



## Territorial Social Innovation in the Nordic Countries and Scotland



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### From Fish Factory to Creative Centre

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*The fish factory in Stöðvarfjörður, Iceland, once the heart of a thriving industry and which closed in 2005, has a new role as a creative centre.*

The village economy and population was hit in 2005 when the fish factory was closed down. A group of creative people took the initiative to lead the town in a different direction by changing the old fish factory into a hive of creativity, to regenerate and sustain the community. It is a place where artists, designers and craftsmen and women can turn creative thinking into meaningful practice.

## Preconditions, Inspiration, Nurture

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Stöðvarfjörður is a remote village in the East fjords of Iceland, and is faced with problems that are common to many small towns and villages. The fish factory in Stöðvarfjörður, once the heart of a thriving fishing industry, closed in 2005. The closure hit the village's economy and population hard. Thirty-two employees lost their jobs: a large loss for a community of roughly 200 inhabitants. The bank and post office closed, and the nursery and elementary school are under an increasing threat of being shut down due to a significant decrease in the population. Further closures of social services could wipe Stöðvarfjörður off the map if it is unable to sustain itself (Creative Centre, n.d.).

In 2010, a group of creative people took a challenging initiative that might lead the town in a different direction. The factory is now being transformed into a creative centre, the 'Fish Factory' that its initiators believe can regenerate and sustain the community. The factory will eventually house workshops, studio spaces, a cultural venue, a café, and a local products market. It will even retain some of its original purpose by supporting the local fishing industry. The spaces will provide a broad spectrum of creative options, from food and music to arts and crafts, and encourage an influx of new people and ideas. The factory is expected to be fully operational by 2017 with the clear aim of creating a platform for increased sustainability. With many other villages having disused fish factories, the centre is also aiming to serve as a model for regeneration all over Iceland and beyond (Creative centre, n.d.).

Rósa Valtingoer moved back to Stöðvarfjörður, the village she grew up in, with her husband and son. She wanted her son to grow up in the countryside, in an atmosphere of freedom and close to nature, just as she had enjoyed in her childhood. Shortly after their arrival, it was on the agenda to tear down the old fish factory, which had been empty for several years. The factory had fallen into disrepair and was even becoming dangerous. 'We did not want that, so we did some serious thinking. We had always had it in mind to create our own jobs,' says Rósa. They made a business plan and set up a meeting with the town council, to share their ideas with them. There were several challenges to overcome in order to initiate the project. Rósa explains that their ideas sounded crazy in the beginning: 'How was a couple with limited finances going to handle a 2,800-square-meter factory building that was in ruins?' The first reactions they received were mostly sceptical, but a few individuals were supportive from the beginning.

The British art school Central Saint Martin's became interested in the project at an early stage, and sent 17 students to participate in a school camp in Stöðvarfjörður with the aim of being involved in the project. Their presence proved to be very beneficial and helped to pave the way by showing that the project could be something serious. The school camp

consisted of lectures and workshops about sustainable design and the cooperation resulted in a new website and a documentary film made by the students. These outcomes drew attention to the Fish Factory project, and were excellent marketing tools. The pressure was then on the town council, which subsequently decided to sell the former factory for a reasonable price to the cooperative organization that had been established around the project. In addition, the municipality waived debts related to unpaid property taxes on the building.

The future plan is for the project to be economically sustainable so that it does not have to rely on funding. The project already has some income from renting out facilities to the local fish industry and to a car workshop. It is only a small part of the income needed, but it is the beginning, as Rósa says. Opportunities for further revenues include renting out facilities to artists and some small-scale industry, for both short and long periods. Another way is for producers to pay some part of their profits to the operation of the building. 'We think it is important to create facilities to give small-scale industries the possibility to thrive,' says Rósa. She has her own thriving ceramics workshop in the building, which provides her with an income, and is expecting to engage another person soon.

A recording studio is now in construction and the aim is to have it ready later this year, providing at least one person with paid employment. There is also a banqueting hall that can be rented for parties, family reunions and concerts. 'There are possible revenues from all directions. Our dream is to be able to hire someone to take care of the accounting and other kinds of office work.' At present, this work is mainly carried out by students in an Erasmus program. Rósa believes that hosting school camps for all age groups could represent a considerable opportunity: this has already been done on a small scale.

The initiators hope that the initiative will make the village attractive for longer or shorter stays, or in other words to 'put Stöðvarfjörður on the map.' A music festival called the Polar festival is held in town every other year, which also attracts visitors. Rósa feels that the new initiatives have already succeeded in increasing the town's visibility.

Rósa says that in the beginning, the residents and the members of the town committee did not really believe in the project by these 'young hipsters.' They seemed highly skeptical, but that changed when people saw what they had achieved with the fish factory, which demonstrated that everything was based on reasoned decisions. 'Now, the community is very positive and we receive a lot of help. Fishermen give us fish sometimes, and the restaurant gives us leftovers from time to time. Our aim is to make a dream community, where it is good to live and good to stay. A place where people are nourished through culture and interesting jobs. We do not believe that there is much happiness involved in an aluminium smelting plant.'

# Implementation

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## Resources

The most important element for turning this project into reality is the fact that property taxes on the building were waived, representing 1.6 million ISK per year. Grants from Austurbrú (infrastructure fund) have served an important role, as have discounts, advice and help from businesses and individuals in the region. The municipality of Fjarðabyggð (of which Stöðvarfjörður is a part) also gave a direct contribution to the project of 2 million ISK in 2015. The building maintenance is, and has always been, based on voluntary work; mostly by those who are responsible for the project but many others who have generously contributed their time.

The subsidies received every year, along with the revenues that the project provides at this point, serve to operate the building. The main expenses are insurances, heating and electricity and the costs are considerable because the building is large.

## The Network / Cooperation

Three individuals had the idea of making use of the ruins of the fish factory in the town, and managed to get the municipality partly involved. The municipality sold them the building for a reasonable amount and canceled debts linked to property taxes. The project leaders have also developed some of the ideology and are in cooperation with a grassroots organization called Samfélagið (i.e., Society).

## Enablers and Barriers

The project has not got this far without facing obstacles. Only three individuals are actively behind the project. This is too few for the current size of the project and limits its growth potential. The shortage of money is also an enormous hindrance and is slowing down the development. As Rósa explains:

*Everything could happen so much faster. Now, we use most of our spare time to paint and repair. The prerequisite for us to continue is to have volunteers and to get funding. Grants made it possible, for example, to buy heat pumps, which are very important because no one can work in an unheated building.*

She also stresses the importance of goodwill on the part of residents and from businesses in the region. One example is a transport company that has occasionally transported resources for free. 'I can just say that the biggest help is how great everyone is.'

From the start, two to four individuals have worked directly on the project and taken the main responsibility for it. At present, it is led by Rósa Valtingoer, Una Sigurðardóttir and Vincent Wood, of whom the two latter have recently moved to the village to participate. Volunteers and interns have proved very important for the project, bringing in their energy and skills. European students can undertake an international internship with the Artist Residency scheme offered at the Fish Factory centre) and people come through the volunteer and cultural exchange organization Work Away to help out. 'At present, we have a volunteer from Latvia who can build everything in the world, and before that we had one from New Zealand who could cut through concrete.'

### **Interaction with Municipalities and Other Levels of Governance**

The municipality has provided financial support by selling the building for a reasonable price and by waiving outstanding debts and cancelling property taxes for five years. The five-year period is coming to an end and the project initiators need to apply for the support to be extended. They have also asked for further support to hire two employees for the project. The Icelandic government funded the project in the beginning, for a total of 1 million ISK.

## Social Innovation Effects

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### Outcomes, Impact and 'Scaling'

The expected outcome from the project was to create jobs for the initiators as well as creating paid work for up to ten people. By creating the facilities, they hope to attract people to the town: people who can create their own jobs, and families and people who wish to start a family in this peaceful environment. 'I feel that we have managed to make the residents closer to one another thanks to all kinds of cultural events, which many of them participate in. Everybody comes together and has fun. The dream is to get people to move to the village and fill up the empty houses with children. The ATM machine was closed recently, so the village is really under a threat,' says Rósa.

Rósa, Una and Vincent all live in the town and have created jobs for themselves even though a lot of volunteer work is also involved in the project. The town holds cultural events from time to time, which bring in visitors and are enjoyable for the residents. Una and Vincent are new residents, and interns and volunteers stay temporarily in the village. The Red Cross store has premises in the creative centre free of charge, given its important social role. The town's residents can meet there every week to socialize and to buy clothes at a reasonable price.

If and when the project becomes profitable, dividends from the profits will not be paid out. As a cooperative association, all profit will be used to operate the project and the building.

## Lessons Learned

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The creative centre in Stöðvarfjörður shows how empowering people and tenacity can make a difference in small communities. New ideas involving enjoyment can create new solidarity among the residents. A few years ago, the intention was to close down the school in the village and drive the students (around 17) to the next town, meaning 80 minutes' drive every day. Protests were organized, and the plans were cancelled. Now, the ATM machine has been closed and few services remain. The village is threatened, and the creative centre is an interesting attempt to combat the negative population development. It is a fresh project that encourages people to be creative and to create their own jobs, and is an attempt to attract like-minded people.

The challenges in such a serious situation as that faced by Stöðvarfjörður include the fact that few people live there and how fragile the situation becomes when the population is so low that it reaches risk level. The creative centre has already created jobs and has the possibility to create more in the near future, but it has also created hope. The challenges involved in getting more support from the authorities remain, but that would permit the project to thrive and be highly promising as a way to foster development.