# The city that sold itself for $1? Malmö's Reinvention (and its dark side)

## Intro

**Malmö once built some of the biggest ships in the world. For generations, one shipyard shaped the city's jobs, identity, and skyline. And then it collapsed.**

**In the 1980s and 90s, Malmö lost tens of thousands of jobs, young people started leaving, and the city hit a point where it had to ask a brutal question: what happens when the industry that built you disappears?**

**Because Malmö didn't just recover. It reinvented itself. It became a city of universities, bridges, sustainable districts, startups, and global gaming studios. But the success story has a second side too: segregation, inequality, and a city that doesn't feel the same everywhere.**

**I'm Karolina, and this is *LikeSweden: Beyond the Postcard* — a podcast where we talk about Sweden a little differently. Not just the pretty views and the typical clichés, but also culture, social questions, history, politics, and the things that don't always fit into a tourist guide.**

**So now, let's tell the Malmö story properly.**

## Introduction: The Anatomy of a City's Survival

To really understand Malmö, we need to zoom out.

Over 700 years ago, when the Danes created the first settlement here, they called it *Malmhaug (forgive me if I butcher the pronunciation)*. That name simply meant "a pile of sand." It sounds almost ironic today, considering what the city has become.

After Sweden took control of Skåne in 1658, Malmö slowly turned into something much more important. It became a military stronghold. It became a trading center. It grew through mercantile capitalism and regional power shifts. But the real turning point came later, during the Industrial Revolution. That period shaped the Malmö many people still remember.

In this episode, we'll move through three major chapters of Malmö's modern history.

The first chapter is about power and pride. The golden age of the Kockums shipyard. Malmö was once a global leader in shipbuilding. It built massive ships. It provided thousands of jobs. It gave the city confidence. And then, suddenly, it collapsed. The fall was brutal. What followed was not just economic decline, but collective trauma.

The second chapter takes us to the 1990s. This was the moment when Malmö had to decide: give up, or reinvent itself. The city chose reinvention. And it did it with bold decisions. A new university. A bridge connecting Sweden to Denmark. A twisting skyscraper that changed the skyline forever. These were not random projects but strategic moves designed to pull Malmö into a completely new era.

The third chapter is about who Malmö is today. A city known for gaming companies, life sciences, green technology, and startups. A city that markets itself as young, sustainable, and global.

But this is not a fairy tale.

Every transformation has a shadow. Malmö's rebirth also brought social tension. Segregation. Economic gaps between neighborhoods. Questions about whether success is shared equally.

So this is not just a story about urban success. It is a story about survival, risk, identity, and unfinished work.

And once you see Malmö through this lens, the city feels very different.

# Part 1: The Leviathan of the Sea and the Trauma of the City

For more than a hundred years, Malmö basically had one giant center of gravity: the Kockums shipyard.

It started back in 1870, founded by Frans Henrik Kockum, and over time it kept expanding until the main activity ended up in the Western Harbour, Västra Hamnen. And for people who grew up here, Kockums wasn't "just a company." It was the place. The place where your dad worked, where your neighbor worked, where your uncle worked. The kind of employer that quietly shapes an entire city, because so many everyday lives depend on it.

And this was the golden age of Swedish shipbuilding.

By the middle of the 20th century, Malmö had turned into one of the key maritime trade hubs in continental Europe. Kockums wasn't famous only because it was big, but because it kept pushing forward with new solutions.

In 1914, they delivered their first submarines, Svärdfisken and Tumlaren, which was the start of a naval division that later became a real success. Then in 1940, they hit another big milestone: they delivered the world's first fully welded merchant ship, the m/t (motor tanker) Braconda. That might sound like a technical detail, but at the time it was a huge deal, because welding changed how ships could be built, making them stronger and more modern.

And then came the boom years, especially the 1950s and 60s. Swedish shipbuilding took off in a way that's almost hard to imagine today. At the peak, Sweden was producing around 10

percent of the entire world's shipping tonnage and Kockums was right at the front of that wave.

What matters here is that Kockums didn't just "add jobs." It held the whole local economy together.

In the mid 1970s, about 5,700 people worked directly at Kockums. That's close to one fifth of all industrial workers in Malmö. And it didn't stop there, because the shipyard depended on a huge network of subcontractors, around 1,000 companies in the region. The biggest and most important of those subcontractors employed another 9,000 people. So when you zoom out, you're talking about tens of thousands of families whose income was connected, directly or indirectly, to those massive ships being built out in the Western Harbour.

## The Swedish Model and the Seeds of Discontent

Kockums was also often presented as the perfect example of the "Swedish Model" at work, meaning the way Sweden handled relationships between employers and employees.

The idea was: cooperation instead of constant conflict. Strong unions. Collective bargaining. And early forms of what people called "industrial democracy", so workers had more influence than in many other countries.

At Kockums, the Swedish Metal Workers' Union played a key role. In simple terms, the union accepted that management controlled how the work was organised, but in exchange, workers got very attractive pay through a performance based system, called "piece rate". So the faster or more efficiently you worked, the more you earned. By 1960, around 90 percent of the work at the shipyard was paid through this piece rate system.

But even though it looked harmonious from the outside, problems were already building underneath.

In the late 1960s, management wanted to modernise production. They tried to apply "scientific management" to shipbuilding, basically the idea that work should be measured, planned, and optimised in a very strict way. They introduced a system called motion time measurement, MTM, which tracked and calculated how long different movements and tasks should take.

And this changed the job in a very deep way.

It increased the division of labour both horizontally and vertically. So work was split into smaller and smaller parts, and the distance between decision makers and workers became bigger. Skills that used to require real craftsmanship were turned into repetitive tasks that were heavily monitored. People felt watched, measured, and micromanaged.

The human side of this shift was later captured in a large sociological study called the "Kockums Report". The report gave unusually detailed, and honestly quite worrying, insight into how the workers experienced these changes.

Many ordinary workers did not see “scientific management” as efficiency. They saw it as constant coordination failures, and as a system that took away their autonomy. They felt less trusted, less respected, and less in control of their own work. And that feeling of alienation created real consequences: absenteeism went up sharply, and the turnover rate became high. People simply didn’t want to stay.

At the same time, Malmö itself was changing.

To keep up with demand during the boom years, the city brought in international labour. By 1969, immigrants made up 31 percent of the Kockums workforce. On top of that, the shipyard relied heavily on temporary workers and subcontractors to handle peaks in production. At certain times, this group was more than 40 percent of the blue collar workforce.

And this also created tension inside the workplace.

The Kockums Report noted growing distrust among permanent employees. Some felt that temporary workers were given the easiest tasks, that they earned more because of tax free allowances, and that they took less responsibility for expensive tools and materials.

So even in the period when the shipyard looked like a success story, you can already see early cracks: loss of dignity at work, frustration with management systems, and social divisions between different groups of workers. And those divisions, in a way, hinted at the integration and segregation issues Malmö would struggle with many years later.

## The Collapse: The OPEC Shock and the Era of Despair

The industrial “golden age” didn’t fade out slowly. It basically crashed.

A big turning point was the oil crisis of 1973 to 1974, linked to OPEC. OPEC is the Organization of the Petroleum Exporting Countries, a group of major oil producing states that can influence oil supply. In that period, oil prices jumped sharply, and the whole global economy slowed down. When energy becomes suddenly expensive, trade and industry get hit fast and hard.

And for Kockums, this was a direct blow.

The shipyard had specialised in building huge oil tankers. But when the global economy contracted, demand for those massive tankers disappeared almost overnight. At the same time, Swedish shipyards were facing competition that they simply couldn’t match. New shipbuilding giants were growing in Asia, especially South Korea and Japan, where labour costs were much lower than in Sweden. So even if there had been demand, the price pressure was brutal.

Kockums quickly fell into a serious liquidity crisis, meaning they didn’t have enough cash flow to keep the business running the way it had before.

There were attempts to save the industry. The Swedish state tried different strategies: nationalisation, government led restructuring, basically emergency measures to stop the collapse. But in the end, the decline could not be reversed.

In 1978, the crisis became very real for the people working there. Around 900 employees got notice. That was roughly 17 percent of the workforce. And from that moment, the whole nature of the workers' struggle changed. Earlier, conflicts were about wages, working conditions, and control over the work process. Now the fight was much more desperate: it was about whether the shipyard would exist at all.

The end came in 1986, when Kockums stopped producing civilian ships completely. That was the moment a tradition that had defined Malmö for more than a century was basically cut off.

After that, the company didn't disappear instantly, but it became something much smaller. In 1989, Kockums was merged with Karlskronavarvet as part of the Celsius Group. From then on, the focus was mainly on naval production and submarines, and even that was on a much reduced scale.

So by the late 1980s, the Malmö that had been built around shipbuilding was gone. And the city was left with a huge question: what now?

## The Tears of Malmö

When the shipbuilding industry collapsed, it didn't just hurt the economy. It hit Malmö emotionally too. People lost jobs, but they also lost a sense of purpose and stability. The city had been built around heavy industry for so long that when it disappeared, Malmö didn't really know what it was anymore.

By the early 1990s, things looked really bad.

Deindustrialisation had pushed more than 40,000 people out of work. Unemployment in Malmö climbed to 12.4 percent, which is huge. And it wasn't only numbers on paper. You could feel it in everyday life. A lot of young people simply left. If you wanted a future, you often had to look for it somewhere else.

Politics didn't help either. The city became unstable in a different way. Power kept switching between parties almost every election cycle. That meant policies changed again and again, and investors hated that. If you are thinking about putting money into a city, you want predictability. Malmö couldn't offer it at that time.

And then there's the symbol that people still talk about: the Kockums crane, Kockumskranen.

It was built in the 1970s, and it was enormous. A gantry crane, 138 meters high, and at the time it was the largest of its kind in the world. You couldn't miss it. It dominated the skyline. For many people, it wasn't just a piece of equipment. It was a monument to the Malmö they knew: working class, industrial, proud, and very masculine in its identity. It said: we build real things here.

But in the summer of 2002, they took it down.

The crane was sold to Hyundai Heavy Industries in South Korea for exactly one dollar. That detail still feels almost insulting, because this was the most iconic symbol of Malmö's industrial era, and it left the city for basically nothing.

When the dismantling started, thousands of people came down to the harbour to watch. And many of them cried openly. They were watching a part of their city disappear in real time, piece by piece.

The moment was so emotional that it even created a phrase in South Korea: "Tears of Malmö." It became a kind of story people told about what happens when a country loses industrial competitiveness and can't keep up globally.

And when the crane was gone, the Western Harbour looked like a ghost zone.

It's a huge area, around 350 acres, and it was left abandoned, polluted, and broken down. SAAB, the Swedish car manufacturer, bought the docklands, but there was almost no investment. The contaminated land just sat there and kept degrading.

So by that point, Malmö really had reached rock bottom. The old identity was gone, and the city had to figure out something completely new, because staying the same was simply not an option anymore.

## Part 2: The Blueprint for Survival - Strategy, Bridges, and Universities

That was the symbolic end. But if we want to understand how Malmö managed to rebuild itself, we actually need to go back a few years.

Because the real turning point didn't start in 2002, when the crane disappeared from the skyline. The strategy that made the rebuilding possible had already begun earlier.

So this is where the second chapter starts. The survival plan.

Let's go back to 1994.

Malmö is still in a really bad place, and this is the moment when a new person steps in.

Ilmar Reepalu, 52 years old, gets elected as mayor. He wasn't just a typical politician either, he had a background in urban planning, so he was used to thinking in terms of cities, space, and long term development.

What he inherited was a city in steep decline. Malmö was losing young people, losing money, losing confidence. And Reepalu understood something important: Malmö could not just sit and wait for the old industrial world to come back. The global economy had changed too much.

He also had one advantage: his political mandate was secure for four years. That gave him room to push through decisions that might be unpopular in the short term, but necessary if the city wanted to survive.

He later explained his thinking very clearly. He said that if Malmö wanted to change, it needed a long term direction, because the business sector would never invest if they were afraid that everything could change after the next election. In other words: investors needed stability, and Malmö needed to stop swinging between totally different policies every few years.

So instead of working with a classic “plan”, the city moved toward something more unified: a shared “vision”.

And this wasn’t done by the city government alone. It became a broader process, involving local politicians, businesses, and educational institutions. The idea was to get enough people on the same page that the direction would hold, even when politics changed.

And the conclusion they reached was ambitious: Malmö would reinvent itself. Not as an industrial town trying to revive the past, but as an international center for knowledge, and also as a pioneering eco city.

## The Philosophy of Ecological Modernization

The core idea behind Malmö’s recovery was something called “ecological modernization.”

This concept appeared in the 1980s and was developed by the German sociologist Joseph Huber. At that time, many people believed there was a basic conflict: either you protect the environment, or you grow the economy. The assumption was that stricter environmental rules would slow down development and cost jobs.

Ecological modernization challenged that logic.

The idea was that sustainability does not have to block growth. It can actually drive it. Environmental solutions, cleaner technologies, smarter energy systems, these could become the foundation of a new type of modern economy.

In Sweden, this way of thinking became politically important, especially through Social Democratic leader Göran Persson. He spoke about building a “Green Welfare State.” The vision was not just about reducing pollution. It was about reshaping how society interacts with nature.

That meant improving energy systems, investing in renewable sources, recycling waste more efficiently, and putting serious money into green technology. It was both environmental and strategic.

For Malmö, this was not only about being environmentally friendly. It was about survival.

By supporting what they called “eco entrepreneurship,” the city hoped to protect existing jobs and create new ones. The goal was to help local companies develop innovations that could

later be exported. So sustainability was not presented as a moral sacrifice, but as a competitive advantage.

In simple terms: Malmö wanted to turn its crisis into an opportunity by building a future where green solutions and economic growth would go hand in hand.

## The Three Pillars of Reinvention

So how do you turn a collapsing industrial city into something completely different?

Malmö focused on three big moves. Three pillars that changed how the city works, who lives there, and how it connects to the world.

**First: Malmö University.**

In 1998, the city decided to create a university. The goal was clear. Too many young people were leaving. If Malmö wanted a future, it needed to keep talent and attract new students.

What's interesting is where they placed it. Instead of building a traditional campus outside the city, they integrated it directly into the center, close to the old harbor. That was symbolic. The old harbor had represented manual labor and heavy industry. Now it would be connected to research, education, and knowledge.

It was a clear shift in identity: from physical labor to intellectual capital.

Today, Malmö University has more than 24,000 students. That means thousands of young people living, studying, and experimenting inside the city. And that changes the atmosphere. It creates demand for housing, cafés, culture, startups, and research projects. It builds an ecosystem.

**The second pillar was the Øresund Bridge.**

Historically, Malmö had always been a kind of gateway between Sweden and continental Europe. But in 1999, that geography finally turned into something concrete.

The Øresund Bridge physically connected Malmö with Copenhagen. And this was not just a transport project. It ended a kind of isolation. Suddenly Malmö wasn't a struggling post industrial city on the edge of Sweden. It became part of a larger cross border region.

The effect was very practical. Companies could access talent from both sides of the strait. People could live in Malmö, where housing was more affordable, and work in Copenhagen, where salaries were often higher. The connection created a shared labor market and plugged Malmö into a much stronger Nordic innovation environment.

**The third pillar was probably the boldest: rebuilding the Western Harbour.**

In 1996, the city council bought the old 350 acre shipyard area from SAAB. At that point it was polluted, abandoned, and deeply associated with industrial decline. Instead of avoiding it, the city decided to turn it into something completely new.

To accelerate the process, Malmö hosted the European Housing Expo in 2001, called Bo01, short for Boende 01, meaning Housing 01. Internationally, it was marketed as the “City of Tomorrow.”

Bo01 became a kind of urban laboratory. Planners removed many traditional architectural restrictions. They wanted creativity. They wanted diversity in design. It wasn’t about building one uniform housing block after another. It was about experimenting with how sustainable neighborhoods could look and function.

The ambition was huge. Bo01 was designed to be the world’s first carbon neutral neighborhood, powered entirely by locally produced renewable energy.

Energy came from a 2 megawatt wind turbine in the north harbor, supported by solar panels. Heating and cooling were managed through an advanced heat pump system called “Aktern,” which used thermal energy from seawater and from a natural underground aquifer located 40 to 70 meters below ground. During summer, excess heat was stored in the aquifer. During winter, it was extracted again. So the system worked almost like a seasonal battery.

Water management was also rethought. Instead of hiding rainwater in underground pipes, it was guided through visible channels, small waterfalls, and ponds. The water was naturally filtered before reaching the sea. It was functional, but also aesthetic.

Even biodiversity was regulated. Every garden had to include at least 50 different plant species. Green roofs were widely used to reduce rainwater runoff and improve insulation.

What used to be a dirty industrial zone became a clean innovation district. And today, more people work in the Western Harbour than during its peak shipyard days. The difference is that instead of building oil tankers, the area now hosts companies, research centers, and creative industries.

It’s one of the clearest examples of how Malmö tried not just to recover, but to redefine itself completely.

| **Bo01 "City of Tomorrow" Sustainability Metrics** | **Engineering Implementation** |
| --- | --- |
| **Renewable Energy** | 100% local supply via a 2 MW wind turbine and extensive solar panels.[8] |
| **Thermal Storage** | Underground aquifer (40-70m deep) stores summer heat for winter use.[8] |
| **Solar Collection** | 1,400 $m^2$ of solar collectors connected directly to the district heating system.[8] |

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|---|---|
| **Water Management** | Aesthetic above-ground gutters, ponds, and green roofs naturally purify runoff.[8] |
| **Waste Management** | Built-in kitchen waste disposal units grind organic waste for biogas conversion.[8] |

## The Turning Torso: A New Symbol in the Sky

Bo01 gave Malmö a physical model of what the future could look like. You could walk through the area and see sustainable housing, new energy systems, and a different urban logic. The transformation had already started.

At the same time, the city leadership understood something important: rebuilding infrastructure was not enough. Malmö also needed a new visual identity. The old industrial skyline, dominated for decades by the Kockums crane, no longer matched the direction the city wanted to take.

So even before the crane was dismantled, discussions about a new architectural landmark were already happening. The idea was not to replace a crane with another technical structure, but to create something that would represent a different era — creativity instead of heavy industry, innovation instead of steel production.

This is where the Turning Torso enters the story.

The building was designed by Santiago Calatrava, the Spanish architect, structural engineer, and sculptor known for very expressive, almost sculptural structures. In 1999, he was invited to design a mixed use residential tower connected to the Bo01 area.

His idea was inspired by his own sculpture called “The Twisting Torso.” It’s a white marble piece that captures the movement of a human body twisting at the waist. He translated that organic movement into architecture.

Construction started on February 14, 2001. The project was led by HSB, the Swedish cooperative housing association. And it was far from smooth. There was political resistance. Deadlines were missed. Costs went far beyond the original budget. The financial pressure was so intense that it almost led to bankruptcy at certain points. These struggles were later documented in the film The Socialist, the Architect and the Twisted Tower by Frederik Gertten.

But in August 2005, the building was completed.

At 190 meters and 54 floors, the Turning Torso became the tallest building in the Nordic region. The structure is made of nine stacked sections, each with five floors. Each section rotates slightly around a central concrete core, so from the ground to the top, the building twists a full 90 degrees. To keep it stable in strong coastal winds, Calatrava used an external steel framework that supports the twisting form.

It’s not just visually striking. The building was also designed with sustainability in mind. It runs on 100 percent renewable energy, including hydro, solar, wind, and geothermal sources. Residents can track their own energy consumption through smart meters. The structure includes advanced insulation and systems that reduce water use.

But beyond all the technical details, what really mattered was the symbolism.

The heavy, horizontal, industrial silhouette of the crane was replaced by something vertical, light, and sculptural. The message was clear without anyone needing to say it directly: Malmö was no longer defining itself through shipbuilding. It was positioning itself as modern, creative, and future oriented.

In that sense, the Turning Torso did exactly what the city needed. It gave Malmö a new image, both for its own residents and for the outside world.

## Part 3: The New Identity - Startups, Creativity, and the Knowledge Economy

So by the mid-2000s, the foundation was there.

The university was running. The bridge was connecting Malmö to Copenhagen. The Western Harbour had turned from an industrial wasteland into a symbol of sustainability. The city had stopped falling.

But stabilization is not the same as growth.

If Malmö really wanted to succeed, it needed more than buildings and infrastructure. It needed a living business ecosystem. Something dynamic. Something that could grow on its own.

And this is where the third chapter begins.

The new identity.

The investments from the late 1990s and early 2000s created stability and even reversed the population decline. But real economic renewal required something deeper. Malmö had to build an environment where new companies could emerge, survive, and scale.

The city started to lean into what actually made it different.

It had extraordinary cultural diversity. It offered a high quality of life. Housing was still more affordable compared to many capital cities. And thanks to the Øresund Bridge, it had direct access to Copenhagen and the wider Nordic innovation region.

Instead of competing with Stockholm or Copenhagen on their terms, Malmö positioned itself as something slightly different: a flexible, international, creative hub. A place where startups

and creative industries could experiment without the same cost pressure as in bigger capitals.

And when you look at the demographics today, you can see the result.

Malmö is now one of Sweden's fastest growing metropolitan areas. It's expected to gain around 50,000 new residents by 2030. It's also an unusually young city. About half of the population is under 35. That actually makes Malmö younger, demographically, than Hamburg, which is often described as one of Europe's most vibrant startup cities.

And then there's the diversity. People from around 180 different countries live in Malmö. That level of cultural mix is not just a social fact. It affects how ideas move. When you bring together different languages, educational backgrounds, and cultural experiences, you increase the chances that new combinations will appear.

In many ways, that diversity became one of Malmö's strongest innovation engines.

## The Infrastructure of Innovation: Minc and Media Evolution City

City leaders in Malmö understood quite early that startups are not just about money or job numbers. They can change the entire atmosphere of a city. They attract talent, they create networks, and they shape culture.

To support this shift, Malmö created something very practical: Minc.

Minc is a city-backed startup incubator, founded in 2002. And when I say "incubator," I don't just mean office space. It's a structured support system for early-stage companies.

Founders can apply with their idea. If they are accepted, they get access to mentors, business coaching, investor networks, and sometimes even funding support. They also get community, which might sound soft, but is actually critical when you're building something from scratch.

The goal was to reduce friction. Starting a company is risky and complicated. So Malmö tried to remove as many early obstacles as possible.

Minc focuses especially on tech, media, SaaS, sustainability, and creative industries. Over the years, it has supported hundreds of startups, many of which later scaled internationally.

And this reflects a completely different economic philosophy. Instead of waiting for one giant employer, like the old shipyard, Malmö decided to support hundreds of smaller companies and lower the barriers for them to start and grow.

Over time, the results started to become visible.

Today, the business environment in Malmö is highly dynamic. On average, nine new companies are founded every single day. That number alone tells you something about the energy inside the city.

One of the most interesting examples of this collaborative mindset is Media Evolution City, often called MEC.

It's located right across the harbor from Malmö University and close to Minc, so you can already see the ecosystem forming geographically. MEC is a non-profit, community-owned platform focused on co-creation and future-oriented thinking.

What makes it special is that it's built inside former industrial buildings. Instead of erasing the past completely, they reused it. And inside, it functions almost like a city within the city.

Around 500 people work there across roughly 80 companies. Small tech startups share space and daily life with larger organizations, including Sweden's public broadcaster, SVT. So there's no strict separation between "small" and "big." They literally meet at the coffee machine.

The architecture is also intentional. It's designed to increase chance encounters. The space was created by Wingårdhs architects together with Louise Hederström. The interior mixes raw concrete and plywood with details that feel almost 1950s inspired. There's even an original mosaic wall by artist Tor Hörlin, and distinctive pink staircases that break the seriousness of a typical office building.

The layout includes window-lined interior facades, so when you walk through the building, you can actually see into different offices. It creates something like an indoor street. You feel movement, conversation, activity. It's not a closed corporate tower where each company hides behind a door. The design actively pushes people to cross paths, exchange ideas, and collaborate.

And that's really the point. Malmö didn't just build office space. It built environments that encourage interaction. And in a knowledge economy, that interaction is often where innovation begins.

## The Global Gaming Powerhouse

If there's one sector that really shows how far Malmö has come, it's the video game industry.

Today, the Greater Copenhagen region, with Malmö as one of its key centers, generates around 2 billion euros in gaming revenue. More than 3,500 people work in over 320 companies connected to game development. That's not a niche. That's a serious industry.

And this didn't happen by accident.

Part of the story goes back to national policy. In 1998, the Swedish government introduced a program that allowed employees to lease personal computers at a very low cost, with the option to buy them later. The result was surprisingly powerful. Sweden developed extremely high computer literacy across the population.

At the same time, broadband internet rolled out early and aggressively. Combine that with close cooperation between local game studios and educational institutions, and you get

something important: a steady stream of technically skilled developers who were already comfortable working in international environments.

One of the central pillars of Malmö's gaming ecosystem is Massive Entertainment.

The studio was founded in 1997 and later became part of Ubisoft in 2008. Over the years, Massive has produced major AAA titles that reached a global audience. They created Tom Clancy's The Division franchise, which has attracted more than 40 million players worldwide.

More recently, the studio has worked on some of the biggest global franchises, including Avatar: Frontiers of Pandora in 2023 and Star Wars Outlaws in 2024.

But Massive is not just a content studio. It also develops its own advanced technology. The Snowdrop engine, built in Malmö, powers several large international game productions. So in that sense, the company functions as both a creative studio and a deep tech company.

And where you have a strong anchor company, you usually see smaller studios growing around it.

Sharkmob, founded in 2017 by experienced developers, is one example. They have explored new directions in online gaming with titles like Bloodhunt, set in the Vampire: The Masquerade universe, and the tactical shooter Exoborne.

The region is also home to critically acclaimed indie developers. Frictional Games created Amnesia, a title that became a reference point in horror gaming. Triband released the playful and unconventional What the Car? And other well known indie titles connected to the region include My Friend Pedro and Sayonara Wildhearts.

Researchers looking at why gaming companies choose Malmö often talk about a mix of "hard" and "soft" factors.

Smaller studios care about practical things: affordable office space, public support from the city, and easy access to Copenhagen Airport. These are measurable advantages.

Larger, established studios often mention softer factors: the cultural atmosphere, the quality of the urban environment, and the fact that there is already a strong gaming community. When talent is already there, recruitment becomes easier. When the ecosystem is mature, companies are more likely to stay.

There's also another layer to this.

Parts of the Swedish gaming industry are trying to use their global reach to promote social and environmental values. Some startups are exploring what's called "impact gaming," designing games around themes like ecosystem preservation, water restoration, or climate awareness.

The industry has also made visible efforts toward gender diversity. Initiatives such as DONNA and Women in Games have promoted equality within the sector. By 2022, women represented 23.4 percent of the gaming workforce in Sweden, which is still not equal, but shows measurable progress in a field traditionally dominated by men.

So what you see in Malmö's gaming industry is not just economic growth. It's a combination of policy, infrastructure, education, community, and culture coming together over decades.

## Diversification: Life Sciences and Cleantech

But gaming is only one part of the picture.

It might be the most visible and culturally exciting sector, but Malmö's new economy is much more diversified than that. And that diversification is actually one of its biggest strengths.

The city didn't abandon its industrial heritage completely. Instead, it translated parts of that legacy into new fields.

One important area is life sciences and medical technology.

Because of its history in manufacturing, combined with access to skilled labor and strong regional infrastructure, Malmö has become an important node in the broader regional life sciences ecosystem. Several major companies have chosen to establish or relocate key operations there.

For example, Atos Medical moved its headquarters to Malmö in 2015. The medtech company Arjo also established its base there and today employs more than 6,200 people globally. These decisions are not random. They show that Malmö is increasingly seen as a stable and attractive location for corporate headquarters, not just startups.

The pharmaceutical sector also has deeper roots in the city. Ferring Pharmaceuticals, founded in 1950 by Frederik Paulsen Sr., is part of that longer industrial and scientific tradition. So in a way, Malmö's present in life sciences is connected to decisions made decades ago.

At the same time, the city has continued to push strongly in the area of cleantech.

Malmö didn't treat sustainability as a branding slogan. It tried to turn it into an industry.

One interesting strategy has been to use the city itself as a large scale test environment. Cleantech companies are encouraged to pilot their environmental technologies directly within municipal infrastructure. That means new energy systems, water management solutions, and environmental innovations can be tested in real urban conditions.

The city supports this through technical visits, marketing efforts, and matchmaking between property owners and cleantech startups. The idea is to create a strong local market first. If a technology works in Malmö, it becomes much easier to export it internationally.

So what you see here is a layered economy.

Gaming, life sciences, pharmaceuticals, cleantech.

Not dependent on one single sector. And that resilience is very different from the old shipyard era, when almost everything depended on one industry.

# Part 4: The Shadows of Reinvention - Social Tensions and the Dual City

So at this point, the story can sound almost perfect.

A city collapses. It reinvents itself. It builds universities, bridges, sustainable neighborhoods. It creates startups, gaming studios, life science hubs.

But no urban transformation is that simple.

**And this brings us to the fourth chapter.**

**The shadows of reinvention.**

Because the story of the “City of Tomorrow” is incomplete if we only look at economic indicators. Yes, Malmö has experienced real and measurable success. But that success has not been distributed evenly.

When a city moves from heavy industry to a highly specialized knowledge economy, not everyone moves with it at the same speed.

The transition inevitably creates winners and losers.

New wealth and new opportunities started concentrating in specific areas, especially places like the Western Harbour. These districts became symbols of the new Malmö: modern, international, sustainable.

But many of the working-class families who once worked at Kockums did not automatically fit into the new economy. And at the same time, Malmö continued to receive new immigrant communities, many of whom arrived with limited access to the education and networks required in a knowledge-driven labor market.

Over time, this created something that urban researchers often describe as a “dual city.”

On one side, you have neighborhoods connected to the innovation economy, with high employment rates, rising property values, and strong institutional support.

On the other side, there are districts facing higher unemployment, lower average incomes, and weaker access to the new economic networks.

The result is not just economic inequality, but spatial segregation. In Malmö, differences in income, education levels, and life opportunities are often visible on a map.

So while the transformation is real, and impressive, it also carries tension.

And to understand Malmö honestly, we have to look at both sides at the same time.

## The Stigma of the Million Programme: The Case of Rosengård

If you want to see the contrast in Malmö with your own eyes, you don't even need statistics. You just need to compare different parts of the city.

On one side, you have the Western Harbour with its modern architecture, sustainable housing, sea views and high incomes.

On the other side, you have large housing estates on the outskirts of the city. And the most well known example is Rosengård.

Rosengård was built in the 1960s as part of something called the "Million Programme." This was a massive national housing project launched by the Swedish government between 1965 and 1974. The goal was simple but ambitious: to build one million new homes in just ten years.

At the time, Sweden was growing quickly. There was a housing shortage, and the state wanted to guarantee modern, affordable apartments for working families. So large residential areas were built rapidly, often with similar concrete architecture, functional layouts, and standardized construction methods. Rosengård was one of those areas, and in the beginning, it was seen as modern and forward looking.

But things changed.

When the industrial base collapsed in the 1980s and 1990s, the social structure of these neighborhoods shifted. Jobs disappeared. Economic stability weakened. And many middle class residents moved out, looking for better opportunities elsewhere. This process, often described as "white flight," accelerated segregation.

Today, Rosengård has around 24,000 residents.

The demographic profile is very different from many other parts of Malmö. Around 90 percent of residents have a foreign background, including many recently arrived refugees. It's also a very young district. About one third of the population is under 18.

At the same time, unemployment rates in the area are significantly higher than the national average. That economic pressure affects schools, public services, and everyday life.

Because of these challenges, the Swedish police have classified parts of Rosengård as "especially vulnerable areas." This term is used for neighborhoods with low socioeconomic conditions and higher levels of crime, where public institutions sometimes struggle to operate effectively.

So when people talk about Malmö as a success story, they are not wrong. But the reality depends very much on which part of the city you are standing in.

## The Media Narrative vs. Lived Reality

But Rosengård is far more complex than the image many people have in their heads.

In Swedish media and political debates, Rosengård is often used as a symbol. A shorthand example. A “problem area.” Sometimes even described as a so-called “no-go zone” in discussions about migration and integration.

Over time, that label becomes powerful. It shapes how people imagine the place, even if they have never been there.

Researchers and ethnologists have pointed out that this image is partly constructed. Back in 1994, Per-Markku Ristilammi wrote a thesis examining how Rosengård was framed as a “stigmatized other” in contrast to mainstream Sweden. In other words, the neighborhood became a kind of symbolic opposite. If the rest of Sweden represented order and stability, Rosengård was presented as disorder and failure.

But reality on the ground is more layered.

Rosengård is not socially uniform. It’s internally diverse. And it’s culturally alive.

It’s the place where Zlatan Ibrahimović grew up before becoming one of the most famous football players in the world. It’s also a central space for Sweden’s suburban rap and hip-hop scene. Artists from these neighborhoods use music as a way to respond to how they are portrayed. Through lyrics and visual culture, they challenge stereotypes and sometimes even reclaim the stigma as a source of pride.

There are also independent cultural initiatives working quietly in the background. For example, photographer Nora Schwarz has documented everyday life in Rosengård over time. Instead of focusing on headlines or dramatic incidents, her work highlights individuals, families, and daily routines. That kind of documentation creates a counter-narrative. It shows complexity instead of caricature.

And it’s important to remember that cities are not divided by invisible walls.

Public spaces in Malmö, like Folkets Park or the area around Möllevången, often called Möllan, function as shared meeting points. People from different neighborhoods, backgrounds, and income levels cross paths there. These spaces matter. They create moments of belonging that don’t fit neatly into the “dual city” narrative.

So Rosengård is not just a symbol of marginalization. It is also a space of creativity, resilience, and identity. And understanding that complexity is essential if we want to talk honestly about Malmö.

## Urban Interventions and the Threat of Gentrification

At the same time, complexity does not erase structural problems.

City officials are very aware that if areas like Rosengård remain physically and economically isolated, the long-term social sustainability of Malmö is at risk. So over the past years, the municipality has launched a series of regeneration projects aimed at reducing that divide.

The goal is not only to renovate buildings, but to reconnect parts of the city that have grown apart.

Recent planning documents show that the city has become more aware, at least theoretically, of how segregation works. Urban planners talk about mobility, everyday encounters, physical boundaries, and how infrastructure shapes social life. The strategy is not just about fixing apartments. It's about changing how people move, meet, and access opportunities.

In practice, this has meant three main types of intervention.

First, transit-oriented development.

A new train station was built in Rosengård, along with improved bus connections. The idea is simple: better transport links mean better access to jobs, education, and the city center. If you reduce travel time and physical isolation, you increase opportunity.

Second, large-scale housing renovation.

One major example is the "Sustainable Hilda" project. This involved the renovation of 767 apartments, housing around 2,400 people. The focus was strongly on energy efficiency. The project aimed to reduce cold and hot water consumption by around 40 percent and bring environmental standards closer to what you see in places like the Western Harbour.

Third, public space regeneration.

Areas such as Bennetts Bazaar were redesigned. Pedestrian and bicycle paths were improved. Outdoor spaces were created for sports and cultural activities, especially targeting young people and encouraging greater participation from girls and young women.

On paper, these interventions make sense.

But urban sociology research shows that the results are mixed.

Some projects, like Bennets Bazaar, have seen increased daily use and more activity. Other redesigned spaces have not fully achieved their integration goals. Physical redesign alone does not automatically produce social cohesion.

There's also a deeper contradiction that researchers often highlight.

Transit-oriented development is meant to reduce isolation. But over time, it can also increase property values and attract private investment. To finance new developments, parts of the public housing stock in western Rosengård have been privatized. As new buildings appear near transit hubs and amenities are upgraded to fit middle-class expectations, the first stages of gentrification can begin.

And that creates a difficult question.

If an area becomes more attractive and more expensive, who benefits? And who might eventually be pushed out?

There is a real risk that in trying to fix one form of segregation, the city could unintentionally create another. Displacement can replace isolation.

So Malmö's regeneration efforts are ambitious and well intentioned. But they operate in a very delicate space, where economic logic and social justice do not always move in the same direction.

## Conclusion: The Legacy of the Malmö Model

So when you step back and look at the whole picture, Malmö becomes more than just a local story.

It becomes a case study.

A city that collapsed. A city that rebuilt itself. A city that is still negotiating what that rebuilding really means.

This is what many people call the "Malmö Model."

And there are a few important lessons in it.

First, reinvention requires vision, not just technical planning.

In the 1990s, when things looked bleak, Malmö didn't just create short-term recovery programs. It committed to a long-term direction built around ecological modernization. That clarity mattered. It created stability in a politically unstable period, and that stability made it possible for private investment to return.

Second, a city's psychological architecture matters as much as its physical one.

Replacing the Kockums crane with the Turning Torso was not just an architectural decision. It was symbolic. It showed how cities actively shape their own identity. By building something bold, sustainable, and globally recognizable, Malmö shifted its narrative. It stopped being a story about industrial decline and started becoming a story about future-oriented ambition.

Third, innovation ecosystems require both hardware and software.

The bridge. The university. Broadband infrastructure. These are the hardware. But equally important are the social platforms: Minc, Media Evolution City, and the networks that allow people to collaborate. Without both, the system doesn't work.

And finally, Malmö also reminds us of something uncomfortable.

Economic growth and ecological success do not automatically create social equality.

The contrast between the Western Harbour and Rosengård shows how a knowledge economy can generate new forms of division if inclusion is not actively managed. When a city moves forward, not everyone moves at the same speed. If former industrial workers and newly arrived immigrant communities are not integrated into the new economic model, segregation doesn't disappear. It just changes shape.

So yes, Malmö survived.

The tears that were shed when the crane left the skyline are part of history now. In their place, you hear something different: the energy of startups, the noise of construction, the rhythm of a young and internationally connected city.

But the real test for Malmö is no longer whether it can grow.

The real test is whether that growth can be shared.

Whether the “City of Tomorrow” can truly become a city for everyone.

And that part of the story is still being written.

## Outro

**And that was today’s episode of *LikeSweden: Beyond the Postcard.***

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**Thank you for listening.**

**And I’ll see you in the next episode, where we go beyond the postcard again.**