The Entrepreneurial City in a Scandinavian Context

– A Conceptual and Political Challenge?

- Work in progress -

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Abstract

The territorial dimensions of the state are undergoing substantial changes. New political entities – such as cities and regions – are gaining in importance. Cities and regions are using different strategies in order to strengthen their position in the inter-regional competition. At first, the Swedish experience seems to be an exception to this general development. The relatively small cities of Sweden usually function as the local arm of the welfare state and the regional policy aims at territorial cohesion through redistribution of income. I will use a study of the Swedish city Malmö, to show that the processes associated with entrepreneurial governance are manifested in Sweden as well. In the first part of the paper, I will argue that this might pose a challenge to the traditional redistributive goals of Swedish politics.

In the second part of the paper, I will focus on Malmö’s participation in the construction of a cross-border growth region – the Øresund region. To create a new region presupposes the blurring of traditional political borders. Urban governance, on the other hand, deals with strengthening the competitiveness of an individual city. The aim of this part of the paper is thus to analyze the relationship between strategies of urban governance and regional constructions. The potential tension between competition and cooperation is especially interesting in a transnational context. In fact, in the concluding remarks of the paper I will argue that, in spite of the rhetoric of a borderless region, we are witnessing the articulation of renewed territorial boundaries within the transnational region.

Key words

Urban entrepreneurialism, the welfare state, the traditional notion of a municipality, the content and organization of politics, Sweden.
**New Political Spaces**

Of increasing interest to scholars from various research traditions is the state centric character of social science. A common starting point is the assertion that the nation state should no longer be viewed as the natural arena for the study of political power (e.g. Lapid 1999; Brenner 1999; Sassen 2000). In light of this debate, more and more attention has been given to new (or renewed) political spaces. These new political spaces are represented by cities and regions, now gaining in importance due to the processes associated with globalization and state restructuring (Clarke 2006). At the same time, through bottom-up processes, cities and regions are also becoming actors on different political levels (cf. Keating 2003:263).

This restructuring, enhanced by European integration, has for quite a while been referred to as a ‘Europe of the Regions’ (e.g. ibid.). In addition to regions, cities have also attracted a good deal of attention among policymakers and in academic research. More and more, the role cities play in social progress in general, and economic development in particular, is being noticed (Cochrane 2007:95pp). As cities reformulate their policy orientations towards the goal of achieving economic competitiveness, they are more and more committed to what’s described as *urban entrepreneurialism* (e.g. ibid: ch. 6).

**Statement of Purpose**

We tend to think about politics in spatial terms (e.g. Stripple 2005:77). Politics has been territorially defined and structured along given categories such as ‘local politics’ or ‘international politics’ (cf. Jørgensen & Klausen 2002:ch.1). However, the resurgence of new political spaces might challenge our traditional territorial notions of politics. Such a challenge is not controversial within critical geography or urban theory, but has been
less acknowledged in political science, which is probably the most state centric discipline of all (Brenner 2004:39; Clarke 2006:34).

In Sweden, local politics have been equated with ‘the municipality’, which is regarded as a political unit mainly concerned with welfare delivery and with clear demarcation lines between other territories. Like the nation state, ‘the municipality’ might have functioned as ‘an iron-grip on political imagination’ (cf. Brenner 2004:29). While Swedish local governments are still involved in delivering welfare, many of them now seem to be concerned with the activities associated with urban entrepreneurialism as well. Such activities might challenge the traditional content and organization of politics, and thus our traditional idea of the meaning and function of local politics.

In conjunction with the international agenda of re-thinking sub-national politics (Baldersheim & Wollmann 2006), I will argue that we need to rethink local politics in a Swedish context. Through a study of the Swedish city Malmö, I will show how the trends observed elsewhere – associated with the revival of cities – have relevance here as well. Moreover, an underlying theme in this paper is a critique of the generalizing ambitions of the literature on urban entrepreneurialism. Before we can make such claims, we need to study the extreme Scandinavian context. Hence, the purpose of this paper is threefold. I will argue that (i) we need to re-think the traditional Swedish notion of ‘the municipality’ (ii) since the processes described as urban entrepreneurialism against all odds are viable here and (iii) since they have the potential to challenge the traditional content and organization of local politics.
The Revival of Cities

What does ‘a revival of cities’ mean? What I here refer to as the revival of cities has elsewhere been called e.g. the ‘new urban politics’ (e.g. McNeill & While 2001) or the ‘new territorial politics’ (Goldsmith 2006). There are a number of different approaches to the study of this form of development. They range from regime and regulation theory (e.g. Judge et al. 1995) to studies of the politics of scale (Swyngedouw 1997) and to explorations of the entrepreneurial city (e.g. Hall & Hubbard 1996; 1998).¹ Regardless of the label given to them and spanning over different research traditions, some themes constantly recur.

- The processes associated with globalization, particularly economic and state restructuring, are sketched as a background, sometimes related to ideological changes from Keynesianism to (market or neo-)liberal principles (Brenner 2004).
- Cities are viewed as nodes in international networks of interactions, especially in the case of so called world or global cities (Sassen e.g. 1994).
- Cities are claimed to compete in inter-urban and inter-regional competition; in United States due to rising revenues; in Europe due to increased mobility resulting from the European integration process (Goldsmith 2006).
- Changing conditions for local politics related to de-industrialization, financial crises, changing inter-governmental relations and escalating social problems, in some cases described as an urban crisis (Andrew & Goldsmith 1998).
- The largest cities are emerging as actors on a European and international scale, often bypassing the state altogether in processes

¹ There are some excellent overviews of different traditions within the field of urban theory and the study of local politics (see Judge et al. 1995; Herrschel & Newman 2002; Baldersheim & Wollmann 2006; Cochrane 2007).

- Changes in national governments’ policies vis-à-vis cities; a shift in emphasis from territorial cohesion to territorial competition in order to strengthen the most competitive places within the nation state; decentralization of economic regulation to subnational levels of government (Brenner 2004).

- Policy changes within city governments; more orientation towards growth and economic development (Cochrane 2007); organizational changes related to governance (John 2001); the institutionalization of a range of strategies such as the employment of place marketing techniques to promote the features of a particular location to its residents, businesses, potential investors and tourists, urban development projects (UDPs), special event promotion and public-private partnerships (Moulaert et al. 2003).

- New patterns of inequalities, both within cities and between different territories (Brenner 2004).

- A new city narrative where cities are seen as growth engines which constitute the key to economic prosperity, suggesting that cities have to apply the strategies associated with the entrepreneurial city in order to ‘survive’ and prosper as vital entities (Jessop 1997; Gordon & Buck 2005; Cochrane 2007:95pp).

This last point reminds us of the difficulty of maintaining a clear line between empirical statements and normative claims, which has led some scholars to refer to the revival of cities as the ‘new conventional wisdom’ (Gordon & Buck 2005) or the ‘politics of necessary adaptation’ (Cameron & Palan 2003). Still, most commentators seem to agree that the themes outlined above – whether handled as empirical truths or the objects of critical examination – are employed by the policymakers of contemporary cities.
The Entrepreneurial City

Beginning with the influential work of the geographer David Harvey (1989), a number of scholars have coined the phrase the *entrepreneurial city* and/or *urban entrepreneurialism* to describe the trends outlined above (Hubbard 1996; Hubbard & Hall 1996; 1998; Wood 1998; Short & Kim 1999; Jessop 1997; 1998; Jessop & Sum 2000; Chapin 2002; Ward 2003; Cochrane 2007). The term *entrepreneurial*, although not always explicitly discussed, is used to denote a situation were the activities of city governments are influenced by the private sector (Hall & Hubbard 1996:153; Painter 1998:259pp; Jessop 1998:83).

Using a range of different strategies, typically including urban redevelopment and place marketing, city governments are trying to act innovatively and are taking risks in order to enhance the competitiveness of their cities. Urban entrepreneurialism refers to the introduction of growth oriented policies and new organisational elements by local governments. Compared to studying, for example, governance, the research tradition focusing on entrepreneurial cities is especially interesting since it has the potential to highlight both economically oriented policy changes and the organisational aspects of these changes.

A Universal Form of Urban Entrepreneurialism?

The long tradition of studying urban politics in the United States initially led to a debate about whether theories can travel (e.g. Judge et al. 1995). Although the debate still continues, it is now widely acknowledged that many of the theories originally formulated with American cities in mind are relevant in a European context as well (Clarke 2006:41pp; John 2001:47pp). Most scholars seem to agree that the role of cities is changing, not only in
North America, but also in Northern Europe, notwithstanding its strong attachment to the welfare state (Goldsmith 2006:21; Cochrane 2007:ch. 6).

Empirical research on entrepreneurial cities focuses almost exclusively on North American and British cities even though studies of Asian as well as different European cities are becoming more common. However, with the exception of Copenhagen, studies of Scandinavian cities are virtually absent (Lund Hansen 2006; Lund Hansen et al. 2001; Andersen 2001; 2003). Hence, a key question becomes whether one can even discuss a universal form of urban entrepreneurialism given the paucity of research. Although the literature often stresses the importance of being sensitive to different settings (e.g., Brenner 2004:17pp), the understudied Scandinavian context challenges the often underlying assumptions of an all-encompassing adaptation to entrepreneurialism.

The Danish researcher John Andersen, discusses a special Scandinavian form of negotiated entrepreneurialism (2001:38). Andersen states that the entrepreneurial policy of Copenhagen in the Nineties was strong, but that the social democratic welfare regime at the same time was still more or less intact (ibid:7). Urban entrepreneurialism contains a growth orientation that might be balanced against the welfare system, but also is all the more visible in relation to the distributional values defining that system.

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2 For overview of American and European cities studied, see Short & Kim 1999:119; for Asian cities, see for example Jessop & Sum 2000; for different European cities including Lisbon, Dublin, Vienna and Bilbao, see Moulaert et al. 2003.
The Swedish Case

From a comparative as well as a Scandinavian perspective, Sweden is an especially interesting case. Sweden is often considered to be a role model for the social democratic version of economic regulation and the welfare state (Blyth 2001). In Sweden the welfare state has also, to a larger extent than the situation in many other countries, been realized on the local political level (Bergström 1993:38).

When it comes to urban entrepreneurialism, Sweden is a particularly difficult case. A range of factors speak against its viability. First of all, due to the social democratic tradition of a strong welfare-oriented public sector, economic development in a liberal free-market sense has been a recent concern. Secondly, the local political level is strongly associated with being a welfare and service institution. Local governments have been the main implementers of welfare reforms, leading some scholars to talk about the ‘Welfare city’ (Bergström 1993). With such a tradition, it is more of a challenge for new ideas to gain ground.

Thirdly, the local level is characterised by a strong tradition of self-government. This principle is manifested in the right of local governments to raise taxes, generating important revenues. Although the principle of local self-governmental is deeply entrenched, Sweden also has a strong central state government which financially supports local governments. Thus, compared to their American counterparts, they are more reliant on the central state, but less dependent upon the local business community. Taken together with the national redistribution system of financial equalization between local governments (the so called Robin Hood tax), this reduces the economic incentives for strong entrepreneurial activities.

Finally, there is no tradition of a coherent, comprehensive urban policy at the national level. Although programs to combat segregation and social
problems were instituted in Sweden’s three largest cities in the 1970’s, urban issues have not constituted a separate policy field. The entrepreneurial narrative has been virtually absent at the national level. However, there are indications that a national urban policy focusing on urban growth issues might be developing (Strömberg & Elander 2001). Such a policy will be controversial, since growth initiatives directly aimed at strengthening cities would challenge the Swedish tradition of a strong, distributional regional policy.

To summarize, Sweden is a case where vigorous entrepreneurial activity does not seem to be very likely. The different circumstances outlined above also explain the lack of research into the development of entrepreneurial cities in Sweden. However, some scholars state that Swedish local governments are beginning to show an interest in growth issues (Schubert 2000:7p; Pierre 1991:123pp) and that they are forming partnerships with private actors (Montin 2002:52; Strömberg & Elander 2001). Furthermore, in an attempt to bring attention to regime theory, Ingemar Elander has established that the theory is indeed relevant within a Swedish context (2001; see also John 2001:173).

In addition, the notion of the post-industrial city has recently been applied to both Malmö and Gothenburg with a focus on issues of migration, identities and representation (Sernhede & Johansson 2006). There has also been a burgeoning interest in place marketing (Strömberg 2005), new discourses on city planning (Wessel et al. 2005) and different UDPs (Jansson 2006; Granberg 2004). Taken together, these different approaches suggest that implementing the concept of entrepreneurial cities might indeed function in a Swedish context.
The City of Malmö

If one is to study the occurrence of urban entrepreneurialism in Sweden, the city of Malmö in the southern part of the country is a particularly good case. Malmö has, with few exceptions over the last decade, been governed by the Social Democratic Party (SAP). The city has been considered a role model for SAP and its welfare project (Bergström 1993:32). Malmö is also part of the project of creating a cross-border region between Sweden and Denmark, a project which represents a favourable context for the governance component in urban entrepreneurialism.

Malmö is a former industrial town, with long defunct industries such as the immense Kockums shipyard. Beginning in the late 1970s, Malmö underwent the process of de-industrialisation followed by economic decline, resulting in extremely high unemployment and escalating social problems (Stigendal 1996:26pp). In the aftermath of this economic and social crisis and still burdened with a myriad of problems, the city government engaged in a number of projects aimed at renewing the city and leaving its industrial heritage behind. Going from crisis mode to the pursuit of new strategies is something Malmö has in common with many other former industrial cities in the West. Such a background is often a textbook example of urban entrepreneurialism (Harvey 1989:5). But does that mean Malmö is an entrepreneurial city?

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3 Malmö is the third largest city in Sweden and has a population of approximately 280,000 inhabitants. The municipality’s official name is ‘the city of Malmö’. When studied before, focus has been somewhat different. For example, Jansson studies the international housing exhibition that took place in 2001 focusing on representations of city space (2006). Book and Eskilsson’s dissertation has a geographical planning perspective (2001). Billing & Stigendals area of interests is the Social Democratic Party and the Swedish model in a historical setting (1994).
Defining the Entrepreneurial City

The most commonly used definition of the entrepreneurial city is that given by Bob Jessop and Ngai-Ling Sum. According to Jessop and Sum, the first condition a local government has to meet in order to qualify as an entrepreneurial city is that it “pursues innovative strategies intended to maintain or enhance its economic competitiveness vis-à-vis other cities and economic spaces” (2000:2289). A second criterion is that these strategies must be active and explicit. And the third criterion is that “[t]he promoters of entrepreneurial cities adopt an entrepreneurial discourse, narrate their cities as entrepreneurial and market them as entrepreneurial” (ibid.). This last criterion is important, since it emphasizes that questions of ideology as well as the power of representation are a central part of entrepreneurial practices.

Malmö as an Entrepreneurial City

When applying Jessop and Sum’s definition, we have to consider if it is even possible to discern a general pattern of growth orientation in the case of Malmö. Quite soon, we will discover that such is indeed the case. Many of those interviewed stated that Malmö’s economic crisis generated a strong sense of the need for greater initiative in local economic development. Projects such as the construction of a bridge from Sweden to Denmark, which symbolizes the transnational nature of the Øresund region are viewed as the foundation for further investments.

A common theme is the importance of connections within the new economy, functioning as a means to manoeuvre the economy in an

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4 The empirical illustrations of this paper are taken from my ongoing field study of Malmö, conducted during the latest years and including approximately fifty interviews with leading actors within and around the city. When referring to ‘the city of Malmö’, I have these leading politicians and civil servants in mind.
innovative direction (cf. Hall & Hubbard 1998a:5). Malmö’s city government actively works to promote these kinds of cooperative endeavours, for example through the creation of ‘Minc’ – an incubator focusing on supporting knowledge and technology intensive business firms.

**Place Marketing and Flagship Projects**

Is Malmö’s city government using the strategies associated with an entrepreneurial city, and, if so, in an active and explicit manner? Promoting a city through place marketing is a widely used strategy (e.g. Millington et al. 1997). The place marketing of Malmö seems to be one of its most important strategies. It started with the economic crisis of the Nineties, or as one of the chief administrators puts it: “Before the crisis, no one talked about the need of a city brand” (interview Bo Sjöström 08/11/2006). The main message of this marketing strategy is that the industrial image of the city is obsolete and that Malmö has gone through a huge transformation to become ‘a knowledge city’ (e.g. Olsson et al. 2006:22pp).

Spectacular projects, so called flagships projects, are also a defining feature of an entrepreneurial policy (Harvey 1989:7p). Flagship projects are believed to create growth. Some of the individuals interviewed regard the city government’s engagement in different urban development projects as a means to enrich the whole city. Such an idea rests on the notion of trickle down, i.e., that the benefits of official support for certain projects or districts will spread in excess of these separate investments (cf. Cochrane 2007:97).

The Western Harbour development, Hyllievång and the City Tunnel represent the city government’s most prioritized UDPs during the latest decades. Western Harbour is a restored waterfront project, built on industrial ground in the former ship building area. It has become the symbol for Malmö as a ‘new knowledge city’, with Malmö University located in
that district. The Hyllievång area is the flagship project for turning Malmö into a regional hub for events, where, for example, a new sports arena and a large-scale shopping mall are planned. The City Tunnel is the largest infrastructure investment to be built after the Øresund Bridge between Malmö and Copenhagen. Despite the rhetoric of local policy makers, the involvement of the state has been a prerequisite for implementation of this project (cf. Jessop 1998:97).

In addition to these projects, the list of typical entrepreneurial strategies applied in Malmö is long. The city government has created an event strategy for attracting events and tourists (“Marknadsplan”, Malmö Tourist Office). In the late summer of 2005, this new policy culminated in the city government arranging one of the rounds of the international America’s Cup sailing competition. Another example is the city government developing a clear housing strategy aimed at creating attractive housing conditions for high income groups in order to expand the local tax base (cf. Hubbard & Hall 1998:5). Starting in the 1970’s, these elite groups have tended to leave the city, and the strategy to make them want to return has been to create exclusive living environments. Fashionable housing, combining extravagant architecture and concern for the environment, has thus been a trademark for the new city district, Western Harbour.

Less Visible Strategies

In addition to the projects that are physically visible in the urban space, the entrepreneurial policy of Malmö has led to the creation of new administrative units such as the Agency for Strategic Development. In 1995, a comprehensive project called Vision 2000 was launched, aimed at developing a new future for the city. This project became a vast leadership-and management program, which, over the years, has involved over 1,000 leaders within the municipality (“En stad i världen”, City of Malmö 2006).
A key component of this program is that all employees within the municipality shall work as ambassadors for Malmö and many of those interviewed say that the program is essential to the process of spreading the message of a changed city.

One can also notice more informal aspects of the entrepreneurial city phenomenon. Urban entrepreneurialism in Malmö seems to have created a new institutional layer, working across and above formal institutions and traditional organizational divisions. This institutional layer consists of key individuals, particularly top-politicians and civil servants, forming different kinds of informal networks. Those involved consist not only of private actors outside of local government, but also of individual actors within local government and from other political levels. Through these networks “much of the entrepreneurial work gets done” (cf. Stone 1989). Thus, while the processes of both policy and decision-making might become more efficient, they may simultaneously become less democratic (cf. Clarke 2006:46). Organizational aspects, although often disregarded, might constitute an equally important part of entrepreneurial practices as much as do the more grandiose and explicit strategies.

**An Entrepreneurial Narrative**

As we remember from the definition put forward by Jessop and Sum, the act of narrating is a defining feature of being an entrepreneurial city. An entrepreneurial narrative contains a specific set of concepts concerning what cities ought to do. It presents an all-encompassing understanding of the problems cities are facing and is also the defining context for suggested solutions (Jessop 1997).

Judging both from many of the interviews and from written material (e.g. “Bilden av Malmö”, Malmö City Office, 2006), a strong entrepreneurial
narrative is present in Malmö’s city government. Many of those interviewed stated that it is of utmost importance that the changing image of the city is visualized in urban space. In place marketing, the skyscraper, Turning Torso, a 189 meter tall cubic creation by the famous architect Santiago Calatrava, is frequently used as the new landmark image of the city. Mats Olsson, former Head of the City Planning Office, states that

Turning Torso was a very important thing for the city. The world’s biggest shipyard crane was dismantled and sold to Korea and replaced by Europe’s largest residential building. It is not an office; there are a lot of trivial tall offices, but a very special residential building. It became the ultimate symbol for Malmö as a settlement in the region. And for marketing the city.5

Through these flagship projects, the city government’s power to act manifests itself in the physical landscape of the city (cf. Stone 1989). These projects are then frequently used in the marketing of the city, through channels such as information brochures and newspaper inserts. They have become visible symbols of Malmö’s renaissance and urban redevelopment.

This journey is real, but how are we to communicate it if we do not slowly start to tell the inhabitants of Malmö that you’re not living in an industrial city anymore. [...] I would like to say that it is mainly a mental journey that characterises us at the moment. To leave the heavy industrial city behind and become a young, vigorous knowledge and event city where the university is a key factor in this mental process of change. [...] So the mental process is more important than bridges, tunnels and tall buildings but tunnels, bridges and tall buildings reinforce this journey because we get physical objects to look at. From the perspective of the surrounding world it is easier to look at these physical objects than to feel the mental movement. That is why these physical things also are important (interview Mikael Stamming 17/04/2003).

5 The quotations from the interviews are translated into English.
As the above quotation indicates, the marketing of the city involves both external and internal elements. External target groups are investors, companies and high-income earners, while local place marketing is directed towards the city’s inhabitants. The definition of what one understands a city to be has to be re-constructed and governed, and, in this context, place marketing means to make a deliberate attempt to change people’s understanding of the city (cf. Barke & Harrop 1994). Thus, place marketing in the case of Malmö is highly linked to the narrative of a new, transformed city.

The Importance of the Regional Context

One of the central strategies in the evolution of the entrepreneurial city is to connect the city within a larger regional, national and international context (Granberg 2004; Jesop 1997:35p). The orientation of urban policy in Malmö during the Nineties was a combination of an entrepreneurial city strategy with an emerging cross-border regional strategy in conjunction with Copenhagen (cf. Andersen 2001:11).

After years of controversies, the bridge between Sweden and Denmark opened in the year 2000 and served as a physical manifestation of the idea of a ‘Europe of the Regions’ that was on the political agendas of many EU-countries. In combination with EUs Structural Programs, there were additional incentives for implementing the vision of an Øresund Region. Thus, this region is closely linked to the EU project of creating cross-border regions (Hall et al. 2005:ch. 3). Formally, its most important institution is the Øresund Committee – a special interest organization without clear status as an authority, and consisting of both local and regional authorities (Berg et al. 2000:289; Hall et al. 2005:35).
Besides the activities of the Øresund Committee and increasing everyday activities, the Øresund region seems to be made up of an endless stream of temporary projects and networks. Hall et al. characterize the political integration process as a very complex chain of interactions between different public participants in networks (ibid:130; cf. Sum 1999). Thus, rather than being a container of policies with a fixed territory and clear meaning (Herrschel & Newman 2002:22), the Øresund Region is a space that is envisioned and produced. It is something constantly under construction, for example, in events, in the rhetoric of place marketing and through the visions of policymakers.6

A Neo-Regionalist Vision

In the visions of the decision makers involved in the region-building of Øresund, the region is mostly formulated as a growth-oriented project.

The Øresund Region is one of Europe’s most attractive and dynamic growth regions. Together we have what it takes to compete with other regions and attract visitors, companies, investments and labour (Øresund Network, 2005, p. 5).

If one takes a look at some of the information brochures produced by the Øresund Network, the organization aiming at marketing the region, one immediately discovers the discourse of ‘The New Regionalism’. The key words are contained in the above quotation: attractiveness, competition, growth. ‘The New Regionalism’ emphasizes the necessity to create functionally integrated growth regions, capable of competing on European

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6 By now, the Øresund Region has gained a lot of scholarly attention. Most publications are made in Nordic languages, but some exist in English (e.g. Berg et al. 2000). The literature on regions in general is vast, and so is also the literature on cross-border regions (e.g. Sum 1999). However, since my focus is on regionalization from the perspective of the city, my main focus has not yet been this research literature.
and international markets (Lovering 1999; Herrschel & Newman 2002:ch.2).

Rather than signifying that regionalism is a new phenomenon, the term ‘new’ connotes that there is a renewed belief in the economic and political importance of regions (Keating 2003:261pp). The visions for the Øresund Region overlap with this kind of region, as shown by Hall et al. (2005:ch.4; Falkheimer 2004:27; Ek 2003:10pp).

Engaging in the region-building project has begun to create a new territorial context for Malmö. It is a way for Malmö to be associated with the considerably bigger and more well-known Copenhagen, but also a way to strengthen a growth-oriented urban policy. In that way, the regional logic nurtures the entrepreneurial policy of Malmö.

To conclude, the examples given above, when taken together, make it reasonable to claim that Malmö is, in fact, an entrepreneurial city. Hence, the key question now is whether the presence of urban entrepreneurialism challenges Swedish local politics as we traditionally have understood it.

A Challenge to the Content of Politics?

A recurring theme in the literature within the field of urban entrepreneurialism is whether local governments engage in growth issues at the expense of welfare commitments. Margit Mayer, for example, argues that welfare issues often are neglected (1994:317pp) whereas Hubbard & Hall question the tendency to treat growth and welfare as opposite poles (1996:155). According to them, different undertakings can co-exist.

Although controversial, the relationship between these values in Sweden is vital since the welfare state has had such a prominent position in its culture and modern development. Admittedly, it is well understood, though often
lamented, that the welfare state is in a state of transition (e.g. Blyth 2001). However, a challenge from urban entrepreneurialism is not included in that discussion.

In Malmö, the dichotomy between growth and welfare can be frequently observed. When the city government decided to use public funding for arranging one of the rounds of America’s Cup, many lower level employees in the welfare departments were dismayed (interview Bo Sjöström 08/11/2006). Recent cut-backs in benefits and a reduced standard on public services were contrasted against spectacular events like the America’s Cup. A similar, and very lively, debate took place in the local media.

The principals behind the project also used the apparent dichotomy when defending the project by citing their belief that:

A strengthened development also means more tax revenues and consequently better opportunities to further evolve education, child-care, medical treatment, public transport, and other local and regional commitments (CM:1).

From this perspective, there is no conflict between investments in welfare and growth. Growth is automatically transformed into welfare through the so called trickle down effect, and, in order to continue to provide welfare, the city government must stimulate growth. This principle is also explained as a double commitment.

The program is called ‘Welfare for Everybody’ – a double commitment. The double commitment represents that we, besides giving the inhabitants of Malmö good service, also shall market Malmö as an attractive place in order to stimulate growth. Without growth, no welfare (CM:2).

Welfare for Everybody is a policy program that was adopted in 2004. It aims at tackling the social problems the city is facing. Policy programs of
this overall magnitude concerning welfare are seldom launched. However, after a period of applying a range of entrepreneurial strategies, the Malmö city government might have felt the need to signal that they were acting upon the problems associated with welfare issues. Thus, the formulation of a double commitment reinforces the trickle down logic of entrepreneurialism.

To conclude, welfare is used as a rationale for legitimising ventures that otherwise might be seen as controversial. Compared to the U.S. policy of limited state support, legitimising entrepreneurialism in this way might be more acceptable in a Scandinavian context.

Of course, the promotion of one area of policy does not automatically result in the disfavouring of another. Still, politics is about setting priorities. For example, to give preference to certain housing areas can be interpreted as a statement about which groups are more desirable within a city. Furthermore, politics often involves having the power to create meaning. When a city engages in urban entrepreneurialism that tells us something about the overall visions of that city, even when it is primarily on the level of debate. Where certain planning aspects are emphasized, others are necessarily downscaled. From the perspective of city leaders, alternative narratives on the content of politics, such as the ‘Just City’ or the ‘Welfare City’, are seldom expressed (cf. Short & Kim 1998).

**A Challenge to the Organization of Politics?**

In a Swedish context, local politics has been synonymous with politics that occurs within a municipality, associated with a well-defined administrative, political and geographical entity (Granberg 2004:15; Montin 2002: ch.3). Its political legitimacy has presupposed a clearly defined territory, with distinct demarcation lines against surrounding territories and in relation to other political levels. The principle of local self-government reflects this, a
principle that also has occupied much of the Swedish research on local government (e.g. Pierre 1991). According to the Head of Tourism in Malmö, this notion of the municipality also existed within the city government as well.

It wasn’t that long ago since… I can still see it, I can still see maps – any kind of maps – where the municipality is pictured in all its administrative extension and with all its angles, but where everything’s outside is totally blank. Some roads and railways might be depicted, but it becomes very clear that ‘this is where we have our political mandate’. It is just that the people living in that area, they are moving. […] Some way or another, it has dispersed. It has to do with the increased mobility.

This quotation indicates that the traditional way of thinking might be changing. Local politics have generally been associated with being inward-oriented and only taking the interests of one’s own municipality into consideration. However, engaging in urban entrepreneurialism might challenge this notion. In Malmö, a traditional belief was that the city was self-sufficient, due to its position as the largest city in the landscape of Scania. Nowadays, many persons interviewed mention that this attitude has changed.

Malmö in the 20th century is a city in transformation. It is a city that wants something more than being self-sufficient, a city that is ready to influence and be influenced by contacts with other actors. In order to keep and strengthen the competitiveness of Malmö, the role of the city must continuously be analyzed in relation to trends in the surrounding world. And that becomes especially important in a time period when huge changes are happening (Malmö’s Regional Strategy, 2004, p. 7).

The most far-reaching cooperative project that the City of Malmö is involved in is that of the Øresund Region. Copenhagen and Malmö have, it is believed, a special role to fulfil. Their purpose is to function as growth engines, driving regional integration (the City of Malmö’s Regional
According to the vision, if development is concentrated in the cities, it will then ultimately disperse to other parts of the region as well. This kind of regional trickle down process can be contrasted with the traditional Swedish regional policy. Here, regional development has been viewed as a zero-sum game, where the state balances development in different regions against each other. However, in the new discourse on regions, the motivation is to support the most competitive regions and their cities in order to ultimately benefit the entire area. Thus, as the new regionalism nurtures urban entrepreneurialism, the successful entrepreneurial city then is also important from a regional perspective.

Does Malmö’s involvement in the transcending activities of a cross-border region challenge the traditional organization of local politics? In order to create an Øresund Region, traditional boundaries between political units have had to be muted. Boundaries between different local governments within a region have been blurred, at least temporarily. It is through these new constructions and the transcending of ingrained political boundaries that a power to act is created (cf. Stone 1989).

The Øresund Region is not a project which aims to construct new political entities on a transnational level. However, local politician’s mandates are based on the realities of their own municipal territories. In the regionalization process, one day a politician acts on the local level and the next on a regional level, without the question of representation being clear (cf Hall et al. 2005:136). Decisions are made that influence Malmö and, at the same time, the city government of Malmö is an active partner in setting the regional agenda. Engaging in this sort of joint ventures might make the borders of a municipality, the traditional foundation for local democracy, obsolete. In addition, there is an asymmetry between different policy areas. Welfare issues are still mainly a concern for the individual local government, while growth policy is formulated in a larger context and thus
treated as being without boundaries. Currently, the cooperative activities of urban entrepreneurialism are blurring the traditional divisions of responsibilities between different political levels. Yet, as we will see in the next section, there is no reason to assume that these joint ventures are altering political activity based on territorial formulations.

**The Boundaries of Being Borderless**

The entrepreneurial narrative contains the very notion that politics, due to the end of geography thesis and the seemingly borderless world, must transcend traditional borders. Border-free networks and relationships spanning across different territories are not only treated as an empirical fact, but also as a political necessity. Such prescriptions are not neutral, but rely on a specific ideological perception of globalization (cf. Cameron & Palan 2003).

In spite of the rhetoric of the entrepreneurial narrative, the practice of urban entrepreneurialism in a regional context is not as border-free as it first seems. Interests based on territorial formulations have not ceased to exist. Previous studies have shown that the Øresund project is influenced by national interests (O’Dell 2000:237; Ek 2003:82ff). For example, Hall et al., discuss how beliefs about a border free region are overridden by national and territorial interests (2005:89pp; 121pp).

As far as I am aware, the relationship between urban entrepreneurialism and regional constructions has received scant attention. In a previous study on the America’s Cup sailing event in Malmö, I investigated this relationship (Dannestam 2007). At first sight, the America’s Cup would seem to have been an excellent regional event. The match race was to have been held in the channel of Øresund, located between the two countries of Sweden and Denmark. Initial negotiations took place between Malmö and Copenhagen.
on the possibility of jointly sponsoring the event. Yet, it soon became very clear that the city government of Malmö wanted to arrange the project on its own instead of framing it as a regional event. In the debate about this decision, a number of territorial boundary issues were presented.

Malmö’s involvement in the America’s Cup event can serve as an example to illustrate that there do exist tensions between urban entrepreneurialism and regionalism within the Øresund region. There might also be an inherent contradiction in place. To create a region is to contradict territorial perspectives on politics, while the logic of urban entrepreneurialism is based on the notion that a city has to strengthen its own position in the competition between cities and regions.

Sometimes regionalization and urban entrepreneurialism go hand in hand, but sometimes tensions arise between cooperation and competition. The Øresund Region is rife with territorial conflicts between the two nation states, between different parts of the region and also between big cities within the region. When the practical logistics of urban entrepreneurialism is turned into reality, it sometimes requires that the vision of a transnational, border-free region is played down.

**Concluding Remarks**

The concept of a municipality, as a clear-cut and territorially defined subunit of the state and mainly concerned with welfare, has worked as an iron-grip on Sweden’s political imagination. Yet, in international research a re-thinking of subnational politics has been on the agenda for quite some time. This re-thinking is focused around the emergence of cities and regions as new forms of political space. In the international literature, there is almost a near consensus that a fundamental change in the policy orientation of local government is occurring. Described as urban entrepreneurialism, the
policymakers of contemporary cities more and more frequently emphasize the role they must play in order to create economic prosperity.

However, both the international and Swedish research community have shown little interest in studying whether the trends associated with urban entrepreneurialism are viable in a Scandinavian context. Such academic neglect might not be entirely surprising from a Swedish perspective, since a range of factors argue against the very existence of urban entrepreneurialism.

In a comparative perspective it is more surprising that the least likely Scandinavian case has not been subject to investigation, not even in cases where there is a plea for being sensitive to different situations. Nonetheless, judging from Malmö’s experiences, entrepreneurialism does manifest itself here in Sweden as elsewhere. And, if it is likely to happen here, in the international role model for the social democratic welfare project, it is likely to happen elsewhere.

The key question then becomes whether there is a special Scandinavian version of entrepreneurial cities. In such a Scandinavian entrepreneurial city, the welfare system might neutralize the distributional effects of growth policies but the realization of the welfare state on the local level might also be challenged. Further research will be required in order to answer questions about the potentially unique nature of Scandinavian entrepreneurial cities.

The fact that Malmö can be described as an entrepreneurial city gives us reason to think beyond the traditional content and organization of local politics in Sweden. When it comes to the content of politics, I have argued that urban entrepreneurialism in Malmö puts the relationship between the value of growth and redistribution at the foreground. Being the local arm of the welfare state is a role that has by no means been abandoned. Yet, the
city government is using the entrepreneurial narrative, which tells us that growth trickles down to welfare, in order to legitimise ventures that otherwise might be controversial. There is also a tendency for welfare and social inclusion to be framed not as a value *per se*, but as something that has to be fixed if the city is going to become competitive (cf. Cochrane 2007:96).

As for the organization of politics, I have exemplified that urban entrepreneurialism seems to need a new, network-based institutional layer in order to be realized. I have also used the Øresund Region as an illustration of the cooperative activities of urban entrepreneurialism, and discussed its relationship to the regionalization process. It is easy to reach the conclusion that the territorial organization of local government is outmoded, but, as I briefly discussed, one has to be careful with any assumptions on the borderless character of politics. What we might be witnessing instead is the shifting and redefining of traditional political entities; sometimes as an entrepreneurial city, sometimes as a growth region, and sometimes as a welfare-municipality in need of state support. Depending on arena and purpose, different political spaces are constantly evolving. Ultimately, even the scope, objects and function of local politics is under constant reconstruction.

One conclusion to be drawn is that we should not be bound by old political categories. If we are so bound, we will miss a lot of essential political activity occurring right in front of us. Starting from a re-thinking, there is a potential for realizing that the entrepreneurial nature of cities is nothing inevitable and apolitical. Instead, it reflects values and priorities and ought thus to be a central concern for the study of politics.

The fact that more and more cities are engaging in urban entrepreneurialism constitutes a challenge not only for the conceptual framing of local politics,
but also for the policy makers that have the real power to determine the purpose and function of what local politics should be about. Thus, a central concern for observers of the political landscape must be the extent to which the changing nature of cities reflects the values and priorities of their citizens.

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