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Territorial Social Innovation in the Nordic Countries and Scotland



Workplaces for Refugees in Tranøy Municipality, Norway

Public–private cooperation between Tranøy Municipality, the local entrepreneur and the Norwegian State Housing Bank resulted in jobs for refugees with positive spin-off effects in the local community.

Anna Berlina, September 2016
Image: Reidun Aspmo



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Preconditions, Inspiration, Nurture

Tranøy Municipality is located in Lenvik region in Troms County in northern Norway. The total population of Tranøy Municipality was about 1,510 inhabitants in 2014, of which 121 were refugees. Population growth is among the important preconditions for enabling sustainable local development. In order to attract and retain new residents, there has been a need to build new housing in the municipality.

Implementation

A local entrepreneur, Juan Manuel Gonzalez Mantero, established a building company in Tranøy in agreement with the municipal authorities and the Norwegian State Housing Bank (Husbanken) in order to build dwellings for disadvantaged people, including refugees. In 2014, 20 apartment buildings were built in the village with an additional 16 in 2015. One refugee was employed within the construction process.

After the successful implementation of the housing project, the local entrepreneur—who himself has an immigrant background—started to look into other possibilities for creating new workplaces in Tranøy that would also provide employment for refugees. In 2015, the local entrepreneur established a cleaning company, Firma Safe-R AS, in agreement with the municipality.

Long travel distances turned out to be a significant challenge for cleaning jobs in Tranøy. Having a driver's license is therefore an important precondition for performing cleaning services in an efficient way. To overcome this challenge, the refugees employed in the cleaning company are offered the possibility of obtaining a driver's license. Being able to drive a car has been particularly beneficial and appreciated by single women with children.

As of today, the cleaning company employs two persons on a permanent contract (80%) and another four persons on an hourly basis. The company provides cleaning services mainly to local customers from the private sector.

In addition to creating jobs, the municipal authorities and the local entrepreneur have been extensively involved in the local community and have encouraged social activities in Tranøy. Football matches and a tango course were organized for the local population, which had a positive effect on increasing the attractiveness of the place and strengthening the community spirit. The revenues from the tango course were re-invested in building a climbing wall.

Since 2014, the local entrepreneur has been arranging annual street parties for the local inhabitants and refugees in the village in cooperation with the national People's Academy (Folkeakademiet) and refugee services.

Resources

The construction of the residential housing was fully financed by the Norwegian State Housing Bank (Husbanken), with implementation support from the municipality and the local contractor.

The establishment of the cleaning company was facilitated by support provided by the Public Employment Service (NAV). Today, the company is economically viable and has a positive economic performance.

The Network / Cooperation

The development in Tranøy can be characterized as a public–private partnership between the municipal authorities, state agencies and the local entrepreneur. The cooperation with the Norwegian State Housing Bank has taken place in the framework of the housing project, and with the Public Employment Service during the establishment of the cleaning company. The cooperation between the local entrepreneur and the municipal authorities continued after the implementation of the housing project due to a positive social impact of the initiatives on the local community.

The local residents, including refugees, have also been informally involved in the network through active engagement in the realization of the social activities, such as the street festival, which targeted a broader audience.

Enablers and Barriers

Among the important facilitating factors for establishing the cleaning company has been the availability of a workforce in the municipality and existing demand for the cleaning services. The initiative received strong support and encouragement from the private sector actors in the form of purchasing the services. A strong engagement and commitment on the part of the initiator, who was deeply committed to making the ideas take on concrete form, has been another facilitating factor.

Among the main challenges for starting up the cleaning service by recruiting refugees was the need for them to possess a driver's license, given the long travel distances in the area. This issue has been resolved by giving the employees a possibility to obtain licenses. Another limiting factor is the relatively small market in the area, which will not permit the company to expand its activities considerably.

Social Innovation Effects

Outcomes, Impact and 'Scaling'

The housing project and establishing the cleaning company have had multiple positive impacts on local development. Building new residential houses provided a living space for disadvantaged societal groups and refugees. Settling refugees contributed to the realization of the municipal goal related to population growth, which is expected to result in positive socioeconomic development in the municipality in the long-term.

Through the creation of jobs for refugees, the projects also contributed to reducing the state expenses related to paying out social benefits. The projects have also resulted in positive spin-off effects, such as strengthening the local community spirit and facilitating the integration of refugees in Norwegian society.

Among other project outcomes is the establishment of a stronger and viable cooperation between the public and private sector. When it comes to scaling up, there are good possibilities for applying the same cooperation and funding model to the provision of other types of services besides cleaning.

Lessons Learned

Closer cooperation between the Public Employment Service, private sector actors and the municipal actors has been crucial for the successful implementation of the initiatives. Public–private partnerships have proved to be a well-functioning collaboration model, including in the context of social innovation in rural areas, and their possibilities could be further exploited.

The presence of engaged local individuals who dare to try and take an initiative is of the utmost importance for driving such initiatives. Without engaged leaders, these types of initiatives are difficult to maintain over a long period of time.

When establishing a social enterprise like a cleaning service, in the case of Tranøy Municipality, the demand for services and the availability of labor are important to consider in the local context. A small market can be a limiting factor for such businesses in rural areas. In this connection, local community support and awareness about the values of the company and its positive social impact may play a crucial role when it comes to finding the customers.

References

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