrants and to a worsening of their living conditions, but it does not necessarily result in a redirection of immigrant flows to other cities. According to Ivan Light, the deflection of immigration depends on the degree of deterioration of liveability of urban environments as well as on the general level of tolerance of host societies towards immigrants’ increased poverty and subsequent reactions of public authorities.

Figure 1.2 summarizes the different factors, discussed in this subsection, that influence income inequality and its spatial partitioning in cities experiencing increases in immigration. The extent to which the factors illustrated in this figure and their reciprocal interactions also operate in the Swedish context and, in particular, in the cities taken into account by the studies included in this thesis will be discussed in the last section of this introductory chapter (Section 1.7).

1.4. The income inequality-residential segregation nexus in the Swedish context

Residential segregation began to occupy a central position in Swedish policy debates in the early 1990s. At that time, residential segregation was neither an entirely new phenomenon nor a new concept in public and academic debates (Olsson Hort, 1992). However, residential segregation changed from being a technical term, associated primarily with academic research and policymaking discussions, to being a term of popular usage, referring to the spatial concentration of immigrant groups and social problems in certain neighbourhoods of Swedish cities. Whereas in previous decades the spatial separation between social groups was not seen as a synonym for a lack of social integration in urban communities, from the early 1990s onwards there has been a growing acceptance among policymakers and in the population at
Figure 1.2. Factors contributing to urban inequality in cities experiencing increases in immigration: a graphic representation of the debate

- Form of migration
  - Demand-side (Employment opportunities)
  - Supply-side (Co-ethnic networks)
- Position of the city in the urban hierarchy
  - Centrally positioned (Occupational polarization)
  - Peripherally positioned (In/out of employment)
- Welfare state
  - Redistributive policies
  - Housing policies & planning systems
- Income inequality
- Residential segregation
large of the premise that there is some sort of one-to-one correspondence between the level of residential segregation and the lack of social integration in Swedish cities (Urban, 2005).

As has been noted, the change in the general perception of residential segregation in the Swedish context was linked to “real changes in segregation patterns, real changes in people’s awareness of the existence of these patterns, and also real changes in how people in general perceive the importance of residing in particular social environments” (Andersson, 1999:604). Indeed, the period from the early 1990s onwards has been characterized by an increase in ethnic and socio-economic segregation, which firstly concerned the three largest metropolitan areas of the country (Stockholm, Göteborg, and Malmö) and, then, even the urban areas located outside these metropolitan areas (Andersson, 2000).

Two main factors can be identified as responsible for the increase in residential segregation: the growth of income inequality and the growth of international migration to Sweden.

In the first place (as mentioned in the introduction), although the level of inequality in still very low in Sweden, it increased considerably in recent decades. As shown in Figure 1.3, in Sweden the Gini coefficient increased by 31.3% (from 0.198 to 0.259) between the mid-1980s and the late-2000s, and this increase was the highest, in percentage points, among all OECD countries (OECD, 2011). Several factors contributed to the increase in inequality: higher wage inequality in the labour market (Björklund & Jäntti, 2011; Fritzell, Bäckman & Ritakallio, 2012; Björklund & Jäntti, 2013); the growth in income among those at the top of the income distribution, particularly through capital gains (Roine & Waldenström, 2012); and the reduced redistributive effect of the benefit and tax system, which resulted in the widening of the gap between those in and out of employment (Salonen, 2011a; SCB, 2012a; OECD, 2014c). Rising income inequality was reflected in a parallel increase in the degree of residential separation between high-income and low-income groups. In the Swedish context, the spatial concentration of affluence seems to be higher than the spatial concentration of

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7 Between 2005 and 2010, the average disposable income increased by 26% (in constant 2010 euro) in Sweden, and this increase was among the highest in Western Europe (SCB, 2012a). However, this increase in income was not evenly distributed in the population and was enjoyed disproportionally by people with jobs. In fact, during the same period, the relative poverty rate (calculated at 60% of median income) increased by 10% for those out of employment, while it remained stable for the employed. Latest figures from OECD Income Distribution Database indicate that one driving factor behind this trend is the reduced redistributive power of the tax and benefit system (OECD, 2014c). Between 2007 and 2011 in Sweden, the Gini coefficient for the disposable income increased more than the Gini coefficient for the market income. During this period Sweden was the only one of thirty OECD countries, together with Australia, Canada, Ireland, and Israel, to experience a decrease in market income inequality and a simultaneous increase in disposable income inequality.
poverty (Andersson, 2000; Andersson, Bråmå & Holmqvist 2007; Andersson, Hogdal & Johansson, 2007; Andersson, Bråmå & Hogdal, 2009), although only the latter has been the focus of political debates and policy interventions.

In the second place, Sweden experienced intense immigration since the early 1990s, which, to a great extent, originated from non-western countries and was dominated by refugees and asylum-seekers. The number of foreign-born residents in the country almost doubled in about two decades, from about 800,000 in 1990 (9.2% of the population) to about 1.5 million in 2013 (15% of the population) (SCB, 2013). Non-western immigrants have higher percentages of unemployed and welfare-dependent individuals than natives, and the differences in the degree of labour market attachment between the two groups are reflected in their average incomes (cf. Bäckman, 2010).

According to Eurostat data for the year 2013 (online data code: migr_pop3ct), the share of foreign-born people in Sweden’s total population (15.4%) was the sixth highest in the EU, after Luxembourg (42.4%), Cyprus (23.2%), Austria (16.1%), Ireland (16.0%), and Belgium (15.7%). The Swedish value was more than twice the EU average (6.7%).
In turn, income differences between native and immigrant groups influence their residential settlement patterns. Non-western immigrants tend to settle in neighbourhoods where the housing market is most accessible, and especially in the large housing estates built on the outskirts of Swedish urban areas between the late-1960s and the early-1970s as part of the so-called Million Dwelling Programme. There is evidence that natives tend to simultaneously avoid the neighbourhoods with high shares of immigrant residents when looking for a new place to live. Ethnic differences in residential mobility patterns are thus identified as contributing to the reproduction of existing residential segregation patterns in Swedish cities (Bråmå, 2006; Biterman & Franzén, 2007; Andersson, Bråmå & Hogdal, 2009; Holmqvist, 2010:243). The areas of immigrant density have become more overlapped with areas of poverty concentration since the early 1990s as a consequence of the increase in the level of homogeneity of populations in neighbourhoods. This trend has been common in major metropolitan areas (Biterman & Franzén, 2007; Andersson, Bråmå & Holmqvist 2007; Andersson, Hogdal & Johansson, 2007; Andersson, Bråmå & Hogdal, 2009; Salonen, 2012a) as well as in municipalities that are not located in these metropolitan areas (Salonen, 2011b).

However, the reason residential segregation has become a primary reason of concern for Swedish policymakers does not lie solely in its increase. The existence of residential segregation in cities also indicates a lack of “social mix” in neighbourhoods – i.e., a lack of socio-economic as well as ethnic heterogeneity. In Sweden, social mix has been a central issue in the national policy agenda since the mid-1970s (Holmqvist, 2009), and it has been traditionally considered a way to reduce the risk of place-stigmatization of poor neighbourhoods (and their residents) as well as a way to produce “a more stable and integrated society, where residents [have] a better understanding and a greater tolerance of each other” (Holmqvist & Bergsten, 2009:478).

As in other western countries (Andersson & Musterd, 2005; Joseph, Chaskin & Webber, 2007; Galster, 2007; Kintrea, 2013), another expected outcome of mixing social groups in neighbourhoods is the development of locally based social networks, which are believed to mitigate income inequality in cities. When poor individuals are included in the social networks embedded in mixed neighbourhoods, they are thought to be exposed to positive role

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9 The Million Dwelling Programme was a political initiative that was launched by the Social Democratic governments between 1965 and 1974 with the aim of overcoming the housing shortage existing at that time and building one million new dwelling units within a decade.
models (e.g., middle-class individuals) as well as to other opportunities for upward social mobility (e.g., to job networks): “there is […] a belief that diversification of the population helps to ‘enrich’ the social networks and to create new interaction opportunities, particularly for low-income households” (Andersson & Musterd, 2005:381).

In line with this way of thinking, the policy strategies launched in Sweden in recent years that attempt to reduce differences in living conditions between neighbourhoods have focused predominantly on the social rather than on the physical features of poor neighbourhoods, in order to decrease their (allegedly) negative environmental effects on residents. Launched in 1999, the first area-based programme (“Metropolitan Development Initiative”, or Storstadsplanen) used this strategy to target 24 immigrant-dense and poor neighbourhoods located in the three major metropolitan areas of the country (Stockholm, Göteborg, and Malmö). This programme aimed to raise the educational level of residents (and, in particular, their knowledge of the Swedish language), to enhance their employability, to reduce their dependence on welfare benefits, and, in general, to improve the attractiveness of targeted neighbourhoods for new types of home-seekers (Storstadsutkommittén, 1997; SOU, 2005; Andersson, 2006; Andersson, Brämå & Holmqvist, 2010).

Post hoc evaluation of this programme showed that although it had some positive effects on the social and economic life of residents of the targeted neighbourhoods, it did not reduce disparities in living conditions between these neighbourhoods and other better-off neighbourhoods located in the same municipalities or metropolitan areas. It has been argued that the area-based programme had the unintended effect of promoting the outmigration of residents who benefited from public interventions (e.g., in terms of improvement of their individual economic situation) to better-off neighbourhoods thereby enhancing selective migration processes without affecting existing differences in population and socio-economic composition between neighbourhoods (Andersson & Brämå, 2004; Andersson, 2006; Hedberg, 2009).

Despite this criticism, anti-segregation policies have continued to be implemented in Sweden with an area-based focus, targeting poor and immigrant-dense neighbourhoods and even extending the range of

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10 The Metropolitan Development Initiative was preceded by the so-called “Blomman Initiative” (or Blommansatsningen, from “Blomman” the nickname given to the Social Democratic minister Leif Göran Blomberg), aimed at improving the socio-economic conditions of the distressed neighborhoods of eight Swedish municipalities between 1995 and 1999 (Urban, 2005:65). The Blomman Initiative was then followed by the “National Example” (Nationella exemplet) specifically targeted at three distressed neighbourhoods (Fittja in Botkyrka, Rosengård in Malmö, and Hjällbo/Gårdesten in Göteborg). The National Example functioned as some sort of pilot project for the Metropolitan Development Initiative.
interventions to target also urban areas located outside the major metropolitan areas (Table 1.1a and Table 1.1b). This approach was also the rationale underpinning programmes such as the “Local development agreements” (or Lokala utvecklingsavtalen, targeting 38 neighbourhoods of 21 Swedish municipalities, also located outside the major metropolitan areas, between 2008 and 2011) and the recent “Urban Development Work for Decreasing Outsiderness” (Urbant utvecklingsarbete för minskat utanförskap, targeting 15 neighbourhoods of nine Swedish municipalities also located outside the major
metropolitan areas from 2012)\textsuperscript{11}.

Even these more recent area-based programmes did not succeed to even out differences in living conditions between neighbourhoods. As mentioned before, the main limitation of area-based initiatives has been identified in their inability to improve the economic situation of poor residents without simultaneously encouraging their outmigration or to make targeted neighbourhoods attractive to more affluent residents.

However, the limited effectiveness of these area-based programmes can be also attributed to the fact that while these initiatives attempted to reduce differences in living conditions between neighbourhoods by intervening at the local level, macro-scale institutional developments acted in the opposite direction and contributed to a widening of these differences.

As mentioned before, the increase in residential segregation occurred in a period of growing income inequality when the economic situation of low-income individuals did not improve despite the substantial increase in average disposable income. At the same time, the drastic decline in state intervention in housing policy contributed to a narrowing of residential options for low-income individuals (including recently-arrived refugees and asylum-seekers). Since the early 1990s, the sale of public housing units to tenants (particularly in the most attractive neighbourhoods of Swedish cities) contributed to a decline in the share of public housing in the total housing stock from 25% in 1990 to 17% in 2010 (Christophers, 2014:892)\textsuperscript{12}. Furthermore, while Sweden’s inflation rate rose by 49% between 1989 and 2005 and the cost of owner-occupied housing increased by 41% and rent levels increased by 122%. A great

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|}
\hline
Period & Urban policy programme (Swedish name) & Municipalities involved (Neighbourhoods) \\
\hline
2012- & Urban Development Work for Decreasing Outsiderness (Urbant utvecklingsarbete för minskat utanförskap) & Borås (Hässleholmen); Göteborg (Bergsjön, Gårdsten, Hjällbo, Norra Biskopsgården); Kristianstad (Gamlegården); Landskrona (Centrum-Öster); Malmö (Herrgården, Södra Sofielund); Södertälje (Ronna, Hövsjö); Stockholm (Rinkeby, Tensta); Trollhättan (Kronogården); Växjö (Araby) \\
\hline
\end{tabular}
\caption{Phases of Swedish urban policy (2012-)}
\end{table}

\textsuperscript{11} Interestingly, another area-based programme called “New Start Zones” (Nystartszoner), which was based on a system of tax deductions for private firms willing to invest in distressed neighbourhoods and which was expected to start in 2014, has been recently cancelled because it appeared to contravene EU’s regulations on government support of the private sector.

\textsuperscript{12} According to Holmqvist & Magnusson Turner (2014:240), the decline in the share of public housing in the total housing stock was even stronger, reaching -11%.
deal of this increase was due to reduced government funding to municipal housing companies (Hedin, Clark, Lundholm & Malmberg, 2012:446). Recent data from Statistics Sweden indicate that the average rent for one square meter in a residential unit increased about fifteen times from 1969 to 2011, compared to a growth of about eight times in the consumer price index (measuring the general price level), and that the gap between the two started to widen in the early 1990s (SCB, 2012b).

As a consequence of these developments, the link between income and housing conditions has been steadily strengthened. Rental housing has become more common among low-income groups, while owner-occupied housing has become more common among high-income groups (Holmqvist & Magnusson Turner, 2014:246-247). This trend may have amplified the effect of rising inequality on residential segregation dynamics in Swedish cities: “increasing socio-economic differences between individuals and households have translated into a marked social polarisation at the level of the neighbourhood” (Andersson, Bråmå & Holmqvist, 2010:242).

Against this background, it is unclear whether and to what extent the problems of poor residents in poor Swedish neighbourhoods should be interpreted as the outcome of the effect of their residential environments on their life opportunities or attributed to the aforementioned income inequality and policy developments.

There are three main reasons why the emphasis of recent urban policy programmes on residential segregation as a crucial driver of income inequality in Swedish cities seems to be overstated.

First, although poor neighbourhoods tend to have above average shares of poor residents, the vast majority of poor residents in Swedish cities live in non-poor neighbourhoods. For instance, it has been estimated that the first area-based programme launched in Sweden at the end of the 1990s reached only about 5% of poor individuals residing in the three largest metropolitan areas (Andersson & Musterd, 2005:386). This means that area-based initiatives that target a selected array of neighbourhoods are unlikely to influence the overall levels of inequality in Swedish cities.

Second, the empirical evidence concerning the alleged negative effect of the lack of socio-economic and ethnic heterogeneity in neighbourhoods on the life-prospects of residents is inconclusive. Some studies have identified the effects of the population composition of neighbourhoods on individual economic outcomes (e.g., low income, high unemployment, and high social assistance dependency) (Mood, 2004; Anderson, Musterd, Galster & Kauppinen, 2007; Galster, Andersson, Musterd & Kauppinen, 2008; Musterd, Andersson, Galster & Kauppinen, 2008; Urban 2009; Galster, Andersson & Musterd, 2010; Andersson & Musterd, 2010). These effects have been reported to be small compared to the effects of other factors related to individual and household characteristics. At the same time, other studies have found no evidence of neighbourhood effects in the Swedish context after...
controlling for same household and individual characteristics (Brännström, 2004; Brännström, 2005). As the author of these studies puts it: “[I]t matters more who you are than where you are. […] This may indicate that it is primarily people and their households that should be the focus of policy efforts to alleviate disproportions in social and economic opportunities” (Brännström, 2005:25).13

With respect to ethnic residential segregation in particular (which, in practice, has been the main concern of Swedish area-based urban programmes), a recent study found that living in immigrant-dense neighbourhoods has a positive rather than a negative effect on the long-term income gains of immigrant residents and, for this reason, the authors made the argument that “the causes for immigrants’ overall weak employment positions can therefore not be reduced to an issue of geographical distributions of minorities per se” (Andersson, Musterd & Galster, 2014:732).

One methodological problem with neighbourhood effect research based on Swedish data is that the hypothesis that neighbourhood-based interactions account for a crucial fraction of individuals’ social networks is usually postulated but not demonstrated. In fact, this literature is replete with statements of this kind: “lacking direct information on individuals’ networks, it makes sense to approximate reference groups by geographical proximity” (Mood, 2004:242). However, data on residential location do not provide any information on the frequency, intensity, and quality of social interactions taking place in neighbourhoods. As has been noted, data on residential location are “simply aggregations of individual household characteristics within a given geographical boundary […] [and they] say nothing about tenants’ lived experience of their local community and its contribution or otherwise to disadvantage” (Darcy, 2010:11).14 Hence, the studies that use neighbourhoods as proxies for residents’ social networks seem to be marred by problems associated with the ecological fallacy and, for this reason, they have been criticized for failing to identify “the precise mechanism by which the social surrounding, and neighbourhoods in particular, matter for social outcomes” (Edling & Rydgren, 2012:2).

11 In a later study, the same author showed that if neighbourhood effects exist, they are very small and of negligible importance compared to the effect of individual and household characteristics (Brännström, 2012).
14 For instance, this critique has been directed by Tom Slater towards a neighbourhood effect study based on Swedish data that demonstrates that low-income individuals benefit from income gains when the social distance with their neighbours is small (i.e., with middle-income neighbours) rather than large (i.e., with high-income neighbours) (Galster, Andersson, Musterd & Kauppinen, 2008). Slater noted that in this study “not a single Swede of any income category was interviewed. Therefore, the authors of this study could not possibly offer detailed analytical insights about the social networks vis-à-vis employment opportunities in different urban districts in Sweden (it is not a social network analysis for a start)” (Slater, 2013:279).
Third, an issue that remained at the margins of debates relates to the relative importance of cities compared to that of neighbourhoods in influencing opportunities for the upward social mobility of residents. In this respect, a recent study has found that the characteristics of single Swedish cities and, in particular, their degree of integration into global markets, play an increasingly important role in affecting the labour market careers of immigrants, whereas neighbourhood characteristics seem to have lost importance over time (Hedberg & Tammaru, 2013).

In summary, the empirical evidence is mixed and ambivalent with respect to whether living in poor or immigrant-dense Swedish neighbourhoods detrimentally affects life chances of residents or contributes significantly to the overall level of income inequality in cities. On the other hand, there is a widespread perception that in recent decades the widening of income inequality in Swedish cities has acted as an important trigger for residential segregation dynamics, but this hypothesis has not occupied a central position in public and academic debates.

1.5. Definition of concepts and research methodology

The two main concepts used in this thesis are residential segregation and inequality. Here, the term residential segregation is understood according to Massey and Denton’s classic definition: “the degree to which two or more groups live separately from one another, in different parts of the urban environment” (Massey & Denton, 1988:282). Another related term used in this thesis is residual (or spatial) “concentration”: the relative overrepresentation of a population subgroup in a geographic unit (e.g., a neighbourhood) compared to a larger geographic unit to which the latter belongs (e.g., a city or metropolitan area).

As anticipated in Section 1.3, inequality is considered both in its vertical and horizontal forms. Vertical inequality is concerned with the variation of socio-economic conditions within a population as a whole, whereas horizontal inequality implies some sort of patterning of inequality between groups in the population. With the caveats mentioned earlier (in Subsection 1.3.1), the concept of social polarization is sometimes used as a synonym for horizontal inequality.

The focus of this thesis is the relationship between the phenomena identified by the abovementioned concepts, namely between inequality (in both the vertical and horizontal forms) and residential segregation (i.e., the uneven spatial distribution of groups in Swedish cities). Traditionally, research on urban inequality and residential segregation has been characterized by a variety of methodological approaches and both quantitative and qualitative
methods have been used, even in combination with each other, to analyse these phenomena.

With some approximation, it can be argued that quantitative sources of information can be used to measure inequality and residential segregation and to estimate the causal effect of their determinants. Qualitative methods are also useful for understanding the factors behind inequality and residential segregation, but they are used especially to analyse the aspects of the two phenomena that cannot be meaningfully or easily quantified (e.g., for understanding how the processes causing inequality and residential segregation are perceived by individuals belonging to specific population subgroups).

In recent years, the increased availability of large datasets encompassing entire populations encouraged the development of more sophisticated quantitative methods of measurement of income inequality and residential segregation. At the same time, these large datasets provided an important resource for comparing residential segregation dynamics in different urban contexts. The advantages of the availability of such data are related to the ease of aggregation as well as to the fact that their analysis provides results that can be replicated by other researchers and, therefore, are less dependent on interpretative judgments on the part of a single researcher than those obtained by means of qualitative methods.

Much of residential segregation studies on Swedish cities are based on high-quality register-based data, which are collected using different administrative sources and provide information about all individuals legally residing in the country (i.e., all individuals who are formally registered as residents in a Swedish municipality). The unique strength of Swedish register-based data is that these data cover the whole population and, therefore, they avoid the inference problem associated with survey data (e.g., due to non-response or sample selection bias).

The register-based data used in the studies contained in this thesis are drawn from the dataset possessed by the Institute for Research on Migration, Ethnicity and Society (REMESO) at Linköping University. The REMESO-dataset provides demographic, socio-economic, and geographic information about all individuals who have resided in Sweden between 1990 and 2010. The demographic information contained in this dataset includes gender, year of birth, country of birth (for the individuals and their parents), position in the household, household type, and household size. The socio-economic information is very detailed and includes employment status and sector of employment, disposable income, labour market earnings, and various types of income transfers from the Swedish welfare state. The geographical information contains information about the municipality and neighbourhood of residence. Neighbourhoods of residence are identified in the so-called “Small Area Market Statistics” (SAMS), which were created by Statistics Sweden in the early 1990s. SAMS-areas identify small residential areas that
do not contain any variable measuring individuals' social networks and interaction behaviours. Still, as information than the one contained in the variables themselves. For instance, Swedish register-based somehow inaccurately, residential information as a replacement of the missing information on social study mentioned before, many residential segregation studies based on Swedish register-based data use, been avoided16.

Non-well-known problems related to the use of register-based data for the analysis on the information contained in the variables and the register-based data are common to all groupings based on the country of birth15. Considering the EU enlargement, although I am aware of its limitations that are common to all groupings based on the country of birth15. Moreover, some groups of immigrants (e.g., Italians) are considered a visible minority in one report (Biterman, Gustafsson, Österberg, Brännström, Sellström & Arnoldsson, 2010), but an invisible minority in another report (Biterman & Franzén, 2007).

In the studies included in this thesis, individuals residing in Sweden are grouped by country of birth: Swedish-born or natives, including the individuals born in Sweden (regardless of the country of birth of their parents); Western European immigrants, including the individuals born in Nordic Countries and in EU15 countries; and non-western immigrants, including the individuals born in other countries (Table 1.2). The rationale behind this grouping is to separate free-movers from Nordic and the first EU member countries (who have the right to establish a residence in Sweden without a visa) from immigrants coming from other countries. For simplicity purposes, I decided to maintain this classification across all years considered (e.g., without considering the EU enlargement), although I am aware of its limitations that are common to all groupings based on the country of birth15.

In the studies included in this thesis, I also discuss the limitation of the information contained in the REMESO-dataset. The four studies rely strictly on the information contained in the variables and the register-based data are used for descriptive rather than inferential purposes. Therefore, many of the well-known problems related to the use of register-based data for the analysis of residential segregation patterns and dynamics in the Swedish context have been avoided16.

Table 1.2. Region of origin: the three groups used in the study.

<table>
<thead>
<tr>
<th>Origin category</th>
<th>Country of birth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish born (or natives)</td>
<td>All individuals born in Sweden (regardless of the country of birth of their parents)</td>
</tr>
<tr>
<td>Western European</td>
<td>Individuals born in Nordic countries (Denmark, Finland, Norway, Iceland) and in EU15 countries (Belgium, Luxembourg, Greece, UK, Ireland, Germany, France, Italy, Spain, Portugal, Netherland, Austria, Switzerland)</td>
</tr>
<tr>
<td>Non-western immigrants</td>
<td>Individuals born in all other countries</td>
</tr>
</tbody>
</table>

are (thought to be) homogeneous in terms of housing and population characteristics.

In the studies included in this thesis, individuals residing in Sweden are grouped by country of birth: Swedish-born or natives, including the individuals born in Sweden (regardless of the country of birth of their parents); Western European immigrants, including the individuals born in Nordic Countries and in EU15 countries; and non-western immigrants, including the individuals born in other countries (Table 1.2). The rationale behind this grouping is to separate free-movers from Nordic and the first EU member countries (who have the right to establish a residence in Sweden without a visa) from immigrants coming from other countries. For simplicity purposes, I decided to maintain this classification across all years considered (e.g., without considering the EU enlargement), although I am aware of its limitations that are common to all groupings based on the country of birth15.

In the studies included in this thesis, I also discuss the limitation of the information contained in the REMESO-dataset. The four studies rely strictly on the information contained in the variables and the register-based data are used for descriptive rather than inferential purposes. Therefore, many of the well-known problems related to the use of register-based data for the analysis of residential segregation patterns and dynamics in the Swedish context have been avoided16.

15 In the analysis of residential segregation patterns in Swedish cities, the Swedish National Board of Health and Welfare (Socialstyrelsen) used an alternative grouping to distinguish between “visible” and “invisible” minorities. The assumption is that some ethnic groups are more visible in the Swedish context and, for this reason, more likely to experience discrimination than other (invisible) ethnic groups. However, I did not use this distinction because its defining criteria are unclear. For unspecified reasons, some groups of immigrants (e.g., Italians) are considered a visible minority in one report (Biterman & Franzén, 2007), but an invisible minority in another report (Biterman, Gustafsson, Österberg, Brännström, Sellström & Arnoldsson, 2010).

16 In residential segregation studies, Swedish register-based data are often used for inferring more information than the one contained in the variables themselves. For instance, Swedish register-based do not contain any variable measuring individuals’ social networks and interaction behaviours. Still, as mentioned before, many residential segregation studies based on Swedish register-based data use, somehow inaccurately, residential information as a replacement of the missing information on social
Different income inequality measures and decomposition techniques are used in this thesis. These income measures and decomposition techniques aim at providing detailed descriptions of the phenomena under study, but they cannot provide in-depth explanations of the relationships between them. In fact, much of the focus of this thesis is on changes over time of specific macro-level attributes of Swedish urban areas (e.g., the level of inequality between individuals, households, or neighbourhoods). One well-known shortcoming of research approaches focusing on aggregate patterns is that they fail to demonstrate the interplay between micro-level mechanisms and macro-level outcomes (Hedström, 2005).

Although the predominantly descriptive nature of the studies may be seen as one limitation, it can also be seen as a first contribution towards the development of a more ambitious research agenda for the analysis of the relationship between income inequality and residential segregation in the Swedish context. In this respect, this thesis adds to the present literature because it addresses issues that, to my knowledge, have not been considered in earlier works on residential segregation in Sweden. The studies included in this thesis discuss the distinctiveness of the Swedish case, both from a historical and comparative perspective, and they identify patterns and breaks in trends that should be accounted for, or questioned critically, when setting up future research projects on the same topic.

Apart from statistical data, the studies contained in this thesis also draw on official reports and other secondary data sources to provide an outline of the policy context at the national level and in the urban areas under investigation. The use of these sources of information has been particularly important in the first study, which assumes a historical perspective, and in the second study, which employs a cross-country comparative approach. The use of documentary analysis from a variety of municipal documents and other published literature has been especially useful to overcome some problems related to the limited availability and comparability of data. Comparing patterns of residential segregation between cities of different countries is known to be a particularly challenging task not only due to differences in the type and size of the spatial unit, which can be used as a basis for the measurement of the phenomenon (van Kempen, 2005), but also due to the different ways in which immigrant groups are defined in different national contexts (Jacobs, Swyngedouw, Hanquinet, Vandezande, Andersson, Beja networks and interactions: “Researchers focusing on Sweden have a unique opportunity to use register data to study a large variety of social outcomes. […] Yet the availability of good data does not mean that it should be used for everything. We lack register data for social relations, networks, and interaction patterns, and it is tempting for researchers to use shortcut strategies by using neighbourhoods, for which data are available from registers, as a proxy” (Edling & Rydgren, 2012:9).
Horta, Berger, Diani, Gonzalez Ferrer, Giugni, Morariu, Pilati & Statham, 2009).

From a methodological point of view, both the choice of methods and the ways in which inequality and residential segregation are measured depend on the specific research question being addressed in each study. The studies are thus independent from one another with regard to their research aims, theoretical approaches, and empirical use of the data.

Writing a thesis in the form of a collection of papers (each one looking at the same phenomenon from a different angle) rather than in a monograph has the main drawback of presenting a certain degree of fragmentation at first sight. Some things may be repeated in the papers (as well as in this introductory chapter), while other things could have perhaps been more thoroughly discussed or presented. However, as explained below, the studies included in this thesis are positioned within the same theoretical framework (outlined in Section 1.2 and Section 1.3 of this introductory chapter) and follow a step-by-step logical plan of inquiry.

1.6. The studies

The four studies contained in this thesis analyse different aspects of the causal relationship from inequality to residential segregation in Swedish cities. As mentioned in the previous section, the four studies provide a multifaceted account of this relationship, but they can be located within the same theoretical framework outlined in Section 1.2 and Section 1.3 of this introductory chapter. Altogether, the studies provide the argument that, in recent decades, the changing form and magnitude of inequality in Swedish cities have been an important driver of residential segregation. Hence, the studies presented in this thesis intend to complement existing research on residential segregation in the Swedish context by focusing on the some of the possible causes rather than on some of the possible consequences of this phenomenon. In particular, the studies engage with lines of research that have rarely attracted attention among researchers who focus on residential segregation in Sweden. The issues that are examined in this thesis are relevant to the Swedish context, but the studies are written for publication in international journals and aim to reach an international readership.

In particular, the first and the second studies look into the institutional factors that contribute to the spatial partitioning of inequality in Swedish cities. The first study analyses the case of the Swedish city of Landskrona and explains why this small municipality has recently become an attractive immigrant destination, with an accompanying trend of increasing residential segregation. The second study compares Malmö and Genoa and investigates the reasons why, despite their similar urban histories, the two cities began to...
display considerable differences in their patterns of social and spatial polarization as a consequence of increased international migration.

The third and fourth studies focus on the causal relationship from income inequality to residential segregation. In this regard, the third study is also centred on the case of Malmö but takes a different perspective from the previous one and assesses the extent to which the development of income inequality in this city, between 1991 and 2010, has contributed to widening of disparities in living conditions between neighbourhoods. The fourth study addresses the same research question – the impact of income inequality on economic residential segregation – but expands the analysis to the three major metropolitan areas of the country (Stockholm, Göteborg, and Malmö).

**Study 1: The rescaling of immigration and the creation of ‘areas of outsidersness’ in Sweden: the case of Landskrona**

The first study has been accepted for publication in a special issue of *Sociologica* hosting a symposium entitled “Rescaling immigration paths: emerging settlement patterns beyond gateway cities”. The symposium aims at debating an issue that has recently attracted interest in migration studies – the modes of incorporation of immigrants into reception localities that are different in terms of population size and position in national urban hierarchies from the large cities, which are usually the gateways for immigration. Some scholars have addressed the question of whether the redirection of immigrant flows from large to small localities should be interpreted as an outcome of (explicit or implicit) migration management strategies. According to Ivan Light (2006), this is the case of the “deflection” of immigrant flows during the 1990s from Los Angeles (which had been one of the prime gateways in the USA since the 1970s) to smaller American cities. Following the same line of research, other scholars have addressed the problem related to the spatial unit and level of analysis of migration processes and have argued that immigrant settlement patterns are embedded within spaces that should not be seen as self-enclosed but as hierarchically ordered and reciprocally interpenetrated (Glick Schiller & Çağlar, 2011). According to these scholars, the modes of immigrant incorporation depend on the position of reception localities within broader hierarchies (e.g., the position of a neighbourhood within the broader urban hierarchy of a city, the position of a city within a broader metropolitan area, and the position of a metropolitan area within a broader national urban system).

Against the background of this debate, the study takes a long-term historical perspective and analyses the urban development of the Swedish city of Landskrona. In particular, the study seeks to explain how national policy developments in Sweden, from the post war period onwards, have influenced immigrant settlement patterns in this city in three subsequent time periods: from post war to the early 1970s, from the early 1970s to the early 1990s, and from the early 1990s to 2010.
Landskrona is an interesting case study because it is a small municipality (medium-sized for Swedish standards) and does not belong to any of the Swedish major metropolitan areas (Stockholm, Göteborg, and Malmö). In recent years, Landskrona has been involved in various national area-based urban programmes for counteracting residential segregation. In fact, despite its relatively small size, Landskrona is characterized by a high level of residential segregation between an immigrant-dense and densely built city centre and middle-class villa neighbourhoods located on the periphery with few immigrant residents. The case of Landskrona is very specific and presents characteristics that cannot be generalized to other Swedish urban areas (e.g., the spatial concentration of immigrants in the in the city centre rather than in the outskirts as in most of Swedish cities).

However, the fact that the immigrant-dense neighbourhoods of Landskrona have recently become the target of national anti-segregation programmes suggests that this city is somehow representative of a general pattern of immigrant residential settlement and mobility in the Swedish context. Landskrona experienced a growth in the number of non-western residents after that local industries were dismantled and the city lost attractiveness to previously established residents, who emigrated in large numbers. Many Swedish neighbourhoods that have been the targets of area-based initiatives were repopulated by non-western immigrants after they had become somewhat redundant residential sites, such as the immigrant-dense neighbourhoods of Landskrona. In this respect, Landskrona’s immigrant-dense and poor neighbourhoods can be seen as examples of those that are often labelled by Swedish national and local policymakers as “areas of outsiderness” (utanförskapsområden). In Sweden, “areas of outsiderness” is a label attached by policymakers to neighbourhoods with large immigrant and economically disadvantaged populations.

From a theoretical point of view, the study adopts a *scalar approach* and acknowledges the importance of the evolving position of Landskrona within the Swedish urban hierarchy on immigrant settlement patterns in each of the three periods considered. The study also explains how the process of immigrant “deflection” (from other Swedish cities to Landskrona and its distressed neighbourhoods in particular) does not seem to be associated with an improvement of the living conditions of “deflected” immigrants in the localities in which they re-settle (unlike in Los Angeles where Ivan Light conducted his pioneering study on immigrant deflection).

From an empirical point of view, the study is based on the fieldwork that I conducted in 2009, during my participation in the research project “Welfare and democracy” (MiV: Välfärd och demokrati) coordinated by my first supervisor Tapio Salonen. The original fieldwork is updated in this study using information from more recent policy documents and is complemented by a socio-economic and demographic analysis based on the REMESO-dataset.
Study 2: Immigration policy regimes, welfare states, and urban inequality patterns: a comparison between Malmö and Genoa

After analysing the conditions underlying the emergence of residential segregation in a Swedish city from a historical perspective, the second study investigates whether the same conditions – namely, economic decline and increase in international migration – had similar or different effects in comparable cities in other countries. In particular, this study compares Malmö, Sweden and Genoa, Italy. These cities share a similar urban history as the most important port city in their countries. In recent years, however, the two cities began to display considerably different urban inequality patterns.

Until the decline of their shipbuilding industries, Malmö and Genoa followed similar trajectories of socio-economic and demographic development. As a consequence of deindustrialization, the two cities experienced a rise in unemployment and population losses. More recently (since the mid-1980s in Malmö and since the early 1990s in Genoa) both cities received large inflows of immigrants which, nonetheless, brought about very different consequences in terms of patterns of social and spatial inequality.

In Malmö, the growth of the immigrant population was associated with the exclusion of a large proportion of newly-arrived immigrants from the local labour market as well as with an intensification of ethnic residential segregation. Malmö is, in fact, spatially divided between the western coastal area, which is dominated by detached villas and predominantly inhabited by middle-class and upper middle-class native residents, and the eastern and southern inner neighbourhoods, which are dominated by high-rise buildings with high percentages of low-income immigrant residents.

In Genoa, immigrants were rapidly absorbed into the local labour market, and the growth of the immigrant population was associated with a steady decrease in ethnic residential segregation. In particular, Genoa experienced a process of spatial de-concentration of immigrants from the city centre (located near to the seaside and to the old port) to other neighbourhoods. Still, this process of spatial de-concentration was not accompanied by an upward social mobility of immigrants who, in fact, continued to be concentrated in the low-paying service jobs (and, in particular, in the private care sector).

The comparative analysis seeks to identify the macro-level institutional factors that have contributed to the differences in the modes of immigrant incorporation into the two cities. Some of these factors have been identified in previous studies. It is a well-established fact in migration literature that the Swedish welfare state has a comparatively stronger redistributive effect than many other European welfare states and that for that reason it is also more effective in lifting immigrants out of poverty. At the same time, Swedish cities are marked by comparatively high levels of ethnic residential segregation.

Both in Malmö and Genoa, immigrants tend to live in worse accommodations than natives. However, whereas the worse position of
immigrants in the local housing market results in a high degree of spatial separation from natives in Malmö, immigrants are distributed in a more scattered manner across the neighbourhoods of Genoa. The different interaction of housing and planning systems appears to be one explanation for this difference between the two cities. Malmö is in fact divided in larger tenure homogeneous neighbourhoods (e.g., villa or public housing neighbourhoods) than those of Genoa. In Genoa, the regulatory role of municipal planning has been weaker and housing tenures less spatially concentrated than in Malmö.

The study suggests that national immigration policy regimes have also played an important role in prescribing the integration potential of immigrants in the two cities. Recent immigrant flows to Genoa have been of a very different nature from those to Malmö. Immigration to Genoa has been predominantly motivated by employment opportunities, whereas refugees and asylum-seekers from non-western countries dominated immigration to Malmö. The flow of immigrants to Malmö did not coincide with labour market needs and, by and large, with the local availability of social integration opportunities. As in Landskrona, it was the situation of Malmö as an economically and demographically declining city – with vacant housing but, also, lack of employment possibilities – to make it become an attractive immigrant destination.

This second study has been revised for resubmission to a peer-reviewed journal.


Whereas the first two studies focused on the institutional factors contributing to the development of social and spatial polarization in Swedish cities, the third study focuses on the causal relation from income inequality to residential segregation. Many studies on residential segregation in Sweden have drawn attention to the possible existence of this causal relationship but, to my knowledge, the latter has not previously been examined in quantitative terms using the inequality decomposition techniques used in this study. In particular, this third study analyses how the increase in income inequality in Malmö between 1991 and 2010 has contributed to the parallel development of residential segregation.

Malmö was chosen as a case study because it has a high level of residential segregation and is believed to typify – in perhaps an extreme example – a general problem of socio-spatial polarization in Swedish cities. As seen in the second study, Malmö is sharply divided between rich coastal residential areas with few immigrants and immigrant-dense and poor inland neighbourhoods (some of which have been the targets of national area-based urban programmes) (Salonen, 2012a).
This study first describes the development of income inequality in Malmö from 1991 to 2010 and estimates to what extent this development has been affected by the increase in international migration. The finding is that the contribution of immigration to overall income inequality was negligible during the studied period. In fact, the increase in inequality was nearly the same in the Swedish-born population as in the population as a whole (including non-western immigrants). The decomposition of inequality by income source shows that the increase in inequality was primarily due to labour market earnings, capital incomes, and, to a lower and decreasing extent, pensions. Furthermore, there is evidence that the inequality-counteracting effect of the benefit and tax system was reduced by recent social policy reforms.

The study also investigates to what extent the widening of disparities in living conditions between the neighbourhoods of Malmö has been caused by changes in the level of socio-economic heterogeneity of the population (i.e., by changes in the level of spatial concentration of socio-economic groups) or by the general increase in income inequality (irrespective of changes in distribution of socio-economic groups across neighbourhoods). The results of the second decomposition analysis indicate that the widening of the gap in living conditions between poor and rich neighbourhoods has been driven to a large extent by the increase in income inequality and, only to a small extent, by the increased homogeneity in population composition in neighbourhoods.

Against the background of these findings, the study raises the question of whether area-based urban programmes can be successful in reversing the trend towards inequality between neighbourhoods and whether the focus of strategies aimed at decreasing residential segregation should be on measures influencing overall household income distribution. However, this study's results need to be replicated at different Swedish cities in order to be generalizable to the whole country.

This third study has been accepted for publication in the journal *Urban Studies*.

**Study 4: Looking beyond the neighbourhood: income inequality and residential segregation in Swedish metropolitan areas, 1991–2010**

The fourth study replicates the analysis as in the previous study, but the focus is expanded to include the three major metropolitan areas of the country: Stockholm, Göteborg, and Malmö (Table 1.3).

Another difference with the previous study is that the latter analyses income inequality and residential segregation developments at the household level, whereas the fourth study investigates the same developments among adults between 25 and 54 years of age (prime-aged adults). This age group is chosen because it consists of individuals who are at a life stage in which the chances of employment are the highest, compared to young adults and those
in the immediate pre-retirement years. Therefore, labour market earnings are a more important determinant of income inequality among the individuals belonging to this age group than in the population as whole (which includes economically-inactive individuals who are more likely to depend on welfare benefits).

The results of this study support the findings of the previous study. The national trend towards increased income inequality was mirrored locally in the three metropolitan areas between 1991 and 2010. The increase was particularly intense in the Malmö metropolitan area, which started at the same level as in the Göteborg metropolitan area but reached a higher level of income inequality at the end of the period. However, the Stockholm metropolitan area had the most unequal distribution of income during almost the whole studied period (except for one year). Despite these differences in magnitude, in all the metropolitan areas changes in the ethnic composition of the population, caused by the increase in immigration from non-western countries, have contributed less to overall income inequality than the intensification of income disparities related to the employment status of prime-aged adults. This means that the widening of the income gap between those in and out of employment has played a more important role than the widening of the income gap between natives and immigrants.

With respect to residential segregation patterns, income inequality has been a crucial driver for the growth of economic residential segregation. In fact, in the absence of the increase in income inequality between prime-age adults, the growth of economic residential segregation would have been lower. Nevertheless, the whole period can be divided into two phases.

Table 1.3. The municipalities forming Sweden’s three largest metropolitan areas.

<table>
<thead>
<tr>
<th>Metropolitan area</th>
<th>Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Göteborg metropolitan area</td>
<td>Göteborg, Mölndal, Partille, Härryda, Lerum, Åle, Kungälv, Öckerö, Tjörn, Stenungsund, Lilla Edet, Alingsås, Kungsbacka</td>
</tr>
<tr>
<td>Malmö metropolitan area</td>
<td>Malmö, Vellinge, Trelleborg, Skurup, Svedala, Lund, Staffanstorp, Burlöv, Lomma, Kävlinge, Eslöv, Höör</td>
</tr>
</tbody>
</table>
During the first decade (1991 to 2000), the development of inequality between neighbourhoods followed and was almost totally driven by the parallel development of inequality between prime-age adults.

During the following decade (2000 to 2010), income inequality between prime-age adults continued to account for a large share of the change in inequality between neighbourhoods, but its contribution decreased to some extent. Meanwhile, neighbourhood-sorting processes grew in importance and the widening of differences in living conditions between neighbourhoods appeared also to be due to an increased spatial concentration of poverty and wealth within the metropolitan areas. The contribution of neighbourhood-sorting processes was the highest in Göteborg, followed by Stockholm and Malmö (which was the only metropolitan area where, over the whole period considered, income inequality between individuals contributed more than neighbourhood sorting to total neighbourhood inequality). The second phase (2000 to 2010) corresponded with the launch of different waves of area-based urban programmes aimed at impeding the intensification of income differences between neighbourhoods in Swedish metropolitan areas. The findings of this study seem to question the effectiveness of these area-based urban programmes because during the period of their implementation income differences between neighbourhoods actually increased rather than decreased (or remained stable).

This fourth study was submitted to a peer-reviewed journal.

1.7. Concluding discussion

The main aim of this thesis has been to analyse the causal relationship from inequality to residential segregation in Swedish cities. The thesis intended to complement existing research on residential segregation in Sweden, which has recently focused on the opposite direction of causality – the effect of living in certain residential environments on the life trajectories of residents.

The premise from which this thesis started is that although Swedish cities are characterized by comparatively low levels of income inequality, they are as much or even more sharply divided along ethnic lines than cities of other countries marked by higher levels of income inequality. Against the background of this knowledge, the studies included in this thesis sought to explain the specific nature of the phenomenon of residential segregation in the Swedish context. The thesis attempted to provide a more comprehensive account of the factors responsible for the development of residential segregation in Swedish cities than the view that identifies the large-scale immigration in the country, which has taken place in recent decades, as the main (or sole) contributing factor. In spite of the variety of research design and methods employed, the four studies included in this thesis sought to highlight
how the changing forms and levels of inequality contributed to development of residential segregation in Swedish cities.

In particular, the first two studies attempted to identify the reasons why increased immigration in Sweden led to increased ethnic residential segregation. Because these studies focused on two economically declining urban contexts (Landskrona and Malmö), their findings can be generalized only to a limited extent to all Swedish cities. Landskrona and Malmö are examples of cities that re-positioned themselves in the national urban hierarchy by moving downwards as a consequence of their economic decline. For this reason (Figure 1.2), Landskrona and Malmö present differences with other Swedish cities occupying different positions in the national urban hierarchy. Despite economic decline and outmigration of residents, Malmö and Landskrona nevertheless experienced a large influx of immigrants from non-western countries. International migration to these cities was of the same form as in other Swedish cities and was dominated by non-labour immigrants.

The theoretical approaches reviewed in Section 1.3 do not seem to account for the relationship between immigration and urban inequality in Swedish cities. In fact, immigration to Malmö and Landskrona has neither been of a “demand-side” type (i.e., attracted by the availability of low-paid employment opportunities) nor of a “supply-side” type (i.e., linked to the prior settlement of co-ethnic groups, who established themselves in the two cities as labour immigrants)17.

Apart from focusing on the specific case of Landskrona, the first study has also a more general goal and explains how policy developments at the national level (welfare state restructuring in general and the shift in immigration policy in particular) played an important role in influencing the modes of incorporation of immigrants into Swedish cities. The second study investigates further this issue and explains why ethnic residential segregation is more pronounced in Swedish cities than in comparable cities of some other countries.

Given the predominantly non economically-determined nature of immigrant flows to Sweden, these flows tend to be of a magnitude that in some cities does not match the absorptive capacities of local labour markets. In

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17 Together with refugee immigration, immigration for family reunification has been an important component of immigrant flows to Sweden since the early 1980s (Schierup, Hansen & Castles, 2006:200). According to the latest data from OECD, about 27,100 out of the about 71,700 immigrants who moved to Sweden in 2011 were for family reunification (37.7% of the total) (OECD, 2013:299). Immigration for family reunification to Sweden could be seen as a type a supply-side immigration that is different from the one analysed by Ivan Light in Los Angeles. In fact, the first immigrant groups who settled in Los Angeles were labour immigrants, not humanitarian immigrants as in Swedish cities.
Sweden, many immigrants find their first job only after many years after their admission to the country (Bäckman, 2010; OECD, 2012:95).18

As in other countries, in Sweden immigrants usually start their housing careers in the most affordable segment of the market, and they keep these accommodations as long as their economic situation does not improve. One characteristic of Swedish cities is that they are divided into large residential areas with homogeneous housing structures. Affordable housing is concentrated in large tenure-homogenous neighbourhoods (usually public housing dominated), which are located at the bottom of neighbourhood hierarchies of cities. Residential segregation is the outcome of the combined effect of the prolonged situation of marginalization of immigrants in the labour market and their spatial concentration in neighbourhoods with affordable housing.

The immigrant-dense neighbourhoods of the Swedish cities analysed in the first two studies are characterized by a lack of social integration opportunities, which not only preceded the admission of immigrants but were also the reason for their initial settlement. Economic decline in the two cities initiated a process of outmigration, especially from certain neighbourhoods. When immigration to Sweden increased dramatically, these semi-abandoned neighbourhoods were made available to refugees and asylum-seekers fleeing from war-torn countries, precisely because of the presence of many vacant dwellings. The settlement of immigrants in these semi-abandoned neighbourhoods was a deliberate outcome of migration management policies (cf. Andersson & Solid, 2003). Hence, it can be argued that resource scarcity was an attribute of these neighbourhoods before they came to host the first non-western immigrant groups.

The urban development paths of Landskrona and Malmö may not be representative of those of all Swedish cities. At the same time, however, Landskrona and Malmö display a socio-spatial divide between native and immigrant groups that is typical of other Swedish cities and different from cities where immigration is predominantly driven by economic reasons (this literature was reviewed in Section 1.3). In fact, the high degree of exclusion of (non-western) immigrants from the labour market in combination with their spatial concentration in specific neighbourhoods with affordable housing are features of all Swedish cities (Andersson, Brämå & Holmqvist 2007; Andersson, Hogdal & Johansson, 2007; Biterman & Franzén, 2007; Andersson, Brämå & Hogdal, 2009; Hedin, Clark, Lundholm & Malmberg, 2012).

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18 Eurostat data for the year 2013 indicate that Sweden is the EU country in which there are the largest differences between the employment rates for non-EU citizens and for nationals (Eurostat, 2014). The employment rate is 81.3% for nationals but 50.2% for non-EU citizens. The difference is ~31.1 percentage points in Sweden compared to the EU average of ~12.8 percentage points.
The third and fourth studies estimated the impact of income inequality on economic residential segregation in Malmö and in the largest three Swedish metropolitan areas (Stockholm, Göteborg, and Malmö). The period considered (1991-2010) was characterized by intense immigration as well as a rapid and previously unparalleled increase in income inequality (as explained in Section 1.4). Whereas the first two studies focused on the link between immigration and residential segregation in the Swedish context, the third and fourth studies focused on the relationship between immigration and income inequality and between income inequality and economic residential segregation.

The third and fourth studies showed that income inequality developments in Swedish cities mirrored the national trend of growth. The increase in income inequality was only minimally influenced by changes in ethnic composition, associated with rising immigration, and was largely driven by developments in the labour market, which led to rising wage inequality and to a widening of disparities between those in and out of employment. Increased income inequality was an important factor for the development of economic residential segregation. The widening of the income gap between households and individuals explains, to a large extent, why poor neighbourhoods became poorer and rich neighbourhoods became richer. The increased socio-economic homogeneity of neighbourhoods (associated with a stronger concentration of poor individuals in poor neighbourhoods and rich individuals in rich neighbourhoods) contributed, to a small extent, to disparities in living conditions between neighbourhoods in Malmö, whereas it played a more important role in the three metropolitan areas, but only after the year 2000.

The question of whether living in poor neighbourhoods has the effect of aggravating the isolation of poor residents from society and making them poorer has occupied a central position in recent debates on residential segregation in Sweden. This thesis provided evidence that the widening of the socio-economic divide between the rich and the poor contributed independently to the creation (and reinforcement) of socio-spatial divides in Swedish cities. In other words, this thesis showed that the worsening of socio-economic situation in poor Swedish neighbourhoods largely mirrored the deterioration of the socio-economic conditions of their residents: the former was mainly a by-product of the latter rather than vice versa.

1.7.1. Implications for policy and social work practice

As discussed before (Section 1.2), when the emphasis is placed on the effect of residential environments on individuals, residential segregation is seen as a problem to be counteracted by means of policies aimed at reducing the negative consequences of living in neighbourhoods presenting certain population characteristics (cf. Veldboer, Kleinhans & Duyvendak, 2002; Friedrichs, Galster & Musterd, 2003; Galster, 2007; Bolt & van Kempen, 2013). In many Western European countries, social mix policies attempted to
improve the environmental effect of poor neighbourhoods by favouring changes in their population composition. On the other side of the Atlantic, US poverty de-concentration programmes (such as the Moving to Opportunity experiment) attempted to achieve the same aim by providing financial incentives to residents of poor neighbourhoods in order to induce their movement to better-off neighbourhoods.

Returning to the episode of Welcome to Sweden mentioned at the beginning of this introductory chapter, the aim of both these types of policies is to (or attempt to) provide immigrants like Hassan, who lives in an immigrant-dense neighbourhood, with the same opportunities of interaction with middle-class natives like Bruce – who in the future will hopefully benefit from his centrally-located neighbourhood. This aim can be achieved, for example, either through interventions in the housing stock in the neighbourhood where Hassan lives, as an attempt to attract better-off residents (as in social mix policies), or by encouraging him to move to another neighbourhood with different population characteristics (as in poverty de-concentration programmes).

Although both these policies continue to be supported by policymakers around the world, the results achieved to date have been far below expectations in all the cities in which they have been implemented. For this reason, some scholars made the argument that these policy outlooks do not seem to be evidence-based (e.g. Joseph, 2006; Joseph, Chaskin & Webber, 2007; Cheshire, 2012b; Slater, 2013).

When the emphasis is placed on the causal relationship from income inequality to economic residential segregation, as done in this thesis, the attention shifts from how inequality is generated, or reinforced, by what happens in the neighbourhoods of residence to how what happens outside (or beyond) the neighbourhoods of residence contributes to the generation, or reinforcement, of socio-spatial divisions in cities. The focus shifts from the socially-interactive mechanisms supposedly at work in neighbourhoods to the wider social and economic processes determining income distribution in the population.

From a Swedish social work perspective, this shift resonates and is entwined with another ‘shift’ – from an approach that focuses on individually-tailored treatments, which frame client’s situation within client’s social network (including client’s neighbourhood) and within the broader social policy framework, to approaches that problematize the constraints imposed by the latter and engage with decisions on social policy and with policymaking processes (Thorén & Salonen, 2013). It is this later approach that this thesis considers. In fact, this thesis attempted to demonstrate that in Sweden residential segregation is a problem that has to do with the unequal distribution of resources in society and, for this reason, needs to be addressed primarily through policies affecting the distribution of income. At the same time, the findings presented in this thesis can be read as open questions to the view of residential segregation as a problem that has mainly to do with the
uneven distribution of opportunities across neighbourhoods and that may be remedied by means of spatial interventions aimed at reshaping people’s social networks and interactions in their places of residence.

Neighbourhood-based approaches against residential segregation have the advantage of an ease of intelligibility and implementation. These approaches identify and delimit precise spatial contexts in which a higher-than-average proportion of residents are deemed to be in need of public support to enhance their inclusion into mainstream society. Neighbourhood-based approaches against residential segregation are usually intended to change (some of) the population characteristics of deprived residential environments, because the latter are thought play a relevant role in the daily lives of residents.

This view has a certain degree of support in Swedish social work research. For instance, Olsson, Sondén and Ohlander (1997) highlighted the importance of “the little neighbourhood” as the closest residential environment (in both its physical and social aspects) functioning as a source of mutual trust, reciprocal respect, and feelings of safety for the inhabitants of Swedish cities. The little neighbourhood can be seen a small urban community consisting of few people who know and recognize each other, a social milieu that resists the norms of impersonality, anonymity, and indifference found in larger urban environments. It is possible to find an analogy between this view of the neighbourhood as a place where residents feel a sense of belonging and the policy-related view of neighbourhoods as suitable settings for social capital mobilization and community problem-solving, which seems to be embedded in area-based urban programmes19.

However, there are reasons to believe that, in a historical period in which the social policy debate is dominated by the imperative of fiscal austerity in all western countries (including Sweden), policymakers’ commitment to emphasizing the inequality-reducing potential of neighbourhood-based social networks may also be based on, and biased by, cost considerations. This means that the reason for this emphasis may not lie in the belief that these resources are truly more effective than traditional income support measures in reducing inequality but, rather, in the hope that they may prove to be a “less-costly, non-economic solution to social problems” (Portes, 1998:3).

Indeed, the view that the improvement of social capital in a poor neighbourhood may also bring about an improvement of the economic situation of residents, while keeping all the other (extra-neighbourhood) characteristics of existing socio-economic system unaltered, is problematic. The assumption underlying this view is that opportunities for individual

19 A more recent example is the article by Österberg (2014), which focuses on the neighbourhood of residence as a possible source of inequality. The article was included in a monographic issue of the China Journal of Social Work dedicated to a review of recent advances of Swedish social work research.
economic advancement are of an unlimited nature in Swedish cities, but they cannot be exploited by all residents because social capital resources are unequally distributed across neighbourhoods.

Still, to reduce income inequality, some form of income redistribution is necessary. The latter must inevitably take the form a zero-sum game in which (limited) resources are transferred from some groups to others. It is unclear whether present political conditions are favourable for the implementation of a policy strategy based on the intensification of income redistribution in Sweden. There is a common opinion in Sweden that despite the rise in income inequality the support for the redistributive functions of the welfare state has not diminished. This opinion found an echo also in recent academic literature. For instance, one study found that, in the recent years, the support for the redistributive functions of the welfare state increased across all social groups, including the upper-class (a segment of the population that had traditionally been less supportive of the welfare state) (Svallfors, 2011). As shown in this thesis, such a widespread support for redistribution has been compatible with an unparalleled growth of income inequality between residents and neighbourhoods of Swedish cities.

Amartya Sen provided a plausible explanation for the apparent contradiction in the coexistence of a widespread support for equality and concomitant trends towards growing inequality:

[T]he choice of basal equality has tremendous practical importance in asserting some claims and denying others. The need for ensuring the fulfilment of basal demands, including basal equality, necessitates the tolerance of inequality in what are seen as the outlying peripheries. (1992:131)

This statement suggests that when equality is universally advocated, but the policy objectives behind this idea (together with the means by which these objectives are intended to be achieved) remain undefined (or undecided), room may be left for the growth of disparities between the mainstream of society and its “peripheral” outskirts.

New forms of engagement in the policymaking process should precisely address the question of what is the desirable form of “basal equality” for Swedish cities and what strategies should be put in place to contribute to its attainment. Hence, the question that should be addressed is why and to what extent residential segregation patterns in Swedish cities do not correspond with what is generally perceived by the majority of the population as a desirable form of “basal equality” (or, alternatively, as a tolerable form of urban inequality).

In Sweden, it is generally accepted that residential segregation is not a desirable phenomenon, but much of this concern seems to be directed towards the social life of inhabitants of ethnically-segregated neighbourhoods (e.g.,
towards what happens when they gather for socializing in their neighbourhoods) and towards differences in social capital resources between neighbourhoods with different population characteristics. At the same time, it is unclear whether this concern is also about the root cause of residential segregation – i.e., the unequal distribution of income in the population and its determinants, such as the exclusion of immigrants from the labour market.

As has been noted, some of the barriers that immigrants face in the Swedish labour market may be removed by facilitating the recognition of foreign educational and professional qualifications and, above all, by establishing a merit-based employment system in the country (Alatalo & Ostapenko, 2014). Reforms of this kind would clearly decrease the (alleged) importance of neighbourhood-based informal job-recruitment networks. As a matter of fact, in recent years, these issues have not attracted as much attention as issues related to the spatial isolation of residents of ethnically-segregated neighbourhoods from informal job-recruitment networks. As previously explained (Section 1.4), Swedish policymakers view residential segregation as a problem especially because residents of poor neighbourhoods are thought to be spatially and, therefore, socially isolated from the rest of their urban communities.

However, there is very little evidence to date that supports the hypothesis that the spatial concentration of disadvantaged groups in certain neighbourhoods contributes in some way to their relative economic deprivation. An extensive review of international literature related to this topic found that there is “surprisingly little convincing evidence that living in deprived neighbourhoods really makes people poor(er)” (Manley, van Ham & Doherty, 2011:152). Furthermore, neighbourhood-based explanations for poverty have been criticized for individualizing the causes of this phenomenon and for diverting attention from the institutional and economic arrangements which asymmetrically distribute opportunities and resources in society: “Emphasis is given to the spatial ordering of problems, not as a manifestation of structural deficiencies, but in terms which appear to emphasize the spatial behaviour of people” (Lumpton & Tunstall, 2008:110).

When the focus is mainly on the ways in which residents of poor neighbourhoods behave and interact with each other in their residential environments, the problems of these neighbourhoods tend to be seen as detached spatially from the rest of the cities to which they belong. The uncritical acceptance of this view may contribute to a further stigmatization of poor neighbourhoods and to the implementation of policies based on an “ideal

20 Returning to the episode of Welcome to Sweden mentioned earlier, the reasons why Hassan works as a taxi-driver in Sweden, despite his previous working experience as an engineer in Iraq, may have to do more with the non-recognition of his educational and professional qualifications than with the lack of social capital resources in his neighbourhood of residence.
of integration”, requiring “significant changes from members of excluded groups” while leaving “the dominant group relatively undisturbed” (Young, 2000:216). In contrast, this thesis has attempted to demonstrate that residents of poor neighbourhoods should not be held responsible for their situation of deprivation. Residential segregation should be seen as the spatial manifestation of social asymmetries that have to do with cities as a whole and with their loss of social and functional unity (cf. Salonen, 2011c).

1.7.2. Suggestions for further research

The findings of the studies included in this thesis need further scrutiny. In particular, the reasons why neighbourhood-sorting processes contribute to the widening of disparities in living conditions between neighbourhoods more in some urban contexts (e.g., the three metropolitan areas) than in others (e.g., the city of Malmö) need to be identified. Do the characteristics of the local housing market and/or the local history of urban planning and development explain these differences? Or should other factors, such as demographic or socio-economic variables, be taken into account too?

In this respect, this thesis may be complemented by other studies analysing how urban inequality patterns have been affected by the growth of the immigrant population in Swedish cities that are not experiencing economic decline. Several research questions could be addressed by such studies:

• What was the situation of the immigrant-dense neighbourhoods of these Swedish cities before the settlement of first immigrant groups?
• How does the upward movement of Swedish cities in the urban hierarchy affect the modes of incorporation of immigrants into local labour and housing markets?
• How do these cities compare with similar cities in other countries?

Another topic of interest for future research is whether it is possible to identify a causal relationship from income inequality to residential segregation when taking into account specific population subgroups. Of particular interest in this regard is the case of children. In Sweden, the financial and social conditions of children have been discussed at length by politicians and academics after the publication of a series of yearly reports by the national Save the Children organisation. The reports showed that children growing up in immigrant-dense neighbourhoods (e.g., Rosengård in Malmö or Rinkeby in Stockholm) face a much higher poverty risk than children growing up in suburbs with lower-than-average percentages of non-western immigrants (e.g. Danderyd or Täby in the Stockholm metropolitan area and Vellinge in the Malmö metropolitan area) (cf. Salonen, 2012b). These findings suggest the following research questions:

• What factors (ethnic background, educational and employment situation of parents, etc.) contribute to income inequality among children living in Swedish cities? Have there been changes in the relative importance of these factors over time?
• Is there a causal relationship between the increase in income inequality among children and their changing patterns of residential distribution?

Another topic worth examining is how social workers explain the causes of the concentration of social problems in specific neighbourhoods of Swedish cities:
• What factors do social workers identify as contributing to disparities in living conditions between neighbourhoods in Swedish cities and metropolitan areas?
• Which kind of policy initiatives do they think should be pursued to reduce these disparities?
• Do the opinions of Swedish social workers differ based on the municipality or neighbourhood where they work?

Finally, the findings discussed above may be used to justify a more ambitious follow-up study aimed at complementing, or even overcoming, their descriptive bias. A follow-up study may employ more refined and rigorous methodological approaches for analysing the causal relationship between income inequality and residential segregation in Swedish cities. One way to do this would be to take into account a number of Swedish municipalities large enough to allow the use of regression analysis (as done, for the US case, by Reardon & Bischoff, 2011). However, this task may be very demanding for a single researcher in terms of data management workload and, therefore, it would require the involvement of other researchers.

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