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Territorial Social Innovation in the Nordic Countries and Scotland

Service Centre in Kalix Övre Bygden

A service centre, initiated by the residents, that runs a local store and provides various public services, including a home care service and school taxi service. The service centre was established in 1996 and is run as an economic association.



Preconditions, Inspiration, Nurture

Övre Bygd is a remote area in northern Sweden that consists of 20 small villages scattered across a large territory. It is located in the northern part of the Kalix municipality in close proximity to the municipalities of Övertorneå and Överkalix. The total population of the area is around 300.

As a result of depopulation and a shrinking budget for public social services, the municipal authorities made a decision to close the local store and school in 1995. This caused protests and discontent among the local population, as it would have a dramatic impact on the habitability of the area. This was a critical moment for the residents to act and mobilize local resources.

Implementation

In 1995, several mobilization meetings and brainstorming workshops with the local population took place in Övre Bygden with an active participation of about 60–80 residents. The meetings resulted in establishing an economic association service centre in Övre Bygden ('Servicecentrum i Övre Bygden') in 1996 with about 60 members. In the same year, the decision about closing the local school was reviewed by the municipal authorities and cancelled.

However, the survival of the local store was still a big question mark. For this reason, the primary focus of the association at the beginning was in taking over the local store to get it going. It was also stated in the statutes of the association from the day of establishment that it should facilitate rural development through cross-border collaboration and provide other services for the residents besides the local store. This way the association would stand on several legs and have a better chance of being economically viable.

The service centre started to cooperate with the municipality of Kalix and Sweden's Public Employment Agency in taking care of some smaller maintenance jobs and public services, such as fixing the roads, cutting bushes, etc. At the same time, the service centre started to look into the possibility of providing a home care service both in Kalix and bordering municipalities.

In 1996 the service centre became a partner in an EU project which made it possible for them to employ a project officer who could dedicate the time to develop the work and implement some of the ideas discussed. Among the most important achievements has been the drafting and signing of an agreement with the Kalix municipality regarding outsourcing of the home care service provision tasks to the service centre. It was a lengthy negotiation process involving the municipal authorities, local politicians and unions.

The service centre took over the provision of home care services from the Kalix municipality and, over time, partly from the neighbouring municipalities.

In 2001, the association bought an old station building and applied for funding support from the EU for its renovation in the framework of the project 'Business and tourism development in Övre Bygden'. The station building provides tourist information, conference facilities, offices, etc.

More recently the service centre has also been providing taxi services for school children. It also rents out its employees for different occasional maintenance jobs in the field of construction, cleaning, gardening, etc.

The service centre tries to engage the youth living in the area as seasonal workers in their activities. The gymnasium students are given the opportunity to try out working in a local store or in home care service for 2–3 weeks. These measures are partly financed with the association's own budget and municipal funding.

The service centre provides employment to about 9–10 people in total and about 20 are employed seasonally throughout the year on an hourly basis. The local store, which mainly sells food and fuel, is still run by the service centre today and employs two people. The home care service provides three full-time positions and has three substitute employees. Another two are employed as operations managers and the school taxi service employs two drivers. The economic association service centre in Övre Bygden has about 110 members today.

Resources

Access to financial resources has been crucial for getting the activities started. After the establishment of the service centre, the economic association got a loan from the bank for SEK 110 000 as the starting capital needed primarily for getting the local store running. The loan was interest and mortgage free for a period of 5 years.

During the starting phase, EU funding has been used to employ the project officer and for the renovation of the station building.

The economic association gets revenues from several channels, namely through providing home care services and school taxi services, smaller maintenance jobs, running the local store and renting out the station building.

The Network / Co-operation

The main cooperation partner of the service centre is the Kalix municipality, which has been supportive throughout the entire process. The association also cooperates with different regional authorities, including the County Council of Norrbotten, as well as small business owners who are often too small to hire personnel and instead buy services from the service centre. Moreover, the Service Centre has been engaged in cross-border cooperation with the municipalities of Övertorneå and Haparanda.

Enablers and Barriers

Having starting capital has been a key prerequisite for initiating the activities and getting the local store going. However, it has been difficult for the association to get a loan from the bank.

It has been challenging for the association to overcome scepticism and to be taken seriously by the bank when applying for a loan. A crucial success factor has been the investment provided by the association's members, which showed that the association members were serious about their plans, dared to make their own investment and were willing to take a risk. Another important winning argument has been the statutes of the association, indicating that profits would not be distributed to the association members but eventual gains would be invested in the activities of the association. In addition, financial support provided by the County Council of Norrbotten to the association has facilitated in getting a loan from the bank.

The overall lack of interest from Sweden's central bank in investing money in rural areas has been stressed by the interviewee as a significant barrier even today, 20 years later.

The procurement process for the home care service in the Kalix municipality takes place every five years, which causes uncertainty about the future. The services of the service centre are quite expensive which makes it difficult for them to compete with other service providers.

Demographic challenges pose a significant threat to the future of the service centre. Due to an ageing population, low birth rate and the outmigration of young people from the area, the future perspectives for Övre Bygden are not bright. If the primary and secondary schools shut down, there will be no future for young families with children here. A generational shift is also a challenge for the association, as many employees are close to retirement age and new minds and ideas are greatly needed.

Promoting immigration is seen as a possible solution. The service centre is discussing the possibilities of participating in a small integration project. They would like to start with accommodating two to three families in Övre Bygden who could take over the empty buildings.

Social Innovation Effects

Outcomes, Impact and “Scaling”

Citizens' engagement and local action have been crucial in keeping the social services in Övre Bygden, and, thereby, maintaining a good quality of life. Moreover, the service centre has created new jobs.

The service centre is a successful example of local residents taking over municipal tasks, such as the provision of a home care service. It is a great example of local democracy below the municipal level.

At the same time, exacerbating demographic challenges poses a serious threat to the liveability of the Övre Bygden area in the future. To address these challenges the service centre has worked with the youth, aiming to increase young peoples' ties with the local community and their sense of belonging to the area. These activities are seen as preventive measures that could contribute to a reduction of out-migration in the long run. Refugees are also seen as part of the solution to the demographic challenges and the service centre is interested in the prospect of working with newly arrived migrants.

Lessons Learned

For rural areas with a low population density such as Övre Bygden, creating a service centre that combines different services can be seen as a viable solution that enables reduced costs but at the same time is economically viable.

The interviewee employed at the service centre stressed that more responsibility should be given at the local level in Sweden and stronger support for local democracy and citizen-driven initiatives such as the service centre in Övre Bygden should be available. This would create more local engagement and have a positive impact on communities.

At the same time, this example illustrates the difficulties related to starting up economic associations, for example, overcoming sceptical attitudes and not being taken seriously by the authorities (e.g. banks).

Mobilizing social capital and financial resources (bank loans, EU project funding and support from local and regional authorities) have been among the crucial success factors.

References

Mikael Eliasson, operations manager at Service Centre in Övre Bygden, interview, 2016-09-16. Contact: obygdén@algonet.se