



## Territorial Social Innovation in the Nordic Countries and Scotland



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### **Community-driven development in Röstånga**

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The work that has happened in Röstånga, a rural village of Southern Sweden, provides an inspirational example of community-driven local development with both positive outcomes for both social and economic development. Röstånga Together (Röstånga Tillsammans) is an association that was founded by the community in order to carry out some projects and identify the development ideas for future. The local residents have also founded Röstånga Development Company (Röstånga Utvecklings AB) a community-owned social enterprise that provides a financial platform to support local development.

## **Preconditions, Inspiration, Nurture**

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Röstånga is a small village located in Svalöv Municipality in Skåne County. With a population of about 900 inhabitants, the village has been facing the demographic challenges inherent to most rural areas in Sweden since the early 2000s. There has been general uncertainty and even negative feelings among the residents regarding the future development perspectives of Röstånga due to depopulation, shrinking public social services, etc. Although closing the local school was not on the agenda of the politicians, people felt that it remained a possibility on the short term.

## Implementation

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In 2008, some active local residents started to mobilize the social capital and decided to get a grip on the development issues in Röstånga. It all started with organizing discussion groups on the future needs and development perspectives of Röstånga. About 150 residents participated in the discussion groups on such topics as tourism, housing, culture and social services provision.

Among the key actors behind Röstånga's community-led local development have been Nils Phillips and Anna Haraldson Jensen, who together with Daniel Unnierbäck founded the Röstånga Together Association (*Röstånga Tillsammans*) in 2009 on a volunteer basis. In 2010, the association received LEADER funding under the EU Rural Development Programme to carry out a pre-study and seven smaller projects. The aim of a pre-study was to come up with more specific ideas and visions for the future development of Röstånga based on the input from the residents.

Seven development projects were then implemented during the next stage of the project. The project funding was used, among other things, to purchase a community bus. This bus plays an important social function by bringing local residents together and acting as a 'meeting place on wheels.' It is used for joint excursions and for transportation to various events. Other projects were focused on tourism, environmental sustainability and on fostering creativity and innovative development in Röstånga.

The LEADER funding has also been used to identify development ideas and more permanent solutions for the future after the end of the project. This is how the idea to establish Röstånga Development Company (*Röstånga Utvecklings AB svb*) was born.

In 2011, Röstånga Development Company was founded as a community-owned social enterprise and a financial platform for developing the area. The Röstånga Development Company Association owns 51% of the shares in the company and the rest is owned by approximately 400 shareholders, mainly local residents. The company is established as a limited liability company with a special dividend restriction, which means that it can generate profit but is limited by law regarding how the profit can be distributed. All the revenues are reinvested into the company. The development plan was inspired by an existing model developed by Flyinge Utveckling AB in Sweden.

Röstånga Development Company bought and renovated a building in the area which had been used as a cooperative refrigeration facility until the 1960s, and converted it into a miniature museum of modern art. Several other properties in Röstånga were bought by the company and rented out to local businesses. Among them is a former railroad station

building that was renovated and sublet to a restaurant in 2013. The restaurant generated three new full-time jobs in the community and several part-time jobs.

The revenues from renting out the properties are reinvested in the development activities by Röstånga Development Company. The company is driving several other housing initiatives and one of them is focusing on asylum seekers. The idea behind the initiative is to build housing for people who wish to build their lives in Röstånga. A further purpose of the project is to attract and retain new residents in the area.

## **Resources**

The Röstånga Together Association had no solid financial basis when it was established, and was driven on a voluntary basis. The social capital of the rural residents has therefore been the key resource used, both during the development and the implementation phase. LEADER and municipal funding has been used by Röstånga Together during the project phase of the initiative.

Röstånga Development Company is driven as a commercial community-based business, with residents owning shares in the company but still on a voluntary basis. The type and scale of the business and investments would not be profitable in a conventional business and as a result initiatives are heavily reliant on volunteers. These volunteers are the biggest asset for a community-led development business as Röstånga Development Company.

## **The Network / Cooperation**

The key actors involved in the network are local residents of Röstånga, many of whom are also shareholders in Röstånga Development Company. Everyone is welcome to volunteer and join as members in the Röstånga Together Association. Local non-profit organizations and businesses are both shareholders and key-actors for strengthening the local economy. Cooperation has also been established with the municipality.

## **Enablers and Barriers**

Among the key enabling factors has been the presence of visionary leaders and innovators with a solid knowledge base and experience in rural development issues. The initiators are experienced process leaders and project managers, and have played a strategic role in formulating the development vision. The idea of a community-based business establishment was already developed at an early stage, and the initiators have been successful in using the project funding as the means to implement this idea.

At the same time, reliance on a few individuals to drive the process shows the vulnerability of community-based initiatives. At the current stage of development, the initiative does not rely on the initiators' support to the same extent and is therefore more sustainable. Local residents involved feel empowered and believe in what they are doing, which is important for pursuing an inclusive development and growth strategy.

Since the establishment of Röstånga Together and Röstånga Development Company, the increased cooperation between different associations in the village, based on a common and more overarching visionary approach, has also contributed to the success of the solution. The projects and business are driven in a cooperative way, facilitating and delivering change locally, and making it easier for others to follow.

Among the key challenges is the short time frame of the project funding. Moreover, as long as project funding is politically steered, the priorities may also change frequently. This is why, from the very beginning, the initiators have been interested in mobilizing financial capital in another way and finding long-term solutions.

## Social Innovation Effects

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### **Outcomes, Impact and ‘Scaling’**

Community-driven development in Röstånga has sparked socio-economic growth. Within only eight years, Röstånga has become a significantly more attractive area to live and has experienced a positive population growth. There is no longer a discussion about closing down the local school. Instead, the local school is expanding. The local residents' views on the future perspectives of the village have also shifted from negative to highly positive. When communicating about the village, the residents express a sense of pride in belonging to the community.

Röstånga Development Company acts as a business development facilitator and contributes positively to the local economy. Although the company does not create jobs directly, it enables other people to obtain jobs indirectly through its activities.

## Lessons Learned

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Due to a high reliance of the community-based initiatives on social capital and few key individuals, it is important to ensure that the initiators leave room for other people to become involved in order to maintain the longevity of the solution.

Creating an atmosphere for creativity has been highlighted by the initiators as a key success factor within rural development initiatives. Empowering people and making them believe that everything is possible is an important philosophy. 'If you want something, make sure you do it and don't wait for someone else to take the initiative' is an approach that has proved to work in the context of Röstånga and can surely also be applied to other rural areas and initiatives.

Local development initiatives play an important role in mobilizing the social and financial capital in new ways. Facilitating, supporting and augmenting community-based initiatives such as Röstånga is a direction to take within rural development in Sweden. These types of actors should be more recognized and better supported in their work. The municipalities should find new way to cooperate with and finance local development initiatives, besides providing project resources.

For instance, housing is among the most important issues in Sweden at the moment. Building new housing units is impossible using governmental means alone. Among the possible solutions could be finding new ways of working with other actors willing to share the risks. Röstånga Development Company and similar initiatives could be among them.

## References

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Anna Haraldson Jensen, telephone interview, June 2, 2016

Building bridges in rural Röstånga: <http://www.aeidl.eu/images/stories/pdf/conference/en-08.pdf>