

Notes on Sweden

Although we will only be spending a short time in Sweden, I thought that the following background information about the country might be of interest.

Background

The Kingdom of Sweden borders Norway and Finland, and is connected to Denmark by a bridge-tunnel across the Öresund. At 450,295 square km² (173,860 sq mi), Sweden is the third-largest country in the European Union by area, with a total population of over 9.7 million (the UK has an area of 243,000 km² (93,800 square miles), and a population of 64.5 million). Sweden, therefore, has a low population density, with 21 inhabitants per km² (54/sq mi), with the highest concentration in the southern half of the country. Approximately 85% of the population lives in urban areas. Southern Sweden is predominantly agricultural, while the north is heavily forested.

Economy

Sweden was traditionally an agricultural economy, with over half the domestic workforce employed on the land. Today, Sweden has an export-oriented economy aided by timber, hydropower, and iron ore. The main industries include motor vehicles, telecommunications, pharmaceuticals, industrial machines, precision equipment, chemical goods, home goods and appliances, forestry, iron, and steel with internationally known companies such as Ericsson, ASEA/ABB, SKF, Alfa Laval, AGA, and Dyno Nobel.

Sweden is a competitive mixed economy featuring a generous universal welfare state financed through relatively high income taxes that ensures that income is distributed across the entire society, a model sometimes called the Nordic model. Approximately 90% of all resources and companies are privately owned, with a minority of 5% owned by the state and another 5% operating as either consumer or producer cooperatives.

Sweden has achieved a high standard of living under a mixed system of high-tech capitalism and extensive welfare benefits. Sweden has the second highest total tax revenue behind Denmark, as a share of the country's income. As of 2012, total tax revenue was 44.2% of GDP, down from 48.3% in 2006.

Malmö economy

Malmö, the third biggest city in Sweden, is located just across the water from Copenhagen, Denmark. The economy of Malmö was traditionally based on shipbuilding and construction related to industries, such as concrete factories. Between 1990-1995, 27,000 jobs were lost, and the budget deficit was more than one billion Swedish Krona. In 1995, Malmö had Sweden's highest unemployment rate.

However, during the last few years there has been a revival. The main contributing factor has been the economic integration with Denmark brought about by the Øresund Bridge. Almost 10 percent of the population in Malmö works in Copenhagen, Denmark.

For visitors, Malmö seems quiet and a centre of modern development. The Western Harbour, Malmö's latest City District, was the site of an architectural show case development in 2010 with Santiago Caltrava's The Turning Torso as its centerpiece. The area has a common theme

of ecology and sustainability, taking into consideration waste disposal, building material, the water system and traffic.

However, under the surface, Malmö has serious problems. It has the highest immigrant population in Sweden and one quarter of immigrants are Muslim. Especially in the section of Rosengård in Malmö, most of people living there are Muslim. The unemployment in Rosengård is reported as 70 percent, nearly 40 percent of Rosengård working age residents are jobless.

Housing

Home ownership in Sweden is roughly 70% of the housing stock. There is no social housing as such. Housing benefit is means tested and claimants are free to find suitable accommodation. The municipal corporation owns some property for rent. The growing population is putting pressure on housing supply.

The following text is translated from an article originally written by Sweden's Minister for Housing, Urban Development and Information Technology, Mehmet Kaplan, and published in the Dagens Nyheter newspaper. March 2015.

The government's goal of solving the housing shortage needs more homes to be built. Our goal is 250,000 homes by 2020. The focus should be on sustainable homes that are available for people with ordinary incomes. Several active measures are needed to make this a reality.

1. The state takes a greater responsibility for more housing

Sweden has a serious housing shortage. The situation is exceptional and requires that the state moves in to support local authorities with their responsibility to provide housing. After several decades of housing shortage it is clear that the market alone cannot solve this in Sweden. For that reason, the state needs to assume greater financial responsibility to ensure more homes are built. The incentive for more housing construction is important to the whole society's progress – people have the right to have a good home and that's a prerequisite for the development of industries, higher education and all areas of growth.

2. Focus on young people, students and new arrivals

The acute lack of housing hits young people, students and new arrivals the hardest. To quickly ensure functioning accommodation for these groups, the government is currently investigating several proposals. One, for example, concerns streamlining the delivery and building of modern and flexible modular homes. These can, in a flexible way, be used as homes for new arrivals but also as student housing. The government also sees a need to ensure the security of those subletting, which is something many young people, students and new arrivals do. We have ordered Boverket to evaluate the law of subletting your own home, to get a clearer picture of its consequences.

3. Sustainable urban planning

The new buildings of today are usually of good quality as far as energy efficiency goes. We need to focus more on reducing carbon emissions from building material and the construction process itself, as well as making older properties more energy efficient, especially those apartment blocks built as part of the Million Programme ['Miljonprogram', a public housing programme implemented in the 1960s and 70s in Sweden to provide a million new homes]. When the government's budget was voted down last autumn, several of the measures were delayed, but the government's energy efficiency ambitions remain.

4. Public transport investment opens the door to more homes

Investing in public transport is also an investment in more homes. The Swedish Transportation Authority's (Trafikverket) government mandate about so called 'urban environment agreements' means that local and regional authorities should be able to apply for the state to

co-sponsor local and regional investments in public transport. This can, in turn, open the door for new, attractive locations for property construction. The housing plans being realized in Stockholm county thanks to decisions on extending the underground demonstrate how effective investments in public transport can be to create housing.

5. Increased competition

Today only a few actors dominate the housing construction market. This decreases the chances for smaller companies to compete and risks making construction more expensive. This coming autumn an inquiry into the lack of competition in the construction industry will be presented. The government will then look at the measures we need to take to increase competition, decrease the cost of building and make it easier for smaller firms to compete for, for example, municipal land allocation agreements.

6. Efficient construction processes create cheaper housing

Building homes needs to be done faster. Construction rules need to be simplified and the process from decision-making to a complete house must be made more efficient. Today, for example, extended appeals processes can delay construction starts by several years and make the projects significantly more expensive. The government is currently looking at the role of the regional councils for the purpose of streamlining the construction process without putting judicial security at risk nor the important democratic influence on urban development.

The housing shortage can only be solved through more homes, which would increase housing market mobility. The difficult situation on the housing market requires that society to a greater extent gives active support to local authorities wishing to build more homes. Through active housing policies we can meet the future in an economically, socially and ecologically sustainable way and at the same time build the Sweden of the future.

Language

Most people in Sweden speak English but the education system is different to Denmark. In Sweden anyone wishing to continue in higher education beyond the age of 16 will study exclusively in English. Workers in the service industries speak good English and it is common for professional people to use English a great deal and sometimes exclusively during their working day.

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