

PARTNERSHIPS FOR SOCIAL INCLUSION: Building shared value and collective impact in segregated areas of Sweden

BACKGROUND AND MOTIVATION



Cross-sector partnerships have become a magic bullet for solving various sustainability problems, wherein businesses are often portrayed to play an important role as a lever for societal change. In practice, there are however several challenges related to how to efficiently coordinate cross-sectoral partnerships with often contradicting goals between business and society, which is limiting a societal impact [1]. This report contributes to an increased understanding of the perils and practices of organizing partnerships to reach societal change, and identifies conditions that can support the realizing of shared value and collective impact in segregated areas.

Nordic countries are facing increasing segregation in terms of welfare distribution across different socio-economic groups and regions in society [2]. In Sweden, for example, there are over twenty so-called “particularly exposed areas” that are characterized by a low socio-economic status where criminals have an influence on the local society [3]. This poses a range of social and economic challenges that fuels segregation in a vicious circle: high crime rates not only affect the safety and wellbeing of individuals in local communities, but also hamper business growth that in turn limit the labour market and the possibilities for individuals to get further integrated into society [4]. Consequently, segregation negatively influences the wellbeing of people, businesses and entire communities.

RESEARCH METHOD

The research focus is on public-private partnerships and the role of the real-estate sector in labour market integration. It builds on two complementary case studies of a shopping center and a public housing estate in two “particularly exposed areas” in Sweden.

The research applies the concepts of *shared value* [5] and *collective impact* [6], that propagate the creation of a value that benefits individuals, communities and businesses alike to reach broader societal impact. Collective impact places the idea of shared value into an eco-system that addresses the system and relations underpinning specific sustainability challenges. The model is used in this study to analyze how partnerships are organized to create a shared value and a collective impact. It consists of five elements: a common agenda, shared measurement systems, mutually reinforcing activities, continuous communication and the existence of a dedicated backbone organization.

The objective of the report is to further the understanding of how partnerships can be organized in practice to build shared value and collective impact for social inclusion in segregated areas, focusing on the following research questions:

- Under what conditions can public-private partnerships generate a shared value and collective impact for both society and businesses?
- How can shared value and collective impact be operationalized and evaluated in local contexts?

Sample and context

The research builds on empirical case studies in two “particularly exposed areas” in Sweden (Frölunda Torg and Vivalla) where it investigates multistakeholder partnerships in which real-estate companies and local public actors aim to build socio-economic improvements for its residents. Data is mainly drawn from 50 interviews with key actors, in addition to methods of participatory observations in steering group meetings and site visits over a period of two years.



Images by Ingrid Stigzelius

The first case study is based at Frölunda Torg, which is a shopping center in a segregated area outside Gothenburg in Sweden. The focus of this study is on a partnership between the real-estate owner and the local employment agency, which coordinates and validates internships at the stores in the shopping center. This partnership thereby offers a stepping stone into the jobmarket for local residents who have been long-term unemployed. The study primarily explores the creation of a shared value through the partnership.

The second case study is based in Vivalla, a segregated area outside Örebro in Sweden. The focus of this case study is on the concept of collective impact, which is used to primarily analyze a public utility housing estate that works with integration-related issues in several partnerships. The public housing estate has worked both with the physical and social dimension of integration in Vivalla, in close cooperation with the municipality and different local actors (businesses, civil society, the police).

RESULTS



The study identifies the following conditions for organizing partnerships that can support the building of shared value and collective impact in segregated areas.

- A need for strong institutions to support the operationalization of partnerships in local contexts. Supporting institutions can be fulfilled by traditional organizations, such as NGOs, a company or public agencies, but can also be upheld by specific social orders or local norms [7]. For example, in order to reach a collective impact, the norm to primarily fund individual projects and organizations on a short-term basis would need to change in favor of funding long term partnerships that cut across traditional sectors and roles.
- The real-estate sector can constitute an important change agent in segregated areas. The study showcases how both a private actor in retailing and a public actor in housing have taken on new roles to support social sustainability in the areas in which they operate. The real-estate sector constitutes a strong actor with relatively large financial means and the opportunity to invest in physical assets with a long-term perspective.
- A need for an external driving force that generates a reason-to-be and gives direction to cooperate across traditional organizational borders. The list of “particularly exposed areas” that the Swedish police has set up has, for example, highlighted the problems of segregation and given various actors a reason to cooperate in order to get off the list.
- A need for internal incitements to engage in partnerships. The building of a shared value provides both economic and social benefits that can motivate participants to engage in a partnership.
- An ability to find a concrete area to cooperate around, which is close to the core of the organizations. The different partners can then complement and strengthen each other in terms of competence and resources.
- Clear and continuous communication in the local context has proven to ease the work, which requires that one actor takes on the role to facilitate the internal communication between actors.
- The coordinator of partnerships is a trusted actor in the wider community, building on engagement with the local citizens and the actual receivers of social initiatives.

➤ Practical implications for building a shared value

Based on the first case study of Frölunda Torg, focusing on labor market integration initiatives for long-term unemployed people, several social and economic values have been found that showcase the potential for building a shared value. The real-estate sector herein plays a new, central role in furthering labour market integration through its unique position as owners of shopping centers, which consist of multiple workplaces gathered under the same roof. A number of strategic factors are highlighted below that may have practical implications for the creation and operationalization of a shared value.

- Socio-economic values at the micro-level have foremost been realized for the trainees, the workplaces that offer internships at the shopping center and for the public labour agency. This is due to increased access to internships in a range of new workplaces that enable people to enhance their employability and potentially reduce their need for state governed financial support.
- The partnership gives the labour agency easy access to the different workplaces at the shopping center, while the workplaces, in turn, get access to an extra asset through public support. The study, however, highlights the delicate balance of entrusting responsibility to trainees to let them grow, while not exploiting them as free labor.
- Socio-economic values at the macro-level were also identified for the real-estate sector; such as gaining community goodwill and thereby a license to operate in the area. The partnership is also envisioned to give the real-estate company a competitive advantage in future bidding processes in public procurement when rebuilding similar areas.
- In order to realize a shared value for all actors, long-term commitment from both business leaders and local politicians is required. In this process, it becomes important to continually measure and evaluate not only the social values, but also the economic values that are generated for the different actors.
- As the employment agency pays financial public subsidies to compensate for the trainee's salary during the internship period, it, however, calls to question whether this is creating a shared value in its original sense [8]. Nevertheless, the partnership building on both public and private financial input could provide the base for a Scandinavian model of shared value that combines the welfare system with market elements [9].

➤ Practical implications for building a collective impact

Based on the second case study focusing on the building of a collective impact in Vivalla, a number of factors highlight the need for integration across several societal areas and partnerships, covering not only the labour market, but also housing, health, education and democratic participation [10]. The real-estate sector, through a local public utility housing company, has showcased the possibility to take on new roles in society by working with multiple integration-related issues and partnerships simultaneously.

- A new mandate to integrate traditional sectors is generated by the fact that established actors take on new roles in society, which plays an important part to provide new entry points for people who are excluded in society.
- Long-term financial support is needed for cross-sector partnerships that work to bridge multiple societal areas, for example through the municipal budget going beyond the four-year political mandate period.
- Funding an independent and dedicated backbone organization is needed to integrate different societal sectors, who in turn could complement and support each other in activities that work to integrate people into society.
- Continuous communication between actors in partnerships and importantly also with the wider community is needed to build up trust, which requires increased local presence by different actors in society.
- A shared measurement system between different societal actors has successfully been developed to evaluate events and proactively mobilize actors to prevent crime and social unrest. For example, crime rates in Vivalla have shown to drastically decrease in areas where more space was created between houses by physically removing buildings. Such measurement systems can effectively help to visualize, evaluate and operationalize various activities for the future. Integrating additional societal areas in the measurement system, such as health and education, becomes central in the work to mobilize different societal sectors for a collective impact that build a prosperous community.

ACADEMIC REFERENCE

Based on the research report: "[Värdeskapande partnerskap för social inkludering. Fastighetsbranschens roll i byggande av gemensamt värde och samhällspåverkan i särskilt utsatta områden. En forskningsrapport om Frölunda Torg och Vivalla.](#)" Ingrid Stigzelius, Mistra Center for Sustainable Markets, Stockholm School of Economics, Sweden, May 2020.

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