

The Importance of Neighborhoods for Crime and Children's Life Outcomes

Hans Grönqvist
Susan Niknami
Torsten Santavirta

Summary

This report documents trends in socioeconomic and crime outcomes in Swedish deprived urban neighborhoods and presents a literature review on the importance of the neighborhood in which children grow up in terms of their life outcomes.

The report exploits various data sources containing granular information on socioeconomic and demographic family background characteristics. The data also include information on reported crime and self-reported exposure to crime. Based on these data, we document an uneven distribution of disadvantage across neighborhoods and show substantial socioeconomic gaps between, on the one hand, the roughly 60 most disenfranchised neighborhoods in Sweden categorized as being socially vulnerable by the operative unit of the Swedish Police Authority (henceforth, deprived neighborhoods) and, on the other, all other urban neighborhoods and non-urban areas. We also explore how these gaps have evolved over time. We supplement the socioeconomic data with information from the Crime Prevention Council (Brå) and the Police Authority to study crime trends, not only crimes committed but also self-reported exposure to crime.

The main takeaway is the existence of fundamental social inequalities between deprived neighborhoods and other neighborhoods. The deprived neighborhoods categorized by the Police Authority as being socially vulnerable are characterized by a substantially lower labor market participation, lower income level, higher share of immigrants and higher share of young individuals compared to other residential areas in the country. These gaps have largely remained unchanged during the past decade. An obvious conclusion based on these results is that

Swedish deprived neighborhoods are trapped in a state of prolonged social stress. However, these gaps appear to have been constant over time, as we do not observe any obvious deterioration in socioeconomic conditions in the deprived neighborhoods compared to other neighborhoods (according to the indicators we study). This may to some extent contradict the current media portrayal of these deprived neighborhoods, which gives the impression of an ever-increasing socioeconomic decline.

Our review of the literature on the consequences of the characteristics of the neighborhood in which children grow up shows a significant impact of the neighborhood on their subsequent life chances. Growing up in neighborhoods characterized as being deprived in terms of socioeconomic conditions, a high level of segregation and high crime rates has long-lasting effects on a child's life outcomes. The evidence also suggests that this correlation may be interpreted as a causal relationship. This is an important result in its own right as it implies that measures to reduce disadvantages have the potential to improve children's opportunities in life.

Here, based on the previous literature and our own analysis, we present four policy recommendations aiming to reduce disadvantages and thus increase equality of opportunity for children growing up in deprived neighborhoods.

Recommendations

I. OFFER RELOCATION SUPPORT FOR FAMILIES RESIDING IN DEPRIVED NEIGHBORHOODS

The most important lesson from the literature review is that the neighborhood in which a child grows up has an impact on her life chances. In light of this, it seems relevant to consider designing policies that would facilitate moving away from deprived neighborhoods, in particular policies targeting the most disadvantaged families. Previous research has shown that providing financial relocation incentives combined with counseling can be an effective policy in terms of improving the life chances of disadvantaged children.

In the Swedish context, one such viable policy measure could be to prioritize families in deprived neighborhoods in the municipal housing queue for housing in less deprived neighborhoods. This intervention

could be combined with counseling as well as possibly financial incentives, such as relocation allowances and subsidized rent. We suggest that such an intervention should initially be piloted through a randomized controlled trial. If families were randomly selected to receive the relocation incentives and support, it would be possible to evaluate the causal effect of the relocation policy by comparing the outcomes of the participants and control families who did not receive incentives. It is only after positive effects have been demonstrated that the intervention should be implemented on a larger scale.

2. BROAD INVESTMENTS IN LABOR MARKET PARTICIPATION AND EDUCATION IN DEPRIVED NEIGHBORHOODS

The first recommendation may be seen as a relatively short-term measure to improve the opportunities of particularly disadvantaged children. In the long run, it is desirable to lift these neighborhoods out of deprivation. Key for long-run improvements is going to be to increase the labor market participation of the residents and improve the quality of schools in these deprived neighborhoods to make these more attractive to newcomers from the entire socioeconomic spectrum and to entice the current local residents to stay. Previous research shows a causal relationship between the socioeconomic characteristics of neighborhoods and children's life chances. This means that investments aiming to improve the socioeconomic conditions in deprived neighborhoods will improve children's life opportunities.

Outsourcing certain types of public administration to deprived neighborhoods may represent one way of achieving this. This measure is expected to increase employment in the neighborhood, either directly by employing residents in the public activities or indirectly by increasing the local demand for goods and services through the staff employed in such activities. However, there is a risk that such measures may crowd out other job opportunities, which is why such a location-based policy would need to be carefully evaluated.

The recommendation for long-term investments to improve labor market participation and schools in deprived neighborhoods also relates to the issue of so-called territorial stigmatization. The negative attention that deprived neighborhoods regularly receive in the mass media risks stigmatizing these neighborhoods and their residents. This may lead to direct, or anticipated, discrimination that hinders child-

ren's opportunities and may inhibit them from aspiring for a better future. To the extent that improved socioeconomic conditions in deprived neighborhoods contribute to reducing the risk of stigmatization, such investments can also help improve children's opportunities. In theory, placing public administration activities and their offices in these neighborhoods could also generate increased social interaction between residents and employees, thereby improving the general perception of the area.

3. INCREASED PRESENCE OF NEIGHBORHOOD POLICE OFFICERS AT SPECIFIC HOURS AND DAYS

The literature review shows that exposure to crime and shootings undermines children's life chances. Our own analysis also suggests that perceived insecurity is greater in deprived neighborhoods compared to other urban neighborhoods. Against this background, an increased presence of neighborhood police officers and/or local security guards, in particular late in the evening and outside office hours, could be a way to at least temporarily reduce exposure to crime and increase security in deprived neighborhoods.

The Police Authority already has a stated ambition to increase the number of neighborhood police officers, but this initiative has recently been criticized by their own supervisory authority. The criticism concerns the fact that neighborhood police officers often have an unclear mandate, do not have a clearly defined geographic area in which to operate and are often reassigned to other tasks due to staff shortages.

4. A GREATER EMPHASIS ON EVALUATION AND DATA COLLECTION

A recurring theme in this report is the methodological challenges associated with studying area effects, springing from socioeconomic sorting of individuals into neighborhoods. This makes it difficult to identify potential causal relationships between residential areas and children's life chances. In order for researchers to be able to offer better and more accurate policy recommendations, it is important to facilitate the identification of causal relationships.

A large share of the interventions currently targeting deprived neighborhoods is being formulated locally at the municipality level (such as promoting increased collaboration between local authorities).

It is crucial to clearly document and evaluate these policy measures individually in order to determine which ones are the most effective. Therefore, researchers should be provided the opportunity to be involved at an early stage in the implementation of policies to thereby generate study designs allowing for the credible evaluation of these policies.

About the authors

Hans Grönqvist, Professor of Economics, Linnæus University

Susan Niknami, Researcher in Economics, Swedish Institute for Social Research

Torsten Santavirta, Researcher in Economics, University of Helsinki and Institute for Housing and Urban Research, Uppsala University