

Open local communities in the Nordic Atlantic

A report from the project Sustainable Value
Chains in Nordic Coastal Communities



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Preface

This is the second and final report in the research project "*Sustainable value chains in Nordic coastal communities* (NorValue)". The project was carried out in the period 2020-2023 as a collaborative organization between six Nordic universities and research institutions: University of Greenland, University of Akureyri, Icelandic Regional Development Institute, University of Faroe Islands, Nordland Research Institute, and Roskilde University. From these six institutions, both reports were written by the same team of researchers. It has been an important and instructive interdisciplinary and cross-institutional learning process, which we hope provides solid Nordic added value.

Observation, dialogue and local presence are important prerequisites for the kind of studies we like to undertake. This kind of work was made considerably more difficult due to the COVID-19 pandemic and made cancellations and changes in the work process necessary. Though, apart from a certain delay, the project has overall been successful and a rewarding journey, something which great many people have contributed to make possible. We therefore want to thank informants, interviewees, stakeholders and other locals whose help and information we could not have been without. Thanks to those assistants and specialists who helped to organize e.g. seminars and events in the field. A special thanks goes to Richard Apostle (Halifax) who carried out critical reading and proposed solutions to the chapters in the first report. The same applies to Nils Aarsæther (Tromsø), who did the same in the present report.

The origin of the NorValue project comes from the Greenlandic government's desire for up-to-date knowledge about the challenges and opportunities of Nordic coastal communities in an increasingly changing world. We hope that the comparative approach we have developed in this project will inspire further studies of importance for the future of Nordic coastal communities. Finally, we would like to thank the 2020 Presidency of the Nordic Council of Ministers, and the Greenlandic Government in particular, for the financial support to make this project and the two reports possible.

On behalf of the NorValue project team,
Gestur Hovgaard, project manager

Executive summary

Gestur Hovgaard & Jørgen Ole Bærenholdt

The project *Sustainable value chains in Nordic coastal communities* (NorValue) has investigated the transformation and resilience of selected coastal communities in the Nordic Atlantic (Norway, the Faroes, Iceland, and Greenland) since around the year 2000.

The first report (Hovgaard & Bærenholdt, 2022) uncovered some of the major changes in the industrial and institutional structures in eight selected communities: Nanortalik and Narsaq (GL), Siglufjörður and Ólafsfjörður (IS), Tvøroyri and Vágur (FO), and Lurøy and Vega (NO). Simply put, the last two decades have witnessed a transformation away from the local fillet factory as the cornerstone of the local economy towards more diverse economic structures. The first report also observed that profound changes have occurred in demography and social composition of these communities. Among these changes are aging populations, gender imbalances, and high relocation patterns, even in places which we may term as economic successful. The resilience of coastal communities' hinges on diversity and flexibility in their environmental and social organization. Historically, these communities have engaged in international value chains, particularly in marine products, and have been destinations for various forms of migration. This mix of global and local value chains, especially if infrastructures are in place, strengthens their resilience against unexpected challenges.

This, second, report is following up with the case studies in the same communities as the first report, and we decided to title it "Open local communities in the Nordic Atlantic". The title refers to our recognition that economic diversity is also closely followed by increased mobile practices and a diversification in terms of local identities and place values. In other words, people use, value and deal with places in still more different ways, something that in recent years is made visible by more dynamic migration patterns, e.g. by increased immigration of non-European citizens to many coastal communities who come to seek work, love or experiences. Another development in the same direction is the steadily increasing proportion of second homes seen in many coastal communities. Whether they be vacated or inherited, purchased for their amenity value or for rental purposes, they represent a variation in the local settlement pattern and contribute strongly to openness and diversity. Local communities thus depend on infrastructures, securing their connectivity. But on the other hand, we also find that people in spite of very different backgrounds feel a strong belonging to the very same places. This has

policy implications in a number of fields, where municipalities meet new and important challenges they need to cope with. The municipality's central role in Nordic coastal community development is something that continues.

Nordic Atlantic communities are thus in fact not insular or isolated but instead they are composed of people with various backgrounds, including long-term residents, newcomers, second home owners, international migrants, and seasonal workers. The openness of these communities is reflected in their economic activities, which often involve a mix of global and local value chains in activities such as fisheries, aquaculture, and tourism. Overall, open communities that are also resilient are defined by their capacity to embrace diversity and change, leveraging these attributes to build sustainable development. Key aspects of these open communities include: 1) A mix of permanent residents, temporary workers, and visitors, each bringing different perspectives and values. 2) A combination of local and global value chains, allowing the community to adapt to changing conditions. 3) An ability to adapt to economic and environmental change, involving flexible use of natural and human resources. 4) A strong sense of varied place values and belonging among residents, which is central for community cohesion and resilience. 5) A recognition of the contributions of all members to local development, including those with temporary or partial ties to the area. In sum, open local communities in the Nordic Atlantic, though exposed to vulnerable circumstances, can find ways to feel 'in control' through their diversity and coping strategies. However, it remains to be seen how they will cope with increasing vulnerability in the future, including the impacts of climate change.

References

Hovgaard, G. & Bærenholdt, J. O. (Eds.) (2022). *Value Chains and Resilient Coastal Communities in the Nordic Atlantic*. TemaNord 2022:555. Nordic Council of Ministers. <https://doi.org/10.6027/temanord2022-555>

Chapter 1: Open local communities: diversity and place-based values on the Nordic Atlantic coast

Jørgen Ole Bærenholdt & Gestur Hovgaard

1.1 Resilient local communities: bridging diverse value chains and place values

This report is part of a growing global interest in understanding the ongoing transformation of coastal communities and how these changes are managed locally, in order to contribute to the development of an ecologically and socially sustainable future (Armitage et al., 2017). For centuries, Nordic Atlantic coastal communities have been engaged in international value chains selling marine products in distant markets. Over a long period of time, these communities have also been a migration destination, with people moving there for work, leisure/tourism, love/marriage and seeking refuge, among other reasons; some people choose to stay, while others move on to other locations. Our first report (Hovgaard & Bærenholdt, 2022), from which we develop this introduction, found that a resilient local community builds on the economic diversity created by a mix of different global and local value chains. Economic diversification is thus key to building a robust economy that can withstand the 'unexpected and uncertain'. However, we also found resilience to be contingent on flexibility in the environmental and social organisation of local communities. Thus, resilience involves access to a variety of natural resources, as well as the redistribution of value between social groups.

We also observed changes in the social composition and structure of coastal communities. The resilience of these communities is impacted by an ageing demographic, gender imbalances and relocation, even in economically successful areas. Importantly, these changes are driven by increased mobility, which affects how residents value the place and feel a sense of belonging. Consequently, there is increasing variation in place values. Thus, there seems to be diversity in place values, which parallels our initial findings of value-chain diversity. However, the fact that the people belonging to a local community value a particular place plays a significant role in bridging diversity locally. Therefore, a key objective of this second report is to further investigate how local communities develop through diversity.

From the preceding discussion, we can say that local communities are made up of people connected to a particular place in a range of ways and who share diverse place values. The vital force of diversity appears to not only come from economic value chains of the various key economic sectors (fisheries, aquaculture, tourism, etc.), but also from the diversity of place values important to people with different kinds of attachment to place. People associated with a particular place come from different backgrounds and have different types of engagement. Some may only live some of the time in the local community, as they work in other places. Other people may work locally but come from other places, while others may commute in and out of the community daily. The research literature including, among other studies, Skaptadóttir and Garðarsdóttir (2020), shows how much the migrant population in Icelandic coastal communities has grown since 1990. Migrants often choose to settle in coastal communities, working in industries such as fishing, tourism, services, and similar sectors.

Our first report also showed that second homes play a significant role in the socio-economic structure of these communities. Coastal communities are recognised as attractive places for second homers, who are a mixed category of people with diverse relations to more than one place. This diversity thus also implies different kinds of place values, which will be further explored in a later section on second homes.

What we can deduce from the above is that coastal communities are becoming increasingly diverse and *open communities*. We thus want to investigate the following overall research question: *How does the resilience of local coastal communities in the Nordic Atlantic relate to their increased diversity and openness?*

To address this research question, we conducted case studies in local communities in four countries: Norway, Iceland, the Faroes and Greenland, as we also did in the first report (Hovgaard & Bærenholdt, 2022). However, while these case studies relate to issues discussed in this introduction, they were primarily conducted to gain further insight into the contextual issues observed in the first report. Each chapter outlines a more precise argument for the focus of the content.

To convey our understanding of place and place value, we will point to three general and important observations from our case studies:

The first observation concerns the importance of diversity for every local community. Local communities primarily share a particular place, but people increasingly use, value and deal with this place in very different ways. This allows for the kinds of flexibility and diverse activities central to the resilience of Nordic Atlantic communities.

Second, the places people live in and value, or only visit for shorter period(s) of time, are always in some way connected to other places. For instance, the concrete, but very different, infrastructural situation of each local community needs to be taken into consideration to understand this connectedness.

Third, municipalities have different roles and competences in Greenland, Iceland, the Faroes, and Norway, and, conceptually, municipalities can be approached in (at least) three different ways: as organisations, territories, and places (Bærenholdt, 2007, p. 175-179). For our investigation the point of interest is the relation between places and municipalities (as organisations for territorial responsibilities), which differs markedly among the case-study locations. For instance, our Greenlandic local communities belong to a geographically very large municipality covering several places. As we saw in our first report, people in Nanortalik and Narsaq are more bound to their local communities compared to the other cases. Also, the Icelandic local communities belong to the same municipality, amalgamating the two places of Siglufjörður and Ólafsfjörður into one municipality, causing certain tensions between places, as will be explained in more detail in Chapter 3. In contrast to the Icelandic and Greenlandic cases, the Faroese local communities of Vágur and Tvøroyri each have their own municipalities, with five additional smaller municipalities on the same island of Suðuroy. Finally, and with slightly more complexity, the Norwegian island communities of Lurøy and Vega are in fact formed and defined as municipalities, but Lurøy consists of several local communities and islands. The tension between place and municipality can be problematic, as seen in our case studies of Greenland and Iceland. However, the important questions to address are as follows: Which kind of relation between places and municipalities can best facilitate a strategic management of the 'open local community'? Is a multi-place municipality better at mobilising the diverse forces of the 'open community'? Or is it easier and more straightforward to bridge diversity when focusing on only one place? Furthermore, which of the situations is better for developing a resilient local community (such as, for example, the attempt to 'tunnel' places in the Icelandic case)? Finally, does a long-term tradition for a multi-place municipality (like Lurøy) in fact already produce a new, more stretched-out 'porous' place and 'open community', with shared place values over geographical distance?

Before returning to the discussion of 'open communities', resilience and place values, in the next sections we will first highlight some significant changes in the population dynamics of the local communities, and we will especially focus on the growing importance of both second homers and international migrants.

1.2 Population dynamics in coastal communities

In our first report, we generally saw age (pyramid) distribution figures develop towards 'slimmer' distributions from 2000 to 2020 as an indicator of ageing (Bogadóttir et al., 2022; Eythórsson & Thorgrimsdóttir, 2022; Larsen et al., 2022; Lebel et al., 2022). These numbers show that, like many other parts of the world, Nordic Atlantic societies are ageing, and this is especially the case in smaller peripheral communities. It is especially so where the younger generation moves away for education and other life experiences.

Depopulation and ageing are often seen as directly associated phenomena, but in fact their relationship is more complex than that a linear one would suggest. Although there may not be enough jobs or educational opportunities for the younger age groups locally, the senior population is also a resource, enabling more people live in often beautiful and calm distant places.

As observed in our first report (Bærenholdt & Hovgaard, 2022), there are interesting differences among our case-study communities. Declining population is especially seen in the Icelandic and Greenlandic local communities, but not in the same decade. Ólafsfjörður and especially Siglufjörður showed a lesser decline in population in the second decade of the 21st century compared to the first decade, which undoubtedly reflects the effect of the Héðinsfjarðargöng tunnel construction and other public investments. Meanwhile, the relative position of Ólafsfjörður to Siglufjörður has weakened, and this is especially the case for the population decrease from 2020 to 2023. Ólafsfjörður's population loss is on the same scale as that of Nanortalik. In addition, the two Greenlandic local communities in particular experienced decreasing population in the 2010s. This contrasts with the stability of the population in the two Faroese case-study communities which should be understood in the context that Tvøroyri and Vágur are the two 'town municipalities' on Suðuroy, where several smaller settlements and municipalities on the island are experiencing population decline (Bogadóttir et al., 2022, p. 79). This is a specific configuration of towns and settlements, which differs from the Greenlandic, Icelandic and Norwegian cases, where the statistical units include smaller settlements and farms scattered within the district/municipality.

Figure 1.1 shows how the population changed in three periods between 2000 and 2023 in the eight local communities studied.

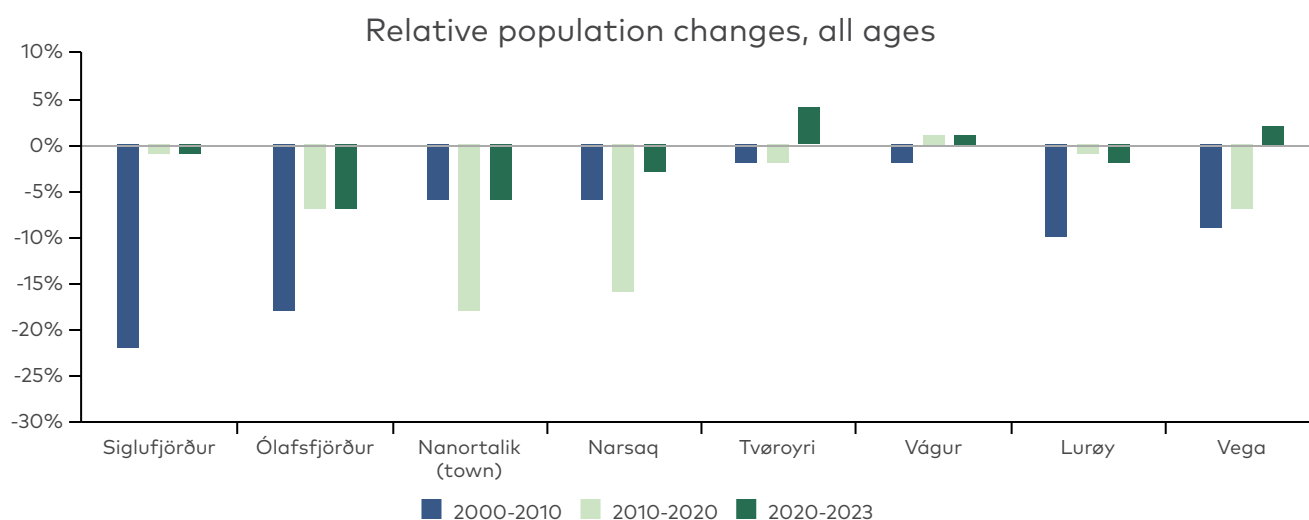
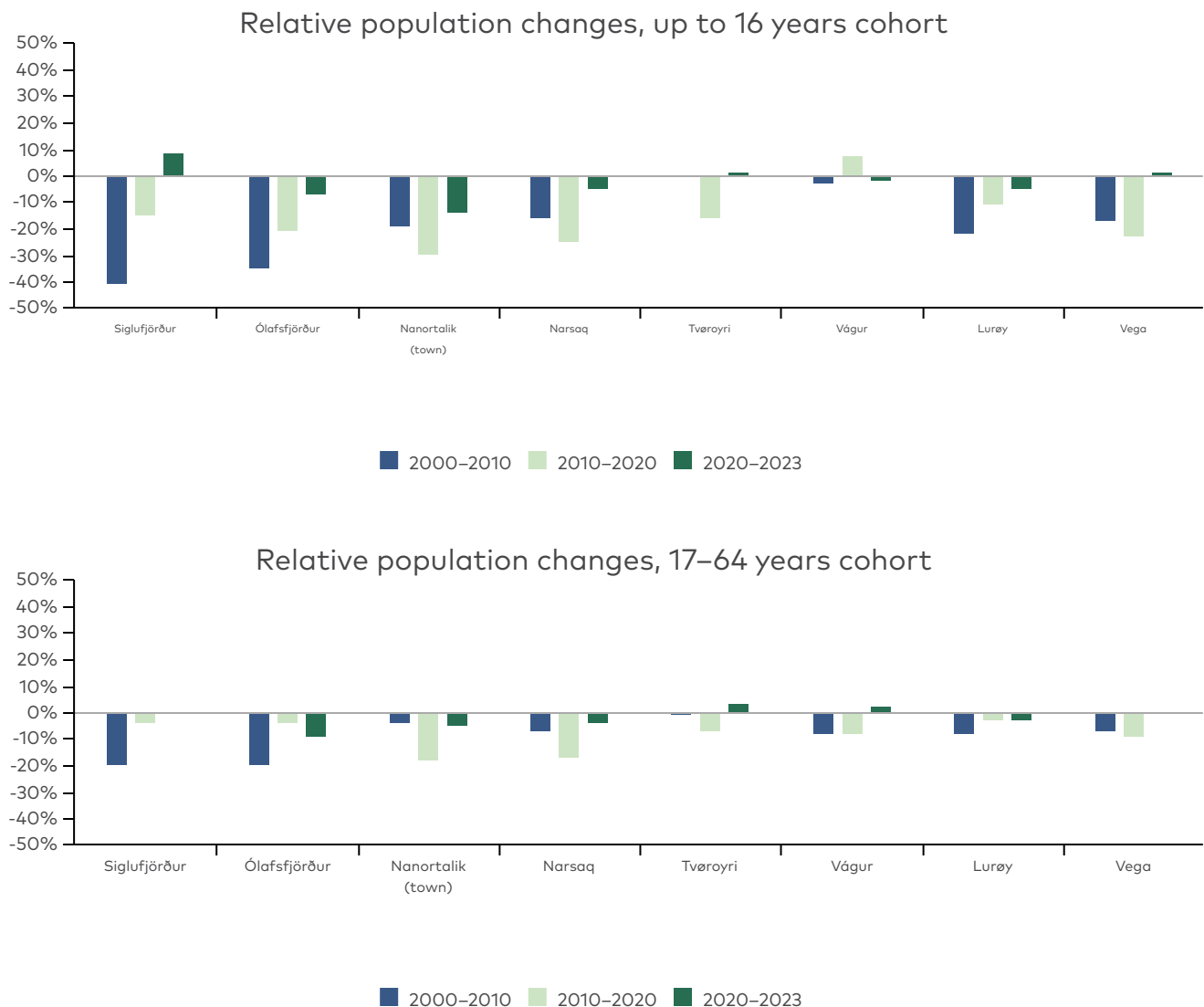


Figure 1.1: Relative population changes 2000-2023, all ages.

Source: Statistics Greenland, Statistics Iceland, Statistics Faroe Islands & Statistics Norway

The wider geographical, infrastructural and societal context clearly plays a definitive role. As highlighted in the first report (Hovgaard & Bærenholdt, 2022), the resilience of local communities depends greatly upon what we have called 'diversification from above'. Public investments such as those in a tunnel and a larger school in Siglufjörður and Ólafsfjörður (Fjallabyggd) play a significant role, but even with infrastructural improvements, geography matters: the neighbouring but less remote town of Dalvík (on the way to Akureyri) is not experiencing population decline. Lurøy and Vega are also facing a decline in population, but Lurøy (with many labour migrants), like Siglufjörður, had only a small decrease in the 2010s.

The overall impression of population loss is thus nuanced when we look at the numbers in more detail. This is also the case when the relative population change is divided into three age groups, as shown in Figure 1.2.



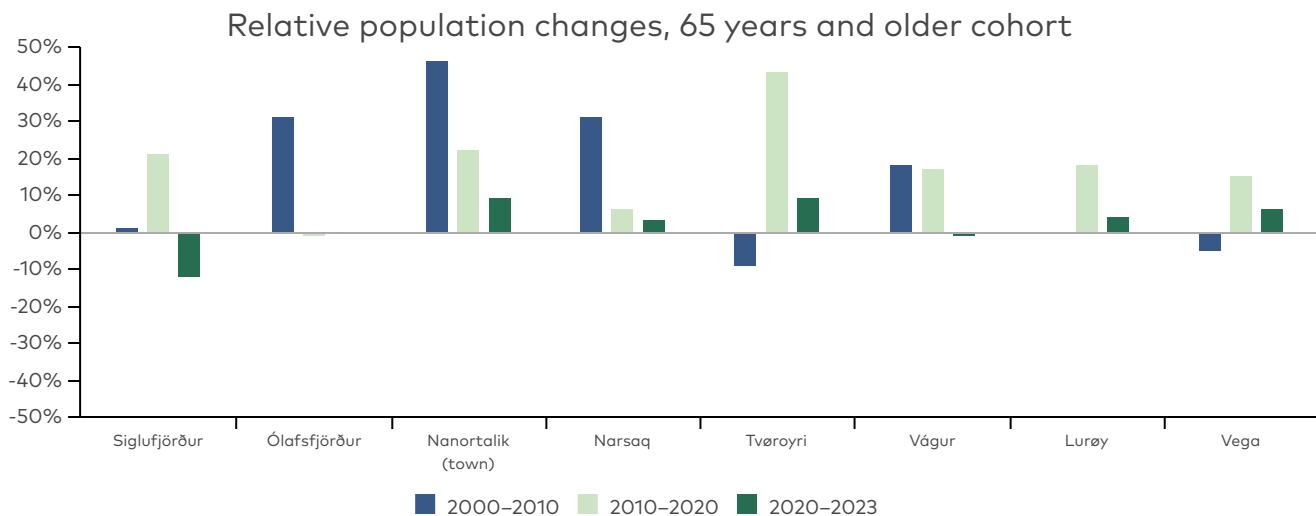


Figure 1.2: Relative population changes in three age cohorts

Source: Statistics Greenland, Statistics Iceland, Statistics Faroe Islands & Statistics Norway

Major relative changes are evident in the age groups of up to 16 years and 65 years and older, but this is of course also because the 17–64 year group is larger. Much of the change comes from the already settled population growing older (leaving the up to 16 years group and joining the 65 years and older group), especially since there are not so many births and older people are tending to live longer. There is a decrease in young people over time, and it is also evident how things have changed over time in Ólafsfjörður and especially Siglufjörður. The relative changes in the 65 years and older group are high, but also diverse, reflecting the size of different generations within each community as they age. Ageing occurs in all places, but the temporal rhythm differs. One factor is that in some places/periods and not in others, senior people move to other places when they retire. Some places are more attractive than others to seniors relocating.

The ageing of the population is a strong component, but only one among many. Also, although demographic statistics are highly reliable data, they only measure where people are registered to live and provide only limited information about their patterns of mobility. For example, more people live in their second homes than we might expect, not least among senior people. This openness to people moving to these communities is accompanied by a dynamic development over time in their population composition. Significant changes may occur from one decade to another, with marked differences between generations and where an individual's permanent address comes to play an insignificant role in their attachment to place.

1.3 Second homes and coastal communities – an opportunity or a trap?

A common observation in our fieldwork is that all our case-study localities have a significant number of 'empty houses', as some locals put it. The common feature is that these are properties mainly owned by someone from 'outside' of the local community. It is also evident that these residences are used to varying degrees and for different purposes. In some places, houses are empty and falling into decay. However, more often these houses are a positive asset for their owners, actively used as their second homes. The coastal communities studied in this project are therefore part of an international trend, where an increasingly large part of the coastal housing stock is owned by people other than the permanent locals. The fact that many coastal and rural communities have a housing structure characterised by second homes is a trend that can be traced back several decades, resulting from industrialisation and urbanisation in the post-war period. The Nordic region is also considered the place in the world where second homes are most common, with half of the population having access to a second home (Hall et al., 2009, p. 72). In recent years, many second homes not only have an identity connection but form part of market relations in an ever-growing tourism market.

Research into second homes has been ongoing for a long time, dating back to the early stages of emigration from the countryside. With increased mobility and the growth of tourism, the phenomenon has regained research interest, with Coppock (1977), Hall and Müller (2004) and Hall and Müller (2018) contributing essential reference works. Based on the literature and our own observations, we can see four important types of second homes in our case-study communities.

First, there are the vacated or inherited homes that the owners choose to keep for various reasons. This may be because the houses have poor value in the real estate market, or because the owners have a conscious desire to maintain their local connection. The Nordic region is referred to as the place where people most typically maintain their local attachment and as a region where an individual's place of residence is not necessarily the same as the place they feel most attached to (Marjavaara, 2008, p. 45).

The second type of second home is based on ownership, where the owners consciously purchase a property because of the amenity value of a particular house or local area. In this scenario, the owner typically does not have a prior identity connection to the local community. Coastal communities are typically among the communities that have a particularly high attraction value (Persson, 2015; Marjavaara, 2008).

The third type of second home is the purchase of existing or newly built houses, with the explicit aim of commercial exploitation of their amenity value. This type of second home is typically located in areas perceived to be attractive in terms of nature, experiences and services, as well as being integrated into the tourism industry. Ownership is decoupled from those who stay in the home.

The fourth type is a combination of the desire for local affiliation and market relations. Many people see the possibility of having a second home of their own, inherited or purchased, but also as a source of income. Technological platforms such as Facebook and Airbnb have made this combination far more possible.

This variation in housing patterns, which we will study in more detail in different ways in several chapters of this report, shows that today's coastal communities have a great diversity in their human connection. It is also clear that market relations seem to play a far greater role today than just one or two decades ago. In other words, the amenity value of coastal communities and the reasons for attachment vary widely, mirroring the diversity of value chains pointed out in our previous report. In addition, this diversity is closely related to the development of value chains, especially in tourism. Amenity values are associated with private property, but may also relate to common goods, such as common nature areas; these shared place values can also have an impact on the value of private properties. On the one hand, if there is a stronger form of engagement around a community and its environment, this will possibly have a positive influence on market values. On the other hand, the management of common goods through public access to lands may influence land price negatively.

As the title of Coppock's (1977) landmark book suggests, a classic theme in the literature is whether the increased proportion of second homes should be seen as a blessing or a curse. The early literature clearly leaned towards the more negative interpretation, while the more recent literature has shifted more towards the fact that second homes can make a positive contribution to local development, which again is associated with the shift in societal mobility and changes in the perception of the 'local' or 'rural'. Of course, this also depends on the types of second homes, as discussed above. If too many second homes are only purchased for commercial purposes, such as renting out to tourists, this may result in many tourists coming and going, these second homes do not contribute much to the building of 'place-community' and 'place value'.

Examples of poor planning, loss of local control, marginalisation and gentrification are also found in abundance. However, there are also plenty of examples where permanent and non-permanent locals meet, leading to local revitalisation and positive development. This shows the importance of contextual studies of the processes that result from the development of second homes. Furthermore, in the light of our understanding of open local communities, the growth of second homes and thus of non-permanent premises will not be reversed in the immediate future.

Therefore, this underscores the importance of strategic leadership, where we should not only explore the recognition of open local communities by local leadership but also dig deeper into the issue of how non-permanent locals, i.e. second homers, are involved in local development. This of course also applies to temporary workers, immigrant workers and other non-permanent locals.

1.4 Rural mobility and international migration

The field of rural studies has seen increased attention to the implications of different kinds of mobilities for local communities. These mobilities include migration, everyday mobility and virtual mobility (Milbourne & Kitchen, 2014). In general, people are moving more frequently and for longer durations. In some areas, international labour migration may compensate for the decline in the local population. For example, this is the case in several fishing and aquaculture communities in Norway, where the proportion of the foreign-born (migrant) population has reached more than 10% (Aure et al., 2018; Rye, 2018).

Research conducted by Aure et al. (2018) on Herøy municipality (Nordland, Norway), located between Lurøy and Vega investigated in this report, found that many international migrants working in the aquaculture industry were only partly integrated, since for international migrants the value of place was primarily tied to work opportunities. This implies that integration into the local community was more about living in the same place than actually taking part in a common community together with other individuals they know well. Obviously, this is also associated with migrants' low-status position in a segregated workplace. Thus, there are many people attached to a local community, but the kinds of attachments differ.

For some – 'the locals' – the value of a place lies in its significance as people's home, where they feel a sense of belonging in living there with their loved ones. For others – 'the mobile individuals' – the value of a place lies more in their jobs, which were also the reason for their movement to the place. This more mobile form of life has been a historical tradition in many Nordic Atlantic fishing hamlets, which originally emerged as seasonal places to stay in the fishing season (Bærenholdt, 1998, 2007). This is a tradition found in fishing hamlets (Búðir) in Iceland but is also connected to the seasonal fisheries in Lofoten and other places in Norway. However, research on different forms of contemporary village attachment in the Netherlands shows that it is more complex than a local–mobile dichotomy, since place attachment and mobility is strongly integrated but in diverse ways (Gielsing et al., 2017). Ambivalence in locals' perception of mobilities is also evident, as investigated in a Norwegian ski resort location (Villa, 2019).

It is illustrative to observe how former housing used by seasonal workers has become attractive tourist accommodation, with Rorbu tourism being an example of

this. Furthermore, seasonal work and tourism is related in many other ways. Ellingsen (2013) studied the contemporary combination of leisure mobility and labour migration in places in Southern Norway, finding that leisure mobility is highly connected to the translocal life of the very many second homers in Norway, where more and more people feel that they are attached to two or more places at the same time. Likewise, research into transnationalism has shown how migrants also feel attached to more than one place. From research on Polish labour migrants in the West Fjords of Iceland, Skaptadóttir and Wojtynska (2008) found that migrants were attached to places in both Poland and Iceland. In the transnationalist tradition in migration research, this is called bifocality. Migrants feel connected to the place where they live and work but are also connected to the place they came from, and where they aspire to return, when possible. Migrants value the place, where they live and work, but it is not the same kind of value or attachment as that felt among those born and raised in the place. Second homers also value the place of the second home as part of their translocal circulating life (Ellingsen, 2013). There is thus a diversity of values of place, but when these values are about the same place, place is also becoming a kind of common good. As mentioned in the following chapters, people do feel a strong attachment to places where they feel they belong. But most of the local communities studied are what we call 'open communities', where the different population groups feel different kinds of attachment.

The roles of international migration and second homes are certainly more significant in some of the studied local communities than others. This also relates to national differences, where international migration is higher in some countries than in others. For example, Iceland has become an immigration country, with very many Poles and other nationalities living and working in Iceland (Skaptadóttir & Garðarsdóttir, 2020). In contrast, Greenland had negative net (international) migration 2000–2021 (Larsen et al., 2022, 105). As mentioned above, many coastal communities in Norway have attracted a large number of labour migrants, especially in communities where there is demand for labour in the fish processing and aquaculture industries. This is also the case in Lurøy municipality, where the proportion of migrants in the local population is now more than 10%, but the share of migrants has also been high in Tvøroyri in the Faroes for some years. Siglufjörður and Ólafsfjörður (together forming Fjallabyggð) in Iceland have recently seen a growing proportion of migrants (see Table 1). In contrast, Narsaq and Nanortalik in Greenland have seen a decrease in the proportion of migrants in the local population. Here there is less demand for labour, and it seems that the number of Danes and other foreigners living and working in Greenland is also generally reducing. In 2000, among our case-study communities Narsaq had the highest share of migrants, but today it is only Nanortalik that has a smaller share. These numbers concern registered inhabitants, thus not counting, for example, Danes doing temporary jobs.

Table 1.1: Proportion of migrants in the local population*

Migrants' share of local population*				
Local community	2000	2010	2020	2023
Narsaq #	7,5%	5,3%	3,3%	3,8%
Nanortalik #	3,9%	3,4%	2,2%	2,5%
Fjallabyggd (Siglu- + Ólafsfjörður)	2,2%	3,6%	8,7%	9,6%
Tvøroyri	4,9%	5,3%	6,3%	9,8%
Vágur	3,1%	3,5%	4,4%	5,1%
Vega	1,1%	1,9%	6,3%	8,3%
Lurøy	0,9%	3,6%	7,9%	10,3%

* Migrant is here defined as foreign born with two foreign-born parents (or with parents' place of birth unknown, for the Faroes)

including the whole district with small villages and farms

Source: Statistics Greenland, Statistics Iceland, Statistics Faroe Islands & Statistics Norway

For Lurøy and Vega in Norway, international migration plays an important role for the population since net international migration has been positive in all years since 2005 (Lebel et al., 2022, p. 35-36). Without international migration, these local communities would thus have been more depopulated. The role of international migrants has followed a similar trend in Fjallabyggð in Iceland (Siglufjörður and Ólafsfjörður), partly due to the use of migrant labour in tourism as part of Iceland's general development. This is reminiscent of the growth of tourism in Vega. Furthermore, international as well as domestic net migration in this case changed in relation to the construction of the tunnel between the two towns (Eythórsson & Thorgrimsdóttir, 2022, p. 54-55). In the case of Tvøroyri and Vágur in the Faroes, the picture is more complex, since net domestic migration in many years from 2000 to 2020 is higher than net (international) migration, although Tvøroyri in particular has some international migration which can be related to labour demand in the fish processing industry (Bogadóttir et al., 2022, p. 83). However, in Narsaq and Nanortalik in Greenland the proportion of migrants is declining (Table 1.1), but this is not compensated by net domestic migration or a birth surplus. Therefore, the degree to which migrants contribute to the diversity of place values varies markedly. Hence, there may also be variation in the extent to which we should understand the local communities studied in this report as open communities. But

it is certainly the case that the different kinds of mobilities, including international migration affecting local communities, cannot be approached as only an external factor. The fact that people come and go, stay for parts of the year or for a part of their life, is something we need to understand as essentially integrated into the development of local communities. Local communities are thus always open and diverse in some way.

1.5 Value chains, resilience and the open community

In our previous report, we explained the idea of combining the concepts of resilience and value chains. One reason for this is that it is often one individual or a very small number of globally oriented value chains that are particularly important for the broader living conditions of coastal communities. Second, the approach was based on a recognition that there is a lack of understanding of the effect of value chains and their interaction with people and local communities in a broader sense (Bærenholdt & Hovgaard, 2022, p. 13-17). Since the introduction of the resilience concept by Holling in 1973, it has had multiple applications in fields including psychology, economics, sociology, disaster management, urban and rural development, and environmentalism. Recently, there has been a small but growing literature on resilience and coastal communities, not least from an environmental or climate change perspective (Armitage et al., 2017; Filho, 2018; Heidkamp & Morrissey, 2019). Resilience can basically be defined as a response to adversity and refers to the capacity of an area – a coastal community – to adapt to alterations and to cope with their ecological, social and economic vulnerabilities, that is, to reorganise in new ways and build up new sets of structures and processes. The human dimension and the environment condition each other and are intrinsically intertwined, together forming a complex adaptive system, a social-ecological system (SES). But there is also an inextricable connection between different systems and areas, which extends from the local to the global, where resilient development in one area can create vulnerability elsewhere. Using the value-chain perspective is one way to try to capture the complexity of a holistic system.

We know that some coastal communities are more resilient than others and that there are local factors that make a difference. When some peripheral local communities have managed at least partially to stabilise their population since 2010, it is closely related to developments in the public sector in the form of welfare arrangements and infrastructure investments, as was also the case in the 1970s (Brox, 1984). But resilience is also based on the expansion of new economic sectors, such as aquaculture, tourism and other blue economies. The expansion of the blue economy sector has also been accompanied by a growing number of international immigrants who perform many of the less attractive job functions. Furthermore, as mentioned above, second homers are increasingly contributing to diversity in community development, demanding services and construction, and renting out

their properties, further contributing to tourism. But demographic stabilisation can also depend much on the ageing of the population, since many seniors prefer to stay or even relocate or return to living in small communities; thus, the senior part of the population can be seen as a positive asset. In a few cases, young people in their 30s also settle in these communities. As we saw in earlier sections, local communities differ in their population composition, which raises the question of whether these differences also result in different capacities to meet new challenges, including in resilient ways.

One way of fostering adaptive change is to offer activities that the locals can be proud of, such as different forms of festivals that actively highlight the unique characteristics of the place. Another way is to resist the closure of a school and campaign to get it reopened in a new organisational form. Or new businesses can be developed and defined, with the community as a main identifier. These are examples of organising among local groups to reverse a negative trend where the qualities of the place, image building and local traditions are highlighted as essential goods. An important issue is the legitimacy of such local groups and their work with adaptive processes. To receive legitimacy in the wider community, it seems important for them to be embedded in local government institutions (Amundsen, 2015, p. 270).

Amundsen (2012) put forward six dimensions of community resilience: community resources, community networks, institutions and services, people–place connections, active agents, and learning. Moreover, Kokorsch and Benediktsson (2018) list 11 different components of resilience which are applicable in an Icelandic community context, which they – based on their empirical findings – divide into four main components: the individual, the policy framework, diversification, and education and innovation.

Subjective dimensions like well-being and values have been applied more recently in resilience research. In her analysis of two Northern Norwegian coastal municipalities, Amundsen (2012) found that place attachment is a powerful motivator for adaptive change in a changing social context. Place attachment includes physical characteristics and the subjective meaning of place, simply because it connects with what matters to people and what they care about (Amundsen, 2012, p. 258). Diversity in strong place values makes people and organisations engage with strategies of local redevelopment. But they often need to be held together by a sort of programme or 'strategy' (Healey, 2010, p. 166-167; Nyseth & Viken, 2009). Who takes strategic leadership? Is it the municipal authorities or other actors that enact and engage in local development strategies? And what is the role of people's civic engagement in this? Is the engagement among young, senior or other age groups? And what is the role of state and (if relevant) regional-level decisions? This is particularly interesting, since local communities are 'open communities' often composed of a diversity of people. Therefore, it is crucial

for strategic leaders to acknowledge the 'open community' and thus include non-permanent residents.

1.6 Place values and the common good

Places matter; they have value for people. The money value of land but also the value of belonging to a place matter, pointing to something more common or community like. In contemporary discussions about place, Cresswell (2019, p. 165-184), based on a detailed montage study of a particular place, suggests a theory which goes beyond and bridges some of the binaries in contemporary use of and thinking about place. On the one hand, there has been a tradition of looking at place as a closed community of people, while on the other hand the dominant relational tradition has suggested that places are profoundly about networks and outreach connections. Nordic Atlantic communities are very local, with a strong sense of belonging, as well as very much tied up in global value chains. In dealing with this kind of duality, Cresswell suggests transcending, thereby also combining insights from, traditional phenomenological/subjective and materialist/objective approaches to place. Places thus gather and weave together nature, culture and society, and in line with this Cresswell (2019, p. 176-184) suggests approaching places through the lenses of Materials, Meanings, and Practices.

Moving closer to our kind of investigation, the famous planning researcher Patsy Healey (2023) in her new book on rural development activism, based on her own local community in northern England, addresses how people acting in civil society capacities and roles take care of and fight for the place they call 'here'. Interestingly, her approach is very similar to our idea of the 'open community' when she writes:

"My primary interest is in struggles for a future shaped by values of openness and respect for others, rather than for one shaped by any mindset dominated by a dualistic, exclusionary and aggressive attitude to people not like "us" (Healey, 2023, p. 7)

Working with the community of Wooler and Glendale (Wooler having just under 2,000 inhabitants, similar in scale to our case-study locations), Healey refers to the Wooler Neighbourhood plan working towards a 'strong sense of community: a place which attracts visitors and welcomes new residents' (2023, p. 9). People are attracted to the community because of nature and the landscape, and while housing is cheap, there is also an ongoing 'form of rural gentrification' (Healey, 2023, p. 9). Her approach is sympathetic to geographical approaches to place, like that of Cresswell, but her planning perspective means her focus is more on public or common value, involved in making what she calls a 'place-community' (Healey, 2023, p. 13). Places have certain qualities (amenity value and more) that are used in and ease the formation of community.

It is interesting to see how common values associated with place emerge in thinking about place–community development. In contrast to the money value of land and houses, the common value of a place is something shared, and if tourism is still ‘small tourism’ (Bærenholdt et al., 2021), the common value can still be shared with tourists and other visitors. However, it is worth mentioning that if the value is no longer commonly shared by an ‘open community’, the common value evaporates, and the community is lost.

Therefore, it is essential to see if local communities can remain – or succeed in becoming – resilient, taking care of the common good when taking care of their place. Here, sociologist Laurent Thévenot’s research on regimes of engagement (Thévenot, 2007, 2016; Bærenholdt et al., 2021) is an interesting inspiration. In addressing the common good, Thévenot suggests a distinction along a dynamic continuum of forms of engagement, starting with familiar engagement, associated with one’s home, such as using nature or taking a walk. But this first (rather private) form of engagement can develop into more collective forms, involving engaging with planning activities of certain types. The third form of engagement is about justifiable actions aimed at achieving societal goods on agendas, where broader societal or political justification is central. Such successive forms of engagement, which can be supplemented with additional forms, can be used to analyse and understand the extent to which place communities can justify themselves and gain recognition among people and within broader society. The continuum spans from personalised to more generalised forms, aiming at gaining wider recognition from more people.

‘Open communities’, as discussed above based on the findings in our first report, can develop along these lines, from communities where people are hospitable and open-minded to more stable place communities, where strategies are built and justified with reference to the diversities contributing to the resilience of local communities in one or more places. This conceptualisation builds on people sharing an attachment to a place due to the common value of the place’s qualities. These common values of place can be analysed through the dimensions of materiality, meanings and practices, as suggested by Cresswell (2019). Meanwhile, the common goods of places are always in some kind of tension with the more private and market-oriented value of place, in the form of private property. This can be the case with second homes, as we saw in a section above.

1.7 Contributions of this report

In the following chapters, we report on case studies in local communities in each of the four countries of Norway, Iceland, the Faroes and Greenland. While these case studies relate to the issues discussed in this introduction, their objective is to obtain further insights into the contextual issues observed in the first report (Hovgaard & Bærenholdt, 2022). Each chapter presents a more precise argument for the focus of its content. Across these chapters and the local communities and places they focus on, there are two general observations we want to stress. First, the places that people live and value, or, for some, only visit for shorter period(s) of time, are always places connected to other places, in some way or another. Here, it is obvious that the very concrete, and different, infrastructural situation of each local community should always be taken into consideration. The other observation is the importance of diversity for every local community. Local communities primarily share a place, but people use, value and deal with this place in very different ways. This allows for the kinds of flexibility and pluri-activity so central for the resilience of Nordic Atlantic coastal communities.

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Chapter 2: Strategies towards resilience in Nordic coastal communities

Insights from Lurøy and Vega in Northern Norway

Julien Lebel & Maiken Bjørkan

2.1 Introduction

Coastal communities in Northern Norway have registered negative demographic trends in the past decades, which affects their structure as many people moved to bigger cities, both in Northern Norway (Mo i Rana, Bodø) and outside the region (Oslo). In this context, some observers are openly questioning the future of local communities and municipalities losing inhabitants (according to national statistics), while at the same time the topics of resilience and sustainability of vulnerable places are more frequently discussed.

On the coast of Helgeland, the municipalities of Lurøy and Vega are relevant cases to analyze ongoing economic and social transformations and at the same time to collect data on the perceptions of the inhabitants regarding their own community and its evolutions. The development of aquaculture and tourism has obviously led to new opportunities in terms of jobs and strengthened some local services. However, the activities deriving from these sectors are pressuring the natural environment, in addition to exacerbate the dependency of these local communities on external actors, whether they are consumers of exported seafood or (foreign) visitors spending their free time in the area (Lebel et al., 2022).

The value chains in both Lurøy and Vega display an adaptation to new contexts over the past decades, and they will for sure keep evolving in the future. The resilience of these municipalities depends on factors that underpin the ability of the local communities to tackle new challenges and to reconsider how local resources could be best used. A strong sense of belonging, a historical ability in combining different activities, and a flexible use of local resources (both on land and at sea) are important elements to implement adaptive strategies. Moreover, the potential of collective action, facilitated by the maintenance of municipal status in Lurøy and Vega, entails the potential of professional community leadership as these municipalities have both a full-time mayor. This results in planning strategies and the use of economic resources that focus on community development.

Ongoing developments should help to reflect about the meaning of being part of an "open community" – as both Lurøy and Vega can be described – and how this contributes to build up resilient places, whether it is by spending some free time in a second home, visiting the same place every year as a tourist, working remotely, or being a year-round inhabitant that adapted to local transformations in the past decades. The diversity of the inhabitants and visitors, connecting the island with the outside in different ways (export of local products, tourism, social ties with groups that are based in various locations), constitutes a central parameter in building up resilient "open communities". This counterbalances the remoteness that characterizes these communities and instead could have favored another development path with limited diversity and restricted connections with other regions.

Based on fieldwork conducted in 2022 in Lurøy and Vega (semi-structured interviews with inhabitants in different settlements and visits of diverse areas in these municipalities), literature and documents analyses, but also statistics compilation, this chapter will first address the structure and the composition of the local communities by focusing on how different groups of people contribute to their resilience and the existing value chains, respectively. The impacts of the development of aquaculture and tourism will then be emphasized, with Vega as characterized by tourism, and Lurøy as an aquaculture municipality. Understanding the ongoing strategies led by key stakeholders is, finally, essential to analyse the evolutions in these communities. This will help to assess to which extent Nordic coastal communities could build up their resilience in the face of future challenges.

2.2 The open local community: outreaching but sharing a strong sense of belonging

Norway has a long and rugged coastline that is characterized by specific geographical conditions at a local scale. A myriad of communities has developed all along this coastline, whether on the shores of the mainland or on small islands, taking advantage of local resources on land and at sea. Rough climate and accessibility mainly or only depending on sea transport have facilitated the formation of this network of multiple communities. The concept of community has long been debated in academic literature, especially around the issue of place. Social relations do not necessarily take place at a common geographical location since people can have meaningful relations without living close to each other (Bradshaw, 2008). Yet, coastal communities in Northern Norway can, at first, be described with the traditional features that characterize a community according to social scientists: sharing a common geographical location, expressing belonging and participating in common tasks and problem-solving.

2.2.1 Population structure and composition

Even though statistics show negative demographic trends in the past decades,^[1] the population has become less homogenous in many coastal communities as we can today identify a significant contribution from in-migrants and visitors in both Lurøy and Vega. Their relation to the municipality differs according to various parameters, especially if it is their main place of residency, if they have family roots locally and/or if they just visit the area in their free time. During fieldwork it was possible to notice a strong sense of belonging among both inhabitants and visitors, along with the idea that everyone is contributing in their own way to the life and the development of the community, as people interact in shared tasks and express a strong attachment to the place. Interviewees underlined the access to nature and the proximity of the sea as the main assets of living in these places. The ones who were not born in these communities but moved there later to settle down also mentioned that they easily became a part of the community. Some others consider having a meaningful work that contributes directly to shaping the community and its environment. It is therefore important to underline that statistics about demography do not capture the inner dynamics that characterize these municipalities.

In both Lurøy and Vega, the following groups can be identified:

- **People who stayed and often adapted to local transformations by shifting their activities**

A large part of the population who never left the community is made of older generations. Many of them managed to adapt to different challenges and often had to shift their activities, for example from fisheries to tourism or aquaculture. They are strongly involved in the life of the local community and have a valuable knowledge of historical evolutions and local resources that are available. Their partner can, however, come from another place and have settled down in the community at a later point. Because of the continuous population decline that has been described as a negative trend for several decades, some of the people in this group tend to be more skeptical about the future of the community.

- **People having local ties and who decided to move back**

Along with the evolutions of the job markets and a stronger interest for living close to nature in a quieter environment, many people decided to settle down in small coastal communities in the past years. However, their choice was mostly relying on a local job opportunity and good local services. It is interesting to note that many of these people have ties with the local

1. Between 1950 and 2020, the number of inhabitants has been halved in Vega, while it has decreased by 35% in Lurøy. See statistics details in Lebel et al., 2022.

community before moving there, especially family ties. Broader job opportunities might help to retain and increase the share of such new residents in the future.

- **People who decided to settle down after visiting the area**

This category of people is pretty similar to the previous one, except that they do not have ties with the community before settling down. These people often discovered the area by visiting it and might have realised at a later point that they wished to continue their life there. The lack of job opportunities is however a strong barrier, but some people have created their own activities to get an income, especially in connection with a growing tourism sector.

- **Second home owners**

Many people own a house that is not registered as their main place of residency in Lurøy and Vega. Yet, they spend most of their free time in the municipality and might even work remotely on some occasions if they have such opportunities. The increase in second homes is often perceived as a challenge for the housing market, especially in areas where there are very few possibilities to buy a house as a main residency. Yet, second home owners contribute to the local community by maintaining their house and using local services. They are often involved in local debates regarding the future development of the community and may have close ties with other residents.

- **Refugees**

Norwegian municipalities receive refugees from different regions of the world. In small communities like Lurøy and Vega, this is an obvious driver for population increase and an opportunity to strengthen local diversity. These new residents are for example valuable in Vega to help taking care of the World Heritage area and keeping the community as lively as possible, especially when refugee families become users of local services (schools, healthcare services, supermarkets, etc.) and participate in community events and organisations on a year-round basis.

- **Seasonal or short/medium-term contract workers**

The development of new activities in tourism and aquaculture has led to new workforce needs, especially on a seasonal basis. Even though such workers have short or medium-term work contracts, they become part of the local community by using local services and taking part in social events in the municipality. As Lurøy developed its infrastructures to improve the quality of life and to better meet the needs of the population, particularly on the island of Lovund, the municipality took a step further by trying to retain this workforce on a longer term, while encouraging them to settle down with their family.

- **Short-term visitors**

Tourists have a significant impact on local communities where many services and infrastructures have been adapted to handle the flow of visitors. Even though Vega does not experience as major flows as in other places in Norway, like the Lofoten archipelago for example, visitors are still considered an important part of the local community. Due to the particularity of Vega, its rich nature in a protected environment and the existing opportunities for specific outdoors activities (like sport fishing), some visitors come back to the island over the years. They tend to develop their own habits and to stay at the same location. On the contrary to other regions where tourism can be perceived as a burden by local inhabitants, some interviewees highlight the importance of visitors to maintain a dynamic environment, an attractive cultural life and good local services. Since visitors tend to stay for a somewhat longer period, their contribution to the local community is apparently more obvious for the residents.

2.2.2 The relations to place and time in "open communities"

The diversity of the population can be seen as a strong driver of resilience for these municipalities that have for decades experienced emigration by younger people. Today, new residents/visitors with various backgrounds and reasons have settled down/spent time in Lurøy and Vega. Therefore, we can consider these localities as "open communities", not only because of increased diversity, but also as they are characterized by strong connections with other regions.

Yet, this diversity can also constitute a challenge due to the varying interests and ambitions among different groups of people forming the community. Some of them plan to live there in the long run, while others have a rather short-term horizon, especially when having a temporary work contract. Besides these differences regarding their relation to the future, the amount of time spent in the community differs, especially between year-round residents, second home owners and short-term visitors. The community can, therefore, be mainly perceived as a recreative area, the main place of living, and/or a place offering economic opportunities on a medium-term basis.

Fieldwork however revealed a strong sense of place belonging, despite the existing challenges in coastal communities and the various types of relations existing between people and these municipalities. All interviewees mentioned that they would not move to another place, despite pointing out obvious obstacles that have implications in their daily life. Whether they are year-round residents, second home owners or regular visitors, everyone is often involved or shows interest in the current issues and shares concerns for the future, especially when it comes to demographic trends and ensuring the presence of local services in the long run.

Interviewees also consider taking part directly in developing the local community, whether it is through their work or through activities in their free time. This involvement constitutes a useful asset to design new projects and develop solutions to the existing challenges in a creative way, which can in turn strengthen existing value chains and create new ones.



Transport is considered one of the main challenges by the inhabitants in both Lurøy and Vega. Speed boat services offer connections with the mainland, but they are dependent on weather conditions.

Photo: Julien Lebel.

Even though the fieldwork did not focus on the people who left the community, data from interviews tend to indicate that young people were mainly the ones who left the community for various reasons. These include opportunities to study at another location, lack of job opportunities in the community, challenges to find a house, and lack of attractive transport connections to other locations outside the municipality.

2.3 Aquaculture: impacts deriving from the growth of the "blue economy"

The "blue economy" encompasses both "ocean industries" (oil and gas, fisheries, aquaculture) and activities like tourism, offshore wind power and marine biotechnology (Norwegian Ministry of Trade, Industry and Fisheries, 2021a). The growth of these industries, and particularly aquaculture, has led to important transformations in many local communities, especially in Lurøy municipality. On the one hand, the aquaculture industry has its merits. It serves as a significant source of employment in rural areas, provides a sustainable protein source to meet the increasing global food demand, and acts as Norway's alternative to the petroleum economy, often referred to as "the next oil". It plays a crucial role in sustaining the country's welfare standards (Olafsen et al., 2012; Almås & Ratvik, 2017). On the other hand, the aquaculture industry is facing intense debates and public scrutiny due to vivid images and stories portraying how it harms the environment and restrict other activities, like fisheries. These discussions challenge the industry's credibility and social acceptance (Bjørkan & Rybråten, 2019).

2.3.1 The issues of sustainability and social acceptance

Norway is one of the main seafood producers in the world, especially as the country is the biggest producer and exporter of Atlantic salmon and rainbow trout, which explains the strong position of aquaculture in national strategies (Norwegian Ministry of Trade, Industry and Fisheries, 2021b). Even though aquaculture has developed on a large part of the Norwegian coastline, mainly from the county of Vestland to the county of Nordland, the production has increased the most in the Northern regions after 2010. This is mostly due to favorable geographical conditions to develop the industry in the sea and fjords of Nordland County. More than 100 companies currently have permits to run fish farms with Atlantic salmons and rainbow trouts. About 170,000 tons of salmon, but also trout and rainbow trout to a lesser extent, were produced on the coast of Helgeland and in the south of Bodø in 2020 (Norwegian Ministry of Trade, Industry and Fisheries, 2021b), corresponding to 10-15% of the whole aquaculture production in Norway.



Aquaculture farms are common on the whole coast of Helgeland. They require an exclusive use of marine space.

Photo: Julien Lebel.

Implementing knowledge-based management is a fundamental principle across various sectors in Norway, as highlighted in government reports (St.meld. nr. 42, 2000-2001; St.meld. nr. 8, 2005-2006). It is regarded as a crucial factor in ensuring sustainability. In line with this, the government proposed a framework for "predictable and environmentally sustainable growth of the Norwegian salmon and trout aquaculture" in 2015 (Meld. St. 16, 2014-2015), known as the Growth system. The key instruments are the Traffic Light system (TLS) and the aquaculture fund.

The **TLS** entered operation in October 2017 and constitutes the current basis for regulating the growth of aquaculture through adjustment of the size to production permits. The TLS should ensure a knowledge-based and predictable framework for growth and this is achieved through the level of sea lice as its only performance indicator (Karlsen et al., 2016). Here, traffic lights are used to indicate areas where growth is acceptable, areas under observations and areas where reduction is necessary. To operationalize the TCL, the coast is divided into 13 aquaculture production areas. The 13 aquaculture production areas are managed based on collective penalties for exceeding the sea-lice limit at a given time for all the aquaculture companies in each area (Meld. St. 16, 2014-2015). The Helgeland region with Lurøy and Vega is located in production area 8 (Norwegian Government, 2022). Importantly, this is a green area and growth is allowed. The region is

therefore a hotspot for aquaculture firms looking to expand. This creates optimism in the region but is also a source of conflict since people are split in their views on aquaculture, as it was reported by interviewees.

Another important social aspect of the Growth system is the **aquaculture fund** (*havbruksfondet*) (Norges offentlige utredninger 2019: 18, 2019). The means of the fund derive from taxes on production increases. Around 80% of the taxes collected are directed to the aquaculture fund, which is then allocated to the municipalities where increased production is planned. The purpose of this fund is to encourage coastal municipalities to create more space for the growth of aquaculture, as part of their responsibility for coastal zone management. One of the main challenges to growth has been the perception that coastal communities do not receive sufficient benefits from aquaculture (Sandersen & Kvalvik, 2015). The growth system aims to address this by compensating communities for their efforts in facilitating expansion and development in the aquaculture industry. It is expected that this approach will enhance the social acceptance of aquaculture activities. In 2023, 1,4 milliards NOK were redistributed to Norwegian municipalities and counties: Lurøy obtained 18,8 million and Vega received almost 3 million, which illustrates that this redistribution system mainly encourages and supports municipalities that have significantly developed an aquaculture sector. This system creates "winners and losers" and has generated heated debates in Vega where some are arguing that the UNESCO World Heritage Status is preventing the municipality to develop, compared to neighboring municipalities like Lurøy.

Research and development in the aquaculture sector typically concentrate on environmental and economic outcomes. However, the growing use of marine space, competition among industries, and the priorities of coastal communities have become increasingly important social issues (Billing, 2018).

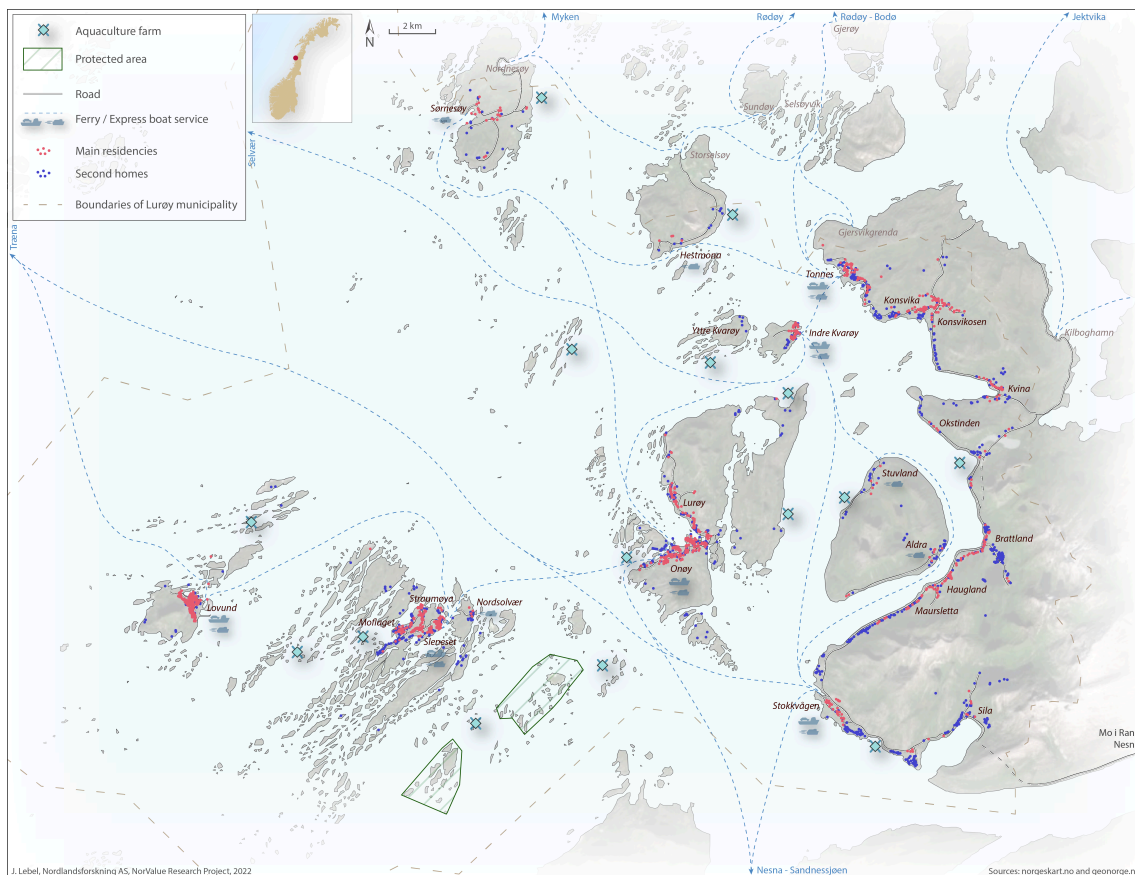
While measures like the TLS focus on ensuring biological sustainability, the aquaculture fund is based on economic rationality, assuming that scientific knowledge production will directly guide decision-making. However, these assumptions fail to explain the motivations and sentiments influenced by socio-cultural factors (Kahan et al., 2012), which play a key role in establishing social legitimacy.

2.3.2 Coastal planning and conflicting interests

The development of new technologies along with the implementation of more sustainable practices and the use of alternative feedings for the fish are expected to boost the sustainability of the sector and reduce its environmental footprint. Yet, the growing number of fish farms is leading to tensions with other users of sea areas, mainly fishermen/women (Bjørkan & Eilertsen, 2020). Increasing tourism in coastal areas may also lead to contradictory interests in how to develop some

areas, while an increasing number of second home owners are willing to preserve a quiet and natural environment around their properties. As observed during fieldwork, there are diverging opinions between and within the communities: some inhabitants have a negative perception of the extension of industrial activities like fish farms, while others consider it provides new job opportunities for the youth, which is positive for the future of the local community.

As Lurøy is a pioneer in the development of aquaculture in Norway and strongly benefits from the presence of local companies, the majority of the inhabitants is positive about the sector. Interviewees mentioned for example that the presence of aquaculture companies contributed to improving ferry services to/from certain islands (map 2.1). Such transport connections influence the population distribution as most of the year-round residents live on islands that have regular ferry services. However, the possible extension of fish farming activities in Vega is splitting the population. The conclusion of an independent report that advised against the presence of fish farms in the Heritage Area (Vega World Heritage Center, 2022) did not match with the expectations of the municipal council of Vega, that is willing to increase economic benefits from aquaculture, like the neighboring municipalities, through the Growth System as described above.



Map 2.1: Map of Lurøy.

Source: norgeskart.no and geonorge.no.

Local stakeholders, especially municipalities, have an important role to play in managing the growth of the aquaculture sector and its consequences. In 1992, only 22% of Norwegian municipalities had land-use plans for their coastal zones. By 2010, 87% of the municipalities had such plans. An early evaluation of municipal coastal zone planning showed that the aquaculture industry had gained more influence over time (Movik & Stokke, 2021). The study also revealed that considerations for fishing gained more influence in the plans the further north one went, as the coastal fishing industry is larger in Northern Norway.

As the aquaculture industry continues to grow, it faces significant spatial challenges. Factors like increased production, new technology, evolving production methods, and changing requirements from industry authorities are reshaping the areas where the industry can operate (Karlstad, 2022). To address these changes, comprehensive coastal zone plans need to be regularly updated. However, according to Stokke (2021), small coastal municipalities often lack the necessary professional expertise or resources to meet the demands of modern planning. Stokke (2021) argues that regional processes under the governance of county municipalities are necessary to effectively regulate the expanding aquaculture industry and strike a balance between aquaculture interests and other coastal zone concerns. This viewpoint faces resistance, particularly from municipalities that believe they have sufficient planning expertise.

From 2013 to 2019, an inter-municipal coastal planning collaboration was conducted among 13 municipalities in Helgeland, including Lurøy and Vega. This project used a "reverse planning methodology", which means that the municipalities planned large areas for multiple uses, including aquaculture, unless it was proven to be incompatible with other interests. This approach sparked controversy, as it allowed for aquaculture in areas where it was not initially considered incompatible with other activities (Sandersen, 2021).

Therefore, spatial planning strategies developed by the municipality of Lurøy focus on giving possibilities for aquaculture companies to develop their activities in the future, reflecting the common practice in many coastal municipalities to include large areas with "combined purpose" where the establishment of fish farms is possible (Holand & Thorsen, 2018). On the contrary to other activities at sea, like transport and fisheries, aquaculture requires an exclusive use of marine space, preventing other activities to take place at the same location. Some interviewees highlighted the need for dialogue and cooperation between the different components of the community to overcome issues linked to conflicting interests regarding spatial challenges. The local ownership of aquaculture companies in Lurøy is considered an asset as most of the stakeholders are part of the same community and are therefore willing to avoid potential conflicts and to look for satisfying solutions. A close dialogue with the fishermen/women is also praised by the municipality in order to avoid the development of aquaculture activities in areas that are of high interest for fishermen/women.

2.4 Tourism: A quest for management of growth

The increasing number of visitors in remote places in Norway brings both challenges and opportunities, while nature-based tourism has become popular in the whole country. Norway registered almost 36 million commercial overnight stays in 2019, and tourism gathered around 7% of all employment the same year (Innovasjon Norge, 2021). Therefore, different actors, such as national and local authorities, but also private companies focusing on tourism, are willing to encourage the growth of this sector that is perceived as a useful tool for economic development in local communities. With its World Heritage area since 2004, Vega has become a well-known tourist destination with both domestic and foreign visitors whose main goal is to experience pristine nature.

2.4.1 Nature experiences and the right to roam

With spectacular fjord landscapes and vast nature areas offering possibilities for different types of outdoors activities, Norway stands high when it comes to nature-based tourism. As transport infrastructures, especially airports, were developed outside the main cities located in the south, the northern regions have become more accessible too. Experiencing northern lights in Tromsø or exploring the Lofoten archipelago by bike are now renowned travel opportunities among both Norwegians and foreigners.

Tourism in Vega is particularly relying on nature experiences. The inclusion of the archipelago on the UNESCO World Heritage list was mainly motivated by concerns regarding environmental protection and culture preservation, but also strengthening local identity and developing tourism. A majority of the inhabitants support a sustainable form of tourism in connection with promoting the World Heritage area. However, many consider that this should not prevent development opportunities in the local community. Therefore, it has been highlighted that the main goals and strategies of including the archipelago on the World Heritage list should be clearly understood by the inhabitants and considered with other development opportunities (Kaltenborn et al., 2013).

Access to nature for everyone is guaranteed by law in the Nordic countries through "the right to roam" (*Allemannsretten*), with some variations from one country to another. In Norway, this right means that everyone is allowed to roam free on private and uncultivated land, and the few exceptions where visitors have to pay a fee constitute a source of controversies in the society, like the North Cape. As natural environment is the main attraction in rural areas, many visitors take advantage of this right, in addition to local residents. Experiencing nature in remote places offering impressive landscapes has become a tourist product that is often sold and organized by external private companies. Thus, the right to roam is nowadays a tourist attraction in itself (Bogason et al., 2021).

While the Vega World Heritage Centre leads activities and offers exhibitions aiming at raising awareness about the local traditions and more broadly environmental protection, activities and touristic places on land are spread between different locations: the Eidem beach in the south, the easily accessible path to Guristraumen in the north, and the Vega Stairs on the western coast with possibilities to hike further to some mountain summits are few examples of the main attractions. Thanks to its pretty flat road network, exploring the island while cycling is also promoted among the visitors who often get the possibility to rent bikes. Protected areas on land are also emphasized as ideal places to discover local plant species, like wild orchids, and to observe the rich birdlife.

Such diverse activities at several locations, in addition to experiences at sea like sport fishing and kayaking, encourage the tourists to visit different areas, which avoids creating a very limited amount of highly touristic spots where all the visitors would gather. On the one hand, this helps to avoid overcrowding and high pressure on certain nature areas, while facilitating the social acceptance for tourism among inhabitants. On the other hand, if the number of visitors keep increasing, the whole island and its environment may suffer from direct pressure deriving from continuous flows of visitors. Yet, interviewees agree it is unlikely that Vega would land in such a situation in the near future, on the contrary to other famous natural areas in Northern Norway.

2.4.2 Dilemmas for the local communities

As nature-based tourism has become an attractive concept for many visitors, local communities in Northern Norway perceive this trend as an opportunity for their development, and nature is now considered an economically viable asset (Bogason et al., 2021). Interviewees in Vega emphasized the importance of visitors for local services: there are currently two supermarkets in Gladstad, the administrative center on the main island, and the inhabitants agree that this would not be possible if the year-round residents were the sole customers. Employment opportunities and broader cultural life, especially through the activities led by the World Heritage Center are also mentioned as important benefits that can directly be linked to tourism.

Yet, the right to roam combined with overcrowding have affected social tolerance for tourism in different areas in Norway. Critics that arose against the negative impacts of cruise ships that disembark thousands of visitors in small communities have reached national news channels. Moreover, the pressure on the environment deriving from a high number of visitors traveling to the same famous spots have also raised concerns among inhabitants, for example on the Lofoten archipelago (Bogason et al., 2021), as this leads to traffic issues on the road network and does not match with the picture of a quiet and peaceful nature.

This raises the question on how to balance (economic) interests linked to the development of the tourism sector on one side and both environmental protection and quality of life for the inhabitants on the other side. While the tourists can experience the nature for free, their presence can be assimilated as costs for the local communities (Bogason et al., 2021) when it comes to environmental and social parameters. To tackle these challenges, the concept of "regenerative tourism" has been presented as a relevant tool to manage tourism development in Nordland (Nordland Fylkeskommune, 2023). A central aspect to this concept is that both tourism actors and visitors should have positive effects on their direct environment, whether it is about economy, ecology, culture or society (Bellato et al., 2022).



Small fishing settlements on the coast of Vega have become attractive places with many tourist accommodations and second homes.

Photo: Julien Lebel.

Such environmental pressure deriving from tourism is reinforced by the seasonality of the sector: in Northern Norway, half of the overnight stays were registered during summer months in 2019 (Innovasjon Norge, 2021). There are, however, strong variations from one region to another, some being mainly visited for winter

activities (skiing, chasing the northern lights), others for summer activities (hiking, biking, climbing). The negative consequences of the dependency on foreign visitors were also highlighted during the pandemic, as traveling to Norway as a foreign tourist was almost impossible for many. Interviewees emphasized the importance to not neglect the Norwegian visitors. After successful communication campaigns that were coordinated by tourist actors, Northern Norway became a popular destination among Norwegians during the past few years. Yet, interviewees highlighted that Norwegian tourists mainly take their holiday in July, while the flows of foreign visitors are more spread.

During the inclusion process of Vega on the World Heritage list, it has been emphasized that tourism should support the local economy but not lead to overcrowding. Therefore, the archipelago has primarily targeted high-value visitors so far (Kaltenborn et al., 2013). On contrary to some other destinations, the limited sea infrastructure and ferry services to reach Vega constitute a natural barrier. This can, however, be perceived as a contradiction to the spirit of the right to roam that implies a certain diversity of visitors. Avoiding mass tourism without becoming a highly selective destination whose rich nature is only accessible for the wealthiest tourists is currently a significant challenge for Vega.

2.5 Strategies to build resilient “open communities”

The different groups constituting the “open communities” of Lurøy and Vega do not always share the same interests. They have different perceptions regarding future developments and how to address current challenges. Energy, waste management, food production, transport, public services, job opportunities and housing are important focus areas. Even though local resources are obvious, the dependency on other regions remains high due to the current organisation of the value chains, the lack of local investments in some areas, and some missing infrastructures. Yet, among the residents there is a strong interest in living in these communities. The housing market, however, represents a challenge. There is crowding-out tendency created by the demand for second homes in rural Norway, where ordinary dwellings are converted into second homes. As the interest in remote coastal communities as recreational places to spend some free time has increased over the past years, it has become even more popular to own a second home in these municipalities.

2.5.1 Diverging local perceptions of the future of coastal communities

Beyond population decline, coastal communities in Northern Norway are facing challenges linked to climate changes and ecosystem degradation, aggravated by decisions on the use of land and marine areas. These issues are interlinked and affect local people's perceptions and opportunities regarding economic activities, in particular tourism and aquaculture. The concept of sustainability, defined in the

1980s, has gained even more visibility after that the UN defined 17 sustainable development goals (SDGs), each including several targets, in 2015 in order to cope with growing social inequalities and pressure on the environment (United Nations, 2015). Sustainability is nowadays approached through three main pillars: economic, social and environmental. They are closely related to each other as progress in one of these pillars could affect the other ones, particularly in the form of trade-offs (Barbier & Burgess, 2017). This illustrates the difficulty to balance different interests when it comes to sustainability.

Many of the topics covered by the UN goals and targets echo with challenges and relevant themes that interviewees consider critical for the future of coastal communities in Northern Norway: energy, waste management, food production, transport, access to public services, access to nature, job opportunities and housings. While resilience mostly refers to the ability of tackling external shocks, sustainability focuses on guaranteeing a good quality of life, access to natural resources and attractive opportunities for future generations. Thus, we could consider that a resilient community would benefit from a sustainable management of local resources, and vice versa.

During fieldwork it was possible to notice that different perceptions and interests coexist in the local communities, especially when it comes to economic development and environmental protection. Previous research highlighted the importance to take into consideration local perceptions and interests when designing national strategies regarding sustainable development (Rybråten et al., 2018). There is often a mismatch between these two geographical scales when it comes to what a sustainable way of living should encompass and how local resources should be used. Developing strategies based on the strong sense of belonging within the community could constitute a successful approach, as people would act collectively to tackle issues and adapt to changes affecting the community if they consider that these strategies fit with the values and the visions existing locally (Amundsen, 2013). Yet, this proves to be challenging when it comes to the debate about the development of aquaculture in Vega as there are different views in the local community on what a "sustainable future" means.

2.5.2 Shifting focus from external to local resources and opportunities

As many coastal communities in Northern Norway, both Lurøy and Vega are characterized by a strong dependency on external stakeholders, which is visible in the current structure of value chains that require for example good transport connections, access to energy and available workforce. Energy is imported from the mainland instead of being produced locally (building hydropower is not a realistic option on certain islands due to their geography). Mobility needs are so far covered by vehicles using fossil energy, even though electrification has made progress in

peripheral areas in Norway. Yet, some interviewees expressed doubt about the possibility to cover all the future power needs if all ferries, cars and local industries become fully dependent on electricity. Waste is transported and handled outside of many coastal communities. Farm and fish products are mainly exported to be consumed in other regions. Finally, external workforce is needed in many sectors, whether it is public services (schoolteachers, doctors, local administration staff), industries (fish farms) or other services (hotels, restaurants).



Agriculture is still an important activity in some areas on the coast of Helgeland, like on the island of Vega.

Photo: Julien Lebel.

However, some interviewees highlight the possibilities of using local resources in a better way, in order to strengthen the sustainability of their community, and thus reduce its vulnerability on external shocks that could affect both exportation and importation flows. Technology and innovation are widely promoted as the key to achieve sustainability and carry out the green transition. Yet, this cannot be the only driver in small communities where local particularities and barriers are often underrated. Rough weather conditions, sparse population and challenging topography constitute for example obvious obstacles to promote new means of trans-

port, such as autonomous vehicles. In the case of energy production, small-scale projects could be developed, like wind power, hydropower or tidal power, depending on local conditions. This would contribute to moving energy plants closer to where people live, while community-scale projects with local ownership can benefit from a greater social acceptance (Johnsen Rygg et al., 2021). This requires, however, the emergence of new business models and support from national authorities.

The electrification of the car park in Norway has created new challenges in remote areas where charging stations are not necessarily present due to lacking resources for such investments and a limited number of potential users. In the meantime, road infrastructure and ferry services are not designed to handle a large number of cars during peak seasons (Olsen et al., 2021). Developing smart mobility solutions in coastal communities as Lurøy and Vega is much more than phasing in new technologies, as the topic of mobility is for example connected to the development of local industries, access to healthcare services for the inhabitants (often outside of the municipality) and land-use planning (Gjertsen et al., 2022). In the meantime, public subsidies are limited, and some interviewees consider that the situation could worsen in the coming years. Yet, new mobility forms could be promoted in a better way, like using bike in the case of Vega, but also taking advantage of the strong cohesion in the community to develop car-sharing between the inhabitants. In such examples, mobility can cover several aspects simultaneously: besides moving between two locations, users get opportunities to socialize when riding with a neighbor or being active outside when cycling (Guillén-Royo et al., 2023).

In the case of food production, coastal communities in Northern Norway have long traditions with exploiting land and sea resources to cover local needs. The industrialization in the farming and fishing sectors, along with the growth of aquaculture, has led to new business models focusing on the exportation of local products to other regions. In the meantime, the importation of cheaper food products through organized distribution channels constitutes an important barrier for community-based initiatives that would be designed for the local market (Ormstrup Vestergård et al., 2022). Yet, some farms in Vega managed to adjust their activities to sell products to tourists, while there is a growing interest to consume healthier and locally produced food. Self-sufficiency has become a topic in some Nordic coastal communities in order to reduce their carbon footprint and their dependency on importations.

2.5.3 Housing as a critical issue

Although there is a certain interest in living in coastal communities, the situation regarding housing in both Lurøy and Vega is a concern for many inhabitants. Informants highlighted the difficulty to find a place where to live for newcomers who want to settle down, while the share of second homes has increased. The

issues existing in the housing market are closely related to challenges regarding employment. The lack of job opportunities is obviously a barrier to attract new residents, but the lack of available housings is also an issue when organisations want to hire new people. Many potential applicants do not apply to job offers due to the difficulty to find a place where to live that would meet their expectations. Coastal areas are considered the most attractive, while old houses located inside the main island of Vega or close to industrial activities are disregarded.

In the meantime, the interest in remote coastal communities as recreational places to spend some free time has increased, and it has become popular to own a second home or a cabin (*hytte*) in these municipalities. According to data from Statistics Norway, 26% of houses were used as second homes in 2017 in the whole country (Sheard, 2019). These second homes are often linked to family ties as people inherited them from their ascendants and decided to retain them. This trend has been described by some authors as part of "the Norwegian multi-dwelling lifestyle" (Xue et al., 2020). The effects of second home owners on local communities is often debated in academic literature. Some authors pointed out the negative impacts on the housing prices and possibly the labour market too (Sheard, 2019), while others underlined the added value of temporary residents who bring "social capital" to the local communities, and thus better social networks and new professional connections (Gallent, 2014).

Moreover, the environmental impacts of "the Norwegian multi-dwelling lifestyle" has been questioned, as newer cabins are being built with all the amenities that already exist in the main residences. The purpose of staying in these cabins is also mostly connected to sport activities that affect the local environment, like ski resorts. This appears in contradiction with the spirit of traditional cabins that are minimally equipped and mainly associated with spending time in a quiet and natural environment (Xue et al., 2020). Second homes in both Vega and Lurøy are rather matching with the traditional spirit. Yet, with the development of new activities in connection with tourism and their attractive environment getting more renowned, a shift is happening towards a more modern spirit as newer and bigger cabins are getting built.

The issues regarding the housing market are not new in small communities in Norway, and the government introduced a policy in 1974 that gives the possibility for the municipalities to enforce a residency requirement (*boplikt*), with some flexibility. According to this policy, the owner of a property must either use the house as its main residency, rent it out, or sell it (Sheard, 2019). More and more municipalities decided to implement this policy during the 1980s and the 1990s, a number that peaked at 75 in 2005. However, their number has decreased continuously after this year, as more people were questioning the efficiency of such a strategy.

In March 2023, 41 municipalities were still using the residency requirement policy, but their geographical distribution is unequal. In Northern Norway, the municipality of Vågan (on the Lofoten archipelago) is the only one that currently has this regulation in force. Vågan is a particular case, due to growing international tourism in Lofoten that has an impact on the housing market, while population has increased and the job market has diversified. The majority of the municipalities still using the residency requirement policy are located in Southern Norway, in rural areas that are easily accessible from the biggest cities. In such regions, the pressure is high on the local housing market as many people living in cities are interested in investing in a second home where they can spend their weekends and/or vacations without traveling too far away.

The situation is somewhat different in Lurøy and Vega as many second home owners have local roots in the community, which reinforces the social dimension of their presence. There are, however, strong variations in the perception of year-round residents from one municipality to another: Farstad (2011) underlines that some residents in certain municipalities perceive second home owners as a potential threat because they often pursue their own interests, have particular demands due to their perception of the area as a recreative place, and could get more power as their share in the whole population is increasing. Yet, in the case of Lurøy and Vega, second home owners are rather perceived positively in connection with the declining number of year-round residents and the importance to maintain local services that rely on a larger customer base.

Some interviewees highlighted that the inhabitants of Lurøy and Vega have different opinions regarding residency requirement. In the case of Lurøy, housing prices doubled after the municipality removed the policy as it was considered ineffective: many houses were still sold as second homes after all, the process took just more time due to the regulation giving priority for year-round residents. It is also pointed out that banks are more willing to grant loans to buyers as they consider positively the increasing value of houses in the municipality. Yet, it is agreed that the demand for second homes pushes the prices up, and this is a challenge for the younger generations who are first time buyers and do not necessarily have the equity required by banking institutions to obtain a loan.

In Lurøy, more than half of the inhabited buildings were second homes in 2020, an increase of almost 27% compared to 2010, according to Statistics Norway (figure 2.1). The share of second homes is somewhat lower in Vega (almost 40%) but their number increased by more than 50% in ten years (figure 2.2). Not surprisingly, most of the buildings are single houses, and many of them have annexes (garage, sauna, etc.), which mainly explains the large number of "other buildings" and the increasing trend in both figures. The municipalities are, however, willing to diversify the housing market, even though local investments are lacking in the case of Vega,

which constitutes an obvious barrier. In the case of Lurøy, aquaculture companies undertook the construction of some smaller housing options in Lovund that are rented out to the workforce that is needed in this sector. The municipality took a similar step on different islands where municipal services exist, so that they could hire employees and give them the possibility to get a place where to live at the same location. Yet, the complex situation regarding housing remains an issue for the younger generations, encouraging them to leave the community, along with other reasons related to job and education opportunities in bigger cities.

LURØY						
Housings						
		Single houses	Semi-detached houses	Townhouses, row houses and other small houses	Blocks of flats	Buildings for shared accommodation
2010	900	846	33	16	0	5
2020	868	807	29	26	0	6
Share of inhabitants registered as residents in the municipality in 2020		87.1%	4.8%	5.3%	0%	2.8%

Other buildings				
		Cottages, summer houses and similar holiday homes	Year-round residences and farmhouses used as holiday homes	Other buildings (diverse small constructions, companies, industries, public services...)
2010	2697	544	165	1988
2020	3292	584	316	2392

	Sum of holiday homes	Share of holiday homes in relation to all the buildings	Share of holiday homes in relation to inhabited buildings	Evolution of the number of holiday homes between 2010 and 2020
2010	709	19.7%	44.1%	+ 26.9%
2020	900	21.6%	50.9%	

Figure 2.1: Key numbers about housing in Lurøy.

Source: Data from Statistics Norway (ssb.no).

Housings						
		Single houses	Semi-detached houses	Townhouses, row houses and other small houses	Blocks of flats	Buildings for shared accommodation
2010	637	609	18	10	0	0
2020	633	601	22	8	1	1
Share of inhabitants registered as residents in the municipality in 2020		94.1%	3.9%	1.0%	<0.1%	1.0%

Other buildings				
		Cottages, summer houses and similar holiday homes	Year-round residences and farmhouses used as holiday homes	Other buildings (diverse small constructions, companies, industries, public services...)
2010	1566	224	42	1300
2020	1999	341	64	1594

	Sum of holiday homes	Share of holiday homes in relation to all the buildings	Share of holiday homes in relation to inhabited buildings	Evolution of the number of holiday homes between 2010 and 2020
2010	266	12.1%	29.5%	+ 52.3%
2020	405	15.4%	39.0%	

Figure 2.2: Key numbers about housing in Vega.

Source: Data from Statistics Norway (ssb.no).

Interviewees agree that there are numerous barriers to attract new residents, besides the issues regarding housing. Incomes are lower than in cities, education opportunities are limited, and it might be challenging for a partner to find a job too when a couple decides to settle down. However, as more companies and public organisations publish job offers with home office possibilities, this could help to stimulate the attractiveness of coastal communities in the coming years (Randall et al., 2022). Therefore, it is necessary for these municipalities to improve the situation on the housing market.

2.6 Conclusion

Both Lurøy and Vega are illustrative of the diversity that today characterizes coastal communities in Northern Norway. Inhabitants and regular visitors express a strong sense of belonging, which can be seen as an asset to overcome challenges. The development of an attractive and successful aquaculture sector in Lurøy and

the inscription of Vega on the UNESCO World Heritage list have strengthened the particularity of these municipalities, highlighting the importance of local resources that benefit to the local communities. Many residents and second home owners often express a particular connection to the place because of local family roots and/or the specificities of the local environment, like the possibility to access nature easily, the landscapes, the atmosphere in the community. They often feel part of a local narrative, express opinions regarding local matters and consider contributing to the development of the community in a positive way. These are important aspects for the future of the communities as they are the reasons why the residents and the visitors experience a special attachment to the place and do not wish to move away or to pick another destination. Avoiding uniformization with other places and, on the contrary, strengthening local specificities, especially when it comes to tourist activities and local products, should be encouraged.

While the reliance on external actors and the closest cities is obvious, local resources are available to build up resilient communities and potentially develop new value chains, whether it comes to food and energy production, or sustainable mobility. Yet, existing barriers at the national level, competition with other communities due to limited opportunities for public subsidies, lack of local funding, and different understandings of what sustainability means are important challenges. Supporting local solutions instead of encouraging strategies that result in a greater reliance on external actors would contribute to strengthening resilience at a local scale and adapting the value chains to current challenges. Moreover, the concerns of the interviewees regarding population decline are mostly linked to the fact that national subsidies are based on local demographic statistics. Therefore, the current scheme means for many inhabitants that further population decline would lead to more limited economic resources and thus more difficulties to maintain local services.

Finally, the diversity of these coastal communities regarding the structure and the composition of the population constitutes their biggest asset to tackle future challenges. Beyond diverging interests that may arise between some groups, they all share the will to keep the community alive and preserve local services and economic activities to guarantee an attractive quality of life. The out-migration of young people seems counterbalanced by the in-migration of people with diverse backgrounds, which ensures, in the end, the diversity of the community. One can expect that this diversity may broaden further, as new groups of people could identify new opportunities to establish there in the future, if the housing market allows it. This will also depend on the ability of the communities to preserve their openness and integrate new types of residents and visitors.

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Chapter 3: When Siglufjörður and Ólafsfjörður became one

An Icelandic story of diversification from above

Grétar Þór Eyþórsson & Sigríður K Þorgrímsdóttir

3.1 Background

In December 2022 a report with the title "Sustainable Value Chains in Nordic Coastal Communities" (NORVALUE) was published as a Tema Nord Report (Hovgaard & Bærenholdt, 2022). The NorValue project investigated how people in Nordic Atlantic local communities were involved in connections and linkages crucial to their survival and livelihoods as a part of the Nordic Atlantic societies of Greenland, Iceland, the Faroe Islands and Northern Norway. The report provided descriptive accounts of our approach, and developments in the coastal communities studied. The focus was on one particular research question: Based on a local and historical perspective, as well as insight into changes in demography and political regulation from 2000, how have the value chains most important for local communities, changed? (Bærenholdt & Hovgaard, 2022, p. 10).

In our Icelandic case in our earlier book-chapter on the development in Siglufjörður and Ólafsfjörður (Eythórsson & Þorgrímsdóttir, 2022), two traditional fishing towns in north Iceland, we raised the key question: Has the community created from the two towns demonstrated resilience in the process of transforming from traditional Icelandic fishing towns into a community that is more diversified, and today characterized by tourism and the knowledge industry? Resilience is in this context defined as "the capacity to cope with change and continue to develop" (Giacometti & Teräs, 2019, p. 11).

We concluded that the socio-economic changes in the amalgamated municipality of Fjallabyggð, containing the two towns Siglufjörður and Ólafsfjörður, have primarily been created by decisions at the national government level. A state-built road tunnel connecting the towns closely, financial support for the amalgamation of the municipalities and the foundation of the state run upper-secondary school in Ólafsfjörður were all significant inputs from the state, with the tunnel as the prerequisite for all these. These public sector projects stimulated investment in tourism and biotechnology, led by an individual entrepreneur. Siglufjörður and even Ólafsfjörður to some extent, have transformed from traditional fishery towns to

communities displaying more diversified economic activities. Thus, the value chains have changed in the municipality of Fjallabyggð as a whole, but particularly in Siglufjörður, where both tourism and biotechnology have become a significant part of the economic life. The value chains have changed less in Ólafsfjörður, but the upper secondary school located there brought new jobs into the community.

Before year 2000, the decline of employment in fishing and fish processing in both towns had led to depopulation and ageing communities. The fishery decline, and associated demographic changes, were the main reasons for state involvement in financing the road tunnel. Shortly after, a decision on the road tunnel project in Fjallabyggð was made. The input of a private investor, Róbert Guðfinnsson, also plays an important role for the development. All those financial decisions and actions weigh heavily in building resilience in those two communities, especially in Siglufjörður. It also raises the question of what would have happened without these external inputs. The growth in the sectors, tourism, and biotechnology, meant that both skilled and unskilled workers had to be recruited externally, and a local workforce willing to make adjustments was required. This seems to have succeeded. But would the people in those two towns, facing depopulation and an ageing community, have had the strength to adapt and go further on their own?

How have the communities – local authorities, businesses, households, and civil society - in the two towns adapted to what has happened after 2005? We have shown that Siglufjörður and Ólafsfjörður have displayed somewhat different trajectories. Our interviews conducted in 2022 indicate that people in Ólafsfjörður are not as happy as in Siglufjörður with the economic changes. And in our citizen-survey conducted in early 2021 we see more positive responses among the people in Siglufjörður. Further, many people in both towns agreed with our statement that conflicts and disputes between people in the two towns existed. That is of course something that might threaten a positive development towards a better future community in Fjallabyggð. Still, we also saw more optimistic views on current situation and future among the younger people in the answers to the open-ended questions in the survey in 2021 (Eythórsson & Þorgrímsdóttir, 2022).

Our results, mainly based on the survey, did not answer all questions and in some cases, they raised new questions. With a qualitative study and some further look into statistics and facts, we intend to provide further answers and deepen our insight into how the two towns have developed the last twenty years or so. In the next section we define our aim and research questions.

3.1.1 Data and method

In the second phase of the NORVALUE-project our further data collection was fieldwork in the two communities: interviews and focus group meetings conducted in June/July 2022. The Covid-19 pandemic had made earlier visit to the towns difficult if not impossible. Finally, two days, 21st and 22nd June 2022 were set. Local

people were interviewed, key persons in fisheries, tourism and people from the public sector a total of 5 interviews, 3 in Siglufjörður and 2 in Ólafsfjörður.^[2]

We held two focus-group meetings 21st June, one in each town, with selected people, six in each town. Recruiting people was of some reason difficult and a lot of people avoided participation. In the end the participants turned out to be a blend of people from businesses, educational sector, industries, fishing sector and services. Ages from 30 up to 70, three males and nine females.

As said earlier our intention was to get more in-depth knowledge about things that weren't fully answered in the survey in 2021. Further, to answer questions that emanated during the survey work. Schutt (2019) describes the difference between quantitative and qualitative approach by saying that "qualitative methods emphasize observations about natural behaviour and artifacts that capture social life as participants experience it, rather than in categories the researcher predetermines" (Schutt, 2019, p. 367). However, let us not forget that the quantitative approach allows the researcher to collect more data and therefore generalize about what is being investigated.

3.2 A further study on the case of the two towns

In this chapter we intend to answer the following questions about the development in Fjallabyggð. We found them emerging after our first study on the case, mainly concerning the differences in people's attitudes and perceptions on developments and prospects in the two towns investigated:

1. Why do people in Siglufjörður and Ólafsfjörður perceive the development in municipal services in different ways after the amalgamation and opening of the road tunnel?
2. People at different ages seem to look differently at the future. How different are the generation views towards the future economic development?
3. Rigor, traction and even conflicts between people in the two towns seem to be present. What might be the causes?

3.2.1 Different views on changes in municipal services and other services

The survey results from 2021 showed in our report from 2022 that the amalgamation of the two municipalities was generally seen as a positive input (55%), but the people of Ólafsfjörður were much less satisfied with it (30%). The survey indicated that the people of Ólafsfjörður felt that specific services in their town had declined in their part of the municipality. Why municipal services were

2. One of the interviews in Ólafsfjörður was conducted later, 6th July through Teams. Later on (February 2023), a telephone interview with Jón Hrói Finnsson, operating mayor in Fjallabyggð 2006-2010 was conducted.

perceived as worsened in Ólafsfjörður but not in Siglufjörður, was bound to be examined further (Eythórsson and Þorgrímsdóttir 2022, p. 70).

Research results on the impact of municipal amalgamations on services point in the same direction. Eythórsson and Karlsson (2018) found that the general pattern is that people coming from and living in the administrative and service centers are more positive towards the impact of amalgamations on services, both in general and on four selected service posts. Those who live in the peripheral parts seem to be more negative. In an evaluation study on amalgamations in the 1990s by Eythórsson and Jóhannesson (2002), they found indications of this causal connection between amalgamations and service quality as well as less satisfaction with the services in the peripheral parts. Last, but not least, we mention here that a survey study on the impact of the tunnel and the amalgamation from 2009, just before opening of the tunnel but three years after the amalgamation, showed that people in Siglufjörður were significantly happier with the municipal services than the people in Ólafsfjörður (Eythórsson, 2010).

Asking about this in the second round of our data collection it turned out that even though the administration was divided between the towns to begin with, the part of the administration of the new municipality of Fjallabyggð located in Ólafsfjörður was moved to Siglufjörður in May 2014.^[3] This included the office of the welfare sector administration, however the localities in Ólafsfjörður were used for a new and renovated municipal library.^[4]



The Fjallabyggð city hall located in Siglufjörður.

Photo: Fjallabyggd.is

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3. [Bæjarskrifstofur lokaðar fimmtudag og föstudag, Fjallabyggð \(fjallabyggd.is\)](http://Bæjarskrifstofur.lokaðar.fimmtudag.og.föstudag.fjallabyggd.is). Retrieved from www.fjallabyggd.is 16. February 2023.
 4. [Bæjarráð Fjallabyggðar - 333. fundur - 25.02.2014, Fjallabyggð \(fjallabyggd.is\)](http://Bæjarráð.Fjallabyggðar-333.fundur-25.02.2014.fjallabyggd.is). Retrieved from www.fjallabyggd.is 16. February 2023.

Today, the Fjallabyggð administration is entirely in Fjallabyggð city hall at Gránugata 24 in Siglufjörður. One municipal office in Ólafsfjörður (Ólafsvegur 4) is used for the mayor's regular presence on Wednesdays between 9 and 12 as well as meeting room for different occasions.^[5]

So, this centralization of administrative functions seems to have been a deliberate decision by the local authorities in 2010-2014 and to have caused imbalance between the two towns. We have not succeeded in finding any documentation of the decision to move the administration to Siglufjörður, neither in the meeting minutes from the municipal council (bæjarstjórn) or the municipal board (bæjarráð) in the years 2010-2014. This must have been an administrative decision then, performed and implemented without objections from the council representatives (perhaps a consensus issue because one single administrative localization will reduce the municipality's administrative expenses). What happened after this was that state offices and private companies also moved from Ólafsfjörður to Siglufjörður. Here we mean for example services like the ambulance, the post-office and one bank (Arion). This has undeniably led to dissatisfaction among people in Ólafsfjörður and it is still in the heads of people 10 years later - the findings on this from our survey were clearly confirmed in the focus group meetings held in both Siglufjörður and Ólafsfjörður 21st June 2022.

The rigor and traction existing are rather much related to age – less among the children. And it seems to be slowly vanishing (participant in the focus group in Ólafsfjörður 21st June 2022).

We still hear people say that this tunnel should be closed. People in Ólafsfjörður are still suffering from inferiority complexes (participant in the focus group meeting in Siglufjörður 21st June 2022). After the amalgamation and opening of the tunnel there were conflicts about how to solve the question on the location of primary school services. The solution was to split the services into two units with 1st to 5th class in Siglufjörður and 6th to 10th class in Ólafsfjörður.^[6] To begin with parents in both towns were dissatisfied, particularly concerning driving the younger children 30 km back and forth every school day. This caused conflicts which still seem to prevail. However, in the focus groups people believe time will heal this conflict, which actually is more ongoing on parent level than among the children.

5. <https://www.fjallabyggd.is/is/stjornsysla/stjornskipulag/baejarskrifstofur> Retrieved 9. February 2023 from www.fjallabyggd.is

6. Grunnskóli Fjallabyggðar. <https://www.grunnskoli.fjallabyggd.is/is/skolinn/um-skolann> Retrieved 23. September 2022.

3.2.2 The economic development – some socio-economic factors

One of our findings from the first study was that the continued change of value chains, and the challenges related to the transformation of the two towns into one robust and resilient community seems to rely much on the younger people. Our intention in this report is to get to know more about the different views of older and younger in the context of what has happened, and what could happen in the future. We take a look at how the fishery, the harbours and the fishing industry developed, the development of municipal services and other services, we look at both public and private investments and finally we look at rigor, tractions and conflict between the towns. Thus, we intend to show how our respondents from the interviews evaluated the socio-economic impact for the last 15-20 years, the years when these fishing communities went through great transformation.

Harbour and fishing companies

One consequence of the opening of the tunnel and the amalgamation was that people soon realised that the harbour activities in the new municipality should be concentrated to Siglufjörður. The harbour in Siglufjörður is by nature much better than the one in Ólafsfjörður – better sheltered from the north-east storms that quite often occur. The fishing and fish processing company in Siglufjörður, *Þormóður Rammi* was established in 1971. In 1997 there was a merger between Þormóður Rammi and the company *Sæberg* in Ólafsfjörður and later the same year a merger of the fishing and fish processing companies *Þormóður Rammi* and *Magnús Gamalielsson* into *Þormóður Rammi – Sæberg*, later *Rammi*. At the same time fish processing in Ólafsfjörður stopped and most of the harbour activities were moved to Siglufjörður, where harbour facilities could serve a new and larger trawler in a better way. Today Rammi is located in Siglufjörður and in Þorlákshöfn in South of Iceland, and no longer any activity or ships in the harbour of Ólafsfjörður (Ingvarsdóttir, 2021). We heard in one of our interviews that this was really a change to the worse for middle aged and older people in the town – not seeing ships or signs of life in their harbour – which had through the decades been the heart of the economic life and activity in town. This, in addition to the transfer of jobs in public and private sector from Ólafsfjörður to Siglufjörður had negative effects on people in Ólafsfjörður. As one respondent in Siglufjörður said: "Looking daily at an empty harbour must be frustrating for people in Ólafsfjörður – especially the older ones."^[7]

7. Interview with Örygur Kristfinnsson in Siglufjörður 21st June 2022.



The empty harbour in Ólafsfjörður.

Photo: Hugi Ólafsson

Public investments

From our first study we learnt that the most significant public investments in Fjallabyggð had been: a) the construction of the road tunnel between the towns, which opened in 2010; b) the state support to facilitate the amalgamation of the municipalities of Ólafsfjörður and Siglufjörður in 2006; c) establishing the state-run upper-secondary school in Ólafsfjörður in 2010 (MTR). From our field work in 2022 we also learned that the state input by building the avalanche prevention in the mountain above Siglufjörður in 1997-2000 made the people feel much safer and to stay, as one of our interviewees in Siglufjörður, Örygur Kristfinnsson, put it.

The state investment input into the new municipality of Fjallabyggð has to be seen as significant, in a 20 years' perspective. The tunnel can be regarded as a prerequisite to the other measures, since the amalgamation could not have taken place without it, and the isolation of Siglufjörður could not have been reduced without it. The results from the survey showed us the importance of all this in the eyes of the people, with little difference apparent between the towns. It further showed that the amalgamation had strengthened the community and increased the capacity in the running of municipal services. The upper-secondary school has attracted educated people to Fjallabyggð and enhanced the education level in the towns. Our interviewees in both towns also pointed out how important it was to

keep the 16-19 years old at home during wintertime, that it was both costly to live elsewhere than at home and that it brought life to town in the wintertime. In the focus group in Ólafsfjörður people pointed out that the existence and impact of the upper-secondary school MTR (Menntaskólinn á Tröllaskaga) was not fairly valued by all local people, partly because it provides more distant learning-and-teaching than locally based education. Further road-tunnel building is even suggested by some in the interviews and focus-group meetings we held in summer 2022. People see better connection with a tunnel to the west (to Fljót) and a better tunnel to the east/south (to Dalvík) as necessary for supporting positive development of the two communities. Without any investigation we can accept that both projects would improve the situation, though without being able to evaluate how necessary they would be for Fjallabyggð's further development. In a fresh report written for the "The Icelandic Road and Coastal Administration" the authors, however, conclude that the east/south tunnel alternative would increase security and strengthen the economic development in the area (Jóhannesson & Heiðarsson, 2022). In the same report they conclude that the west tunnel alternative would increase security and strengthen the economic development, especially in tourism.

Private investments

Private investments in Fjallabyggð, almost entirely in Siglufjörður, have been enormous in context with the size of the community. This has been primarily the work of one person, Róbert Guðfinnsson who has invested heavily in tourism and in biotechnology with funding gained from the sale of fish quotas. He is estimated to have invested for some billion ISK, primarily in the Siglufjörður economy. Ólafsfjörður has been far less affected by this private investment. Tourism in Fjallabyggð increased dramatically in the years after the opening of the road tunnel in 2010. The biotech-company Genís, operating in Siglufjörður, is a limited liability company and produces therapeutic chitin derivatives (chitin-based products derived from the North Atlantic shrimp exoskeleton). Currently, about 20 people work at Genís, many of them young, educated scientists. The company's intention is to expand, a goal which was temporarily postponed due to the COVID-19 crisis and to some extent by problems in recruiting experts and management staff on the condition of moving to this small community.^[8] Guðfinnsson rented out the operation of the tourism part of his investments, Sigló Hótel and the restaurants Hannes Boy and Rauðka in February 2022. He told us in our interview with him in June 2022 that he was beginning to get a little tired of all the comprehensive activities and wanted to focus on the biotechnology part of his investments.

The socio-economic impact

By our respondents from the qualitative study, it was a common belief that the road-tunnel of Héðinsfjarðargöng has been the main factor behind much of the

8. Interview with Róbert Guðfinnsson in June 2022.

progress in the two towns. This was also a clear result from the survey. Not only stimulated it people to stay and to move to the community but also it had contributed substantially to diversity in the economic life which was confirmed both in the survey and the interviews. More significantly we heard from people in focus groups both in Ólafsfjörður and Siglufjörður that more women in childbearing age had moved to Fjallabyggð. Our former report supports this finding, by statistics showing that women at the age of 20-29 years constitute a higher share of the total population than before. In year 2000 they were 4.0%, respectively 4.4%, but in 2020 they were 5.2%, respectively 6.0% of the total population in the two towns (Eythórsson & Þorgrímsdóttir, 2022). The knowledge based firm Genís and the Upper-secondary school have attracted people with higher education. The diversity in the economic life had increased and more educated people were needed than before. Earlier research tells us that this is generally the case in Iceland: A survey conducted by Karlsson, Eythórsson and others in 2006 showed that when people in the capital area of Iceland were asked to rank what living conditions, they thought were most important for them should they move to other areas in the country. "Diversity on the labour market" scored highest and it was also apparent that family related factors such as "good primary schools", "good kindergartens" and in general "good conditions for raising children" scored high (Karlsson & Eythórsson, 2009).

An analysis by Karlsson of surveys conducted 2016 and 2017 indicated similar things. The inhabitants of urban centers on the margins of the capital placed strong importance on services for children and are satisfied with those that exist in their communities (Karlsson, 2021).

Second homes

"Second homes" is something that we want to mention and discuss in the Fjallabyggð context. By second homes we are referring to houses or flats that are owned by someone who has not legal domicile in the municipality and by housing we mean residential property. This number for the municipality of Fjallabyggð is the second highest in proportion in Iceland. It means that out of 1.087 houses/flats in Fjallabyggð, 215 are second homes.

There are few studies on second homes in Iceland as such, but it so happens that the two articles we can use in this chapter are about Fjallabyggð. It is one study and two articles, one published in 2010 in Icelandic and the other in English in 2012, its content built on the former one.

In this study the author (Huijbens, 2012) defines two types of second homes; purpose-built homes and converted homes and it is the latter one we are thinking about in this chapter. Huijbens also talks about two types of house-owners of second homes. These descriptions or categories fit both in Fjallabyggð and in general in Iceland. The two owner-categories can be described as a) the people that have roots in the village (the homesick), were brought up there and have family and

relatives living there, and b) the others that have no such ties and are described as “those pursuing a lifestyle of creative leisure” and are active in community project while the homesick are passive.

Those two groups choose houses for different reasons. Those with the roots, the homesick ones, either inherit a house or buy it from someone related to them, the other ones buy a house they like and find appealing as well as the surroundings. Interesting is the fact that the former group, those with roots, are not socially active in their former hometown, they come for visiting their relatives and old hometown and though they may participate in local events they play no part organising them or have a role in the cultural life. They are guests. The other group may on the other hand be active in the community, participate in cultural life and events, offering their vision, knowledge, and experience, perhaps in order to make something new.

Huijbens talks about pros and cons for the town (both the community and the municipality) to have such “empty houses” and his numbers show that 17.5% of total housing in Fjallabyggð are second homes and the proportion is much higher in Siglufjörður, 25% (Huijbens 2012). So, the proportion of these second homes seems to be high in Fjallabyggð.

In parliament 2022-2023 the minister of infrastructure answered an enquiry of second homes in Iceland and what the government was doing in that area. In the minister’s answer there is a table of 20 towns and villages around Iceland and the proportion of second homes in those places. In the table below which is a part of this table we see that Fjallabyggð has 19.8% of total houses as second homes, the number has gone up 2.3% since 2012 and the number of second homes as well, from 150 to 215, or 65 houses/flats.

Table 3.1: Total housing and second homes in Siglufjörður, Ólafsfjörður and Fjallabyggð 2012 and 2023.

	Total housing	Second homes	Ratio
Siglufjörður (2012)	489	120	25%
Ólafsfjörður (2012)	310	30	10%
Fjallabyggð total (2012)	799	150	18%
Fjallabyggð total (2023)	1087	215	20%

Source: Huijbens, Edward H., 2012, p. 341 www.althingi.is/altext/153/s/1426.html

In 2012 there was a big difference in the proportion of second homes in Siglufjörður and Ólafsfjörður and there is no reason to believe that this has changed much. We should though bear in mind that the local government in Siglufjörður before the amalgamation 2006, practically gave away old houses several years ago, by selling them for few "krónur" on the condition that the new owner renovated them. It had a big impact on Siglufjörður since many beautiful old houses had been neglected and now got a new life with better look. No similar action was made in Ólafsfjörður.

Huijbens argues that the existence of second homes and the willingness and interest of their owners to participate in the community and contribute to its development is important. In our context we agree on this, and this can affect the development of the community negatively, especially if the rate of second homes is high and that high rate of the owners is the homesick type. That would not contribute to the resilience of the community. However, no data on the types of second home owners exist. We therefore do not have the possibility to identify the rate of the homesick and the others. We can just speculate that the high rate of second homes in Siglufjörður and Ólafsfjörður is at least not a positive thing.

3.3 Rigor, traction, and conflicts

How have people in the two towns responded to what has happened after 2005? We have found that Siglufjörður and Ólafsfjörður have followed somewhat different trajectories. People in Ólafsfjörður are not as happy with the economic changes as is the case in Siglufjörður. In the survey we see more positive viewpoints among the people in Siglufjörður than in Ólafsfjörður. Further, people in both towns agree with the statement that conflicts and disputes between people in the two towns do exist. The fact that the survey in 2021 showed signs of rigor and traction between people in the two towns and in many ways a bad spirit, has stimulated us to look deeper into local community tensions. Do we have something here that is not a healthy element in the community's future development? Is the kind of atmosphere reported preventing cooperation and initiatives in the face of value chain changes? A study on rigor in the two towns was done in 2012 as a Bachelor-thesis at University of Akureyri (Þorláksson 2012). A main result is that isolation seemed to have been a factor that made it important for people in Tröllaskagi (Siglufjörður and Ólafsfjörður) to have enemies which also led to the conclusion that the break of isolation by the tunnel would abolish the rigor. But we seem to be still waiting, judging from the situation today.

If anticipation against the changes will reduce it would help the communities to adapt better. Maybe the amalgamation has not settled enough in the mindset of people yet? So many years after the evidence of these conflicts they are still existing, and discontent has seemingly rather increased than decreased. One respondent in the focus group in Ólafsfjörður went as far as to use the word

“trenches” to describe the situation today. Despite high hopes and optimism when the towns were amalgamated things have not developed much. But in the last years newcomers have moved to town – a part of them foreigners. They are probably not so likely to foster old conflicts – so maybe the hopes for improved situation will come true.

In both our focus-groups people felt and expressed the view that coming generations will straighten the current rigor and traction out. Going together from primary school (in Siglufjörður) to upper-secondary level (in Ólafsfjörður), creates both trust between them from an early stage, and knowledge about life in the part of the municipality where one does not live.

3.4 Siglufjörður and Ólafsfjörður: Success into the future?

What is keeping these two communities together? Is there a connection between value chains and people’s desire to move to, and to stay in the municipality? Some of our findings point in that direction but others not. Recruitment of educated people seems to be at least a concern but still people with education have moved in. We have even seen growth in the number of women in childbearing age and in an age which is “workforce”-feasible for the tourism sector.

But can a small municipality like Fjallabyggð foster knowledge branches like the firm Genis is a part of? Is the small scale and the remoteness a hindrance for further development? If so, maybe improved tunnel infrastructure with easier access to Fjallabyggð might help?

Several interviewees and participants expressed optimism for the future of Siglufjörður and Ólafsfjörður. There are two key aspects that people regard as decisive to ensure a brighter future for the two communities: Further investments in businesses and further build-up and/or improvements of tunnel connections to the west (Skagafjörður, with access to the capital area) and to the south (the regional centre of Akureyri). Still, people are not occupied with hopes for population increase, this is not regarded as the most important key issue for the future. But people believe that Genís will be stronger and that diversity in the economic life will further increase, through investments and by start-up businesses. *The belief in the future is undeniably positive in both towns.*

Looking at municipal services and administration an imbalance has developed between the towns ever since the amalgamation and the tunnel opening. The decision of leaving the Ólafsfjörður harbour empty increased the imbalance – even though this was a decision which can be seen as rational or natural due to environmental and economic circumstances. Private investments have also mainly occurred in Siglufjörður.

There are clear signs of rigor between the people in the two towns and significantly more discontent in Ólafsfjörður. This can be traced to the imbalance we have noticed in our investigation of how these towns have transformed in the last 20 years or so. The opening of the tunnel was a far more positive event for Siglufjörður, compared to Ólafsfjörður, substantially reducing travel time from Siglufjörður to Akureyri, and opening access to the better harbour of Siglufjörður – and for tourism attractions there. Additionally, we mention the investments of Róbert Guðfinnsson the son of Siglufjörður who entirely invested there with his home returning quota capital. This imbalance however has been countered by the educational investment in Ólafsfjörður, but as residents there tend to highlight their loss rather than their gain, this could be an obstacle for Fjallabyggd's ability to develop into a homogenous community. Despite having shown a lot of signs of being resilient, "homemade" problems seem to have affected the potentials of cooperation and common innovative moves. There cannot be found any political signs for being causes to how things developed – at least no party-political ones. The political parties active in Fjallabyggð do not seem to have had very different views on how the communities should develop. However, when looking at the home addresses of elected officials in the Fjallabyggð local elections 2006–2022 some slight imbalance between the towns appears in Table 2:

Table 3.2: Number and share of elected officials in Siglufjörður and Ólafsfjörður and share of population by residence in the local elections in Fjallabyggð 2006–2022.

	Town/Year of election	2006	2010	2014	2018	2022
N elected	Ólafsfjörður	3	4	2	4	2
N elected	Siglufjörður	6	5	5	3	5
Share elected	Ólafsfjörður	33%	44%	29%	57%	29%
Share elected	Siglufjörður	67%	56%	71%	43%	71%
Share of population	Ólafsfjörður	41%	41%	40%	40%	39%
Share of population	Siglufjörður	59%	59%	60%	60%	61%

Source: This information was collected with various methods, such as looking up in telephone catalogue, using internet search and asking people.

We see that for the most part Siglufjörður has had majority of elected officials for this period and even when population size is taken into account. This has one exception – the 2018 elections when there was a great turnaround and Ólafsfjörður got 4 out of 7 elected. Here we have to have in mind that residence is not at all any part of nomination or election processes, we have just collected information on the residences of the elected officials. Whether this slight imbalance in favour of Siglufjörður has had any effect on decisions in the town council is impossible to say, at least we have not seen any signs of such in debate or general discussion.

In our first report on the case of Siglufjörður and Ólafsfjörður (Eythórsson & Þorgrímsdóttir, 2022) we based our analysis on a survey among the citizens conducted in early year 2021. Already there we noticed some signs of discontent with how the community had developed in the last two decades. This first and foremost among the people in Ólafsfjörður. Our aim with field study which was mainly conducted in June 2022 was to dig deeper into topics that came up in the survey but were not fully explained or answered. The field study has brought us such data. We can therefore say that most of our main findings are based on two studies, one quantitative and one qualitative, stand on a solid ground. They allow us to say that something existing in the spirit in the community can be an obstacle for future development. On the other hand, and more promising, is the more optimistic attitude among younger people – having experienced a common Fjallabyggð school "community" from primary to upper-second levels. In the qualitative study in Fjallabyggð in 2022 we managed to confirm many of our findings from the survey in 2021. In addition, we got deeper information and explanations to some of the causes behind the still existing rigor and tractions. By combining methods, we have collected both broad and deep information on the two towns and to what extent they can be considered resilient.

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Chapter 4: Value chains and open communities

Vágur and Tvøroyri in the Faroes

Gestur Hovgaard, Firouz Gaini & Ragnheiður Bogadóttir

4.1 Introduction^[9]

Over the last two decades, there have been fundamental changes in value chains in Tvøroyri and Vágur, two coastal towns on the outer Faroese island of Suðuroy. Until the end of the 20th century, the economic foundation was the locally owned fish filleting factories and their production of mainly fresh and frozen codfish from a local fishing fleet. Though, in the early 1990s, the Faroes suffered a severe economic crisis, and outlying towns like Tvøroyri and Vágur were hit hard. As seen in many other fishery-dependent communities in the Nordic Atlantic, there was a relocation of, and a significant reduction in, local demersal fisheries. This was followed by a rise in capital- and resource-intensive industries such as aquaculture and pelagic fisheries, and in other sectors such as tourism. These new or intensified value chains fostered occupational diversity in the local labour market, contributing to the last decade's relative stabilisation of the population size.

From a conventional economic perspective, the occupational reorganisation over the last 20 years has succeeded beyond expectation. From a socio-ecological resilience perspective, however, this is not without consequences. The new industrial imperative is largely for highly exploitative industries that seize significant parts of the local resources, fjords, mountains, rivers, and land. Besides the ecological consequences, another outcome may be the pressure these industries put on local subsistence economies and leisure activities. Still another consequence is that the ownership, and thus the control and determination of local production, has been largely de-localised. There have, therefore, been huge changes in value chains since the start of the 21st century, shifting from locally owned and labour-intensive to more diverse, capital- and resource-intensive value chains, and de-localised in terms of control, ownership and profits as well. We have also witnessed important examples of coping practices locally. These are enabled by developed infrastructure, entrepreneurial spirit, local identities and networks and active local governance structures. However, the diversification and transformation of the value chains and

9. This introduction is based on our findings in Bogadóttir et al. (2022).

socio-spatial structures raises vital issues about future resilience: what might this entail when value chains and place-based values, that is local identities, networks and functions normally considered essential to local coping strategies are replaced by largely de-localised decisions, values, and ownership? This is what we explore in more details in this chapter.

The first part of this task relates to changes in demography, which has been made visible by the younger generation increasingly moving away, and by an increasing proportion of older people. A lack of industrial and service workers has made it necessary to attract people from the outside, including a significant proportion of international labour. This is especially the case in Tvøroyri. In August 2023 there were 1,776 inhabitants in Tvøroyri and 1,361 in Vágur (Hagstova Føroya, 2023). Between 2000 and 2021, Tvøroyri and Vágur lost 2% and 1% of their populations, respectively, significantly lower than other localities in this report, which had a decrease in population between 11% and almost 26% (Bærenholdt & Hovgaard, 2022, p. 18). One reason for this is that Tvøroyri and Vágur had already had a significant population decline during the crisis-ridden 1990s. Regardless, there has been a socio-demographic change and, therefore, changes in value creation that call for further attention, highlighting reasons for moving in or for staying. Some key aspects of these changes will also be addressed in this chapter.

During our fieldtrips, we recognised another shift in the housing stock. Although the exact number was not recorded, a considerable number of houses were considered empty. We soon realised that they were not empty in an absolute sense of the word, but were homes that the owners, typically living outside the community, were using only periodically, eventually renting them out. This fact and its obvious impacts on the local environment also call for special attention.

After a short description of our methods in the next section, we will examine the changes in the local socio-demographic structures, which have resulted in a community with people relating to the place (through everyday life, work, housing, etc.) in manifold ways. We then take a closer look at how local people value their place and discuss the relationship between value-chain changes and changes in socio-demographic structures. Finally, we discuss what the changes in value chains and place-based values mean for local sustainability and resilience.

4.2 Methods

A creative combination and synergy between different types of information and methods is a solid way to organise, set up and implement a project process based on explorative research (Andersen & Hovgaard, 2007). We used a mix of quantitative and qualitative approaches to carry out multiple collections of data in and about our case communities in the period 2020 to 2023. Over several rounds, we visited the communities, carried out interviews with key informants, gathered

field observations of daily life, production, leisure activities, and visited key institutions.

Data was also collected through two web-based questionnaires, which both dealt with place-based conditions and sustainability on the island of Suðuroy. The first questionnaire was conducted in collaboration with the Tvøroyri and Vágur municipal administrations, and the link to the questionnaire was distributed through their municipal social networks. Since the respondents of the first survey were almost exclusively over 20 years old, the second survey focused on the younger generations, and was carried out among students from the upper secondary school on the island. This had good support from the principal and staff at the school, and we completed the questionnaire on-the-spot during a meeting with all students, which enabled a dialogue with the students based on the results of the questionnaire.

Our first fieldwork quickly revealed that the second home issue was perceived as a special challenge in these communities. Since no register data was available about second homes in the Faroe Islands, we made a map and a database ourselves using a combination of public websites, information from the municipalities of Vágur and Tvøroyri, and valuable help from local informants and a student assistant. This gave us a reliable overview of the extent of second homes in towns and villages on Suðuroy.^[10]

4.3 Socio-demographic diversification

The Faroes has a well-developed infrastructure. More than 90% of the country's population is connected to each other by roads and tunnels, all within a driving distance of 1½ hours from the end points. Outside this central road network, there are seven smaller islands that have only ferry connection to the other islands plus helicopter connection three to four times a week. Suðuroy is the one larger island served only by ferry. There was significant investment in a subsea tunnel to the island of Sandoy, which opened in December 2023. This was the fourth subsea tunnel on the archipelago, and there are plans for a fifth tunnel connecting Suðuroy to Sandoy and thus the rest of the mainland. The Suðuroy tunnel would involve 23 underwater kilometres and be an even more expensive construction. For safety reasons, one option is to create two tunnels, with the small island of Skúvoy as an intermediate station (Landsverk, 2018). This tunnel, which may become a reality within 10 years, would mean that 99% of the Faroese population would be able to drive to each other in a short time. Until the tunnel becomes reality, however, there is still a good two-hour-long ferry trip as the main route to the Faroese 'mainland' – and only if the weather permits.

10. Thanks to Rasmus Biskopstø, Magnus Pauli West and the many people from Suðuroy who helped us in various ways with organising and data collection. Thanks to Durita Gestsdóttir for helping with data collection and data entry about the housing stock.



While the possibilities for a tunnel are explored, the ferry *Smyril* is the safe connection from Suðuroy to the mainland.

Photo: Firouz Gaini.

A road connection to the 'mainland' is considered vital for Suðuroy's future and has become a political priority. It is a project that resonates with the wishes of the vast majority of the island's residents who participated in our surveys and of almost everyone we have had the opportunity to talk to. As pointed out in the introduction, demographic changes are challenging in Vágur and Tvøroyri, and especially challenging in relation to the smaller settlements on Suðuroy, which form a kind of catchment area for the two larger towns. However, larger villages in the central road network may also experience the feeling of decline. This is a reminder that while up-to-date infrastructure globally is considered vital for progress and well-being, it is not enough on its own. An interesting example of this limitation is the village of Kollafjørður, less than half an hour's drive from the capital Tórshavn. Population decline, especially among the younger cohorts, has created great frustration locally, and it is argued that the reason is the amalgamation of Kollafjørður and Tórshavn into one municipality in 2001 (Lützen, 2023).

Research has demonstrated that conventional ideas about local communities as fixed and continuous needs to be substituted with an understanding of local communities as relational, open, dynamic, transformative, and in which there are also opportunities (Bærenholdt, 2007; Cresswell, 2006; Massey, 2005). Though, there is still something that can be perceived as down-to-earth and continuous, and one can argue that precisely the ability to maintain continuity during change is important for a community's ability to master transformative processes (Hovgaard, 2001). In the next section, we delve deeper into selected and relatively unnoticed changes in the local socio-demographic base.

4.3.1 Changes in demography^[11]

In 1985, 738 children were born in the Faroe Islands. In 2020, these children turned 35. Well over a third (35.6%) were living in the same settlement in which they were born, and 46.1% lived in the same municipality. In the same year, 32 children were born in Tvøroyri and, in 2022, 11 of them still lived in the municipality (34.3%). Of the 20 children born in Vágur in 1985, seven (35%) were still living in the home municipality in 2022. We cannot say how many of these people had lived elsewhere during this time and then returned, but we do know it applies to some of them. These numbers are low compared to the average among Faroese municipalities, which can probably be explained by the relatively peripheral location of the towns and the fact that the Faroese crisis of the 1990s hit particularly hard in Suðuroy. The figures for subsequent cohorts also show a clear tendency for Tvøroyri and Vágur to be significantly lower in their ability to retain cohorts compared to the average among Faroese municipalities. In the youngest cohorts, however – those born in 2010 and later – there will probably be a change. For these cohorts, both municipalities are at least on a par with other municipalities in the Faroe Islands – Vágur especially has had success in retaining younger cohorts. Among those born in 2015, 85% still live in the municipality, compared to an average of 81% in the country. Among those born in 2020, 92% still live in the municipality, against an average of 88% in the country. Tvøroyri was somewhat lower than the average in 2015 but on a par with the average (88%) for the 2020 cohort. Combined, these numbers – although weak – may indicate a trend towards a relative consolidation in the settlement structure, including retaining families with children, especially in Vágur.

The figures show, not unexpectedly, that there is considerable mobility in the population. If we compare with Denmark, for example, we see that the proportion of 35-year-olds in Denmark who live in their childhood municipality has never reached above 40% since 2013, and that figure has been decreasing over time (Hansen, 2022). Although the calculations are not directly comparable, they suggest that the Faroes, including our two case communities, are not so different from outer districts (and suburban municipalities) in Denmark – that is that young people in their 20s are moving out, and quite a few of those who are moving in are 30 years old or above and may come from non-European countries, as we see in our cases. In Denmark, there are also signs that many rural municipalities and outlying districts are beginning to have a more stable population structure (Andersen & Nørgaard, 2018).

The figures also reveal that, contrary to the almost deterministic perception of a one-directional migration from rural peripheries to urban centres, there are

11. Data in this and the next section is based on a special data run from Statistics Faroe Islands (Hagstova Føroya). Thanks to Kári Holm Johannesen for helping to provide this data.

significant nuances and dynamics. Many people choose to stay, return, or maintain a strong local affiliation from afar. A classic and central explanation for moving and settling is the economic, but this is part of a complex of individual, narrative, well-being and value judgements and something that requires deeper insight if we are to better understand motives for staying or moving. We highlight some aspects in the following sections.

4.3.2 The employment structure

A picture of the recent development in the labour market in Tvøroyri and Vágur can be obtained by comparing the employment in the two towns in 2005 and 2022 respectively, as shown in Table 4.1.

Table 4.1: The occupational structure in Tvøroyri and Vágur in 2005 and 2022.

	Tvøroyri 2005	Tvøroyri 2022	Vágur 2005	Vágur 2022
Fishing	13.4%	3.4%	12.3%	5.3%
Fishing industry	14.4%	18%	10.9%	4.6%
Aquaculture	0.0%	0.9%	0.4%	8.6%
Shipping	3.5%	6.3%	3.2%	5.1%
Trade & construction	19.7%	18.7%	16.2%	17.9%
Tourism related employment	1.8%	2.1%	1.0%	1.0%
Public sector	32.6%	36.8%	31.7%	42.0%
Other	14.6%	13.8%	24.3%	15.5%

The figures show that the development in the employment structure perfectly reflects the changes that have taken place in the business structure of the towns and their different directions of development. In both places we also see, not unexpectedly, the great importance that public institutions have for the employment and settlement pattern. It is important to remember, though, that even if people have a local registered address, their workplace is not necessarily

local. Many residents from both towns work abroad, and at the same time, the island is an integrated labour market, and it is even possible for some people to work in towns in other islands, including the capital.



Suðuroy's internal road network ensures that the island is an integrated labour market. Here the main road towards the town of Vágur.

Photo: Anna Jacobsen.

If we compare the employment development in Tvøroyri and Vágur with figures for the Faroes, some facts stand out. In 2005, the number of people employed in fishing in Tvøroyri and Vágur was some points lower than the Faroese average – 12% to 13% compared to the Faroese average of 16%. In 2022, the figures are marginally below average (Tvøroyri) and marginally above average (Vágur) at 4.7%. The same applies to shipping, where the Faroese average is 5.9%. For the construction industry, Tvøroyri and Vágur are close to the national average (8.7%), but somewhat below average for the trade sector (11.7%). Concerning public administration, both Tvøroyri and Vágur were well below the Faroese average in 2022, even though there had been a slight increase, as shown in Table 4.1. In the area of health and social services, Tvøroyri was somewhat higher than the average in 2005, and Vágur somewhat below. Tvøroyri is home to the regional hospital so has always had a large proportion of its workforce within the health sector. The construction of a regional nursing home in Vágur in 2011 explains part of the local growth in the number of people employed in the health sector.

It is natural that dominant industrial sectors affect the business structure in the two towns. These sectors depend largely on unskilled labour, but the figures are, as mentioned, below the Faroese average. The labour market in Tvøroyri and Vágur can be said to be relatively diversified, also when we compare it to the rest of the Faroes. This can largely be attributed to a deconcentrated public sector. The

national public transport company has its main administration in Tvøroyri, for example. On the island there is a hospital, nursing homes and a social service system, there are primary and secondary schools and a boarding school for youth aged 14-18 years, all part of public services. These professions are largely dominated by a female workforce, and they require by and large education. When it comes to professions, such as trade, finance, insurance and private service industries, these peripheral towns have, not unexpectedly, fewer positions than the average (and significantly lower than the capital). This is undoubtedly a consequence of being away from the fixed road connection on the mainland. When it comes to shipping, however, 6% of the employment on Suðuroy is in that sector, which is double the Faroese average of just below 3%. Another striking case is the tourism industry. A general growth in Faroese tourism is not reflected in the numbers of tourism-related employment, as already indicated above. This may support the narrative that we heard from time to time, that the industry is controlled by big players based in Tórshavn, who therefore also 'skim the cream'. This may well be part of the explanation, but the picture is more complex, and we return to this in the section on second homes.



Image of Tvøroyri to the west, with the local hospital in the background (white building). The roof of the large fishing industrial complex near the city center is seen on the left.

Photo: Gestur Hovgaard.

4.3.3 Migration

The Faroes has been pushed to open up towards migration for two reasons: increased mobility in the population, reflected in the large proportion of Faroese working and studying abroad, and a growing labour shortage in the service, fishing and craft industries. In the last 20 years, migration – non-European migration in particular – has grown rapidly. In 2020, 1697 migrants moved to the Faroe Islands. In the year 2000, there were around 70 migrants from Africa, Thailand and the Philippines living in the Faroes (Ísfeld, 2019, p. 238). As of January 2023, the total of all immigrants – European and non-European – in the Faroes had risen to more than 2,600, or 4.9% of the total population (see also chapter 1). Figures for the past two years show that 86% of the migrants to the Faroes have citizenship other than Danish (Hagstova Føroya, 2023). This means that a growing number of migrants are not Faroese return migrants or Danish citizens, but people from countries in other parts of the world.

Political opposition against immigration, especially opposition to accepting refugees, has been quite strong (Bertholdsen, 2015). However, refugee policy is an area of Danish responsibility, and there has been no pressure from the Danish side to push the Faroese authorities to accept refugees. Before the Russian invasion of Ukraine in 2022, therefore, only a few refugees had arrived in the Faroes. When Russia invaded Ukraine, the politicians reacted promptly and agreed to grant residence to Ukrainian refugees, of whom there were 250 as of 2023 (Løgmlaráðið, 2023). These refugees are scattered around in the Faroes, and some of the families have found their way to the “peace” in Froðba, a small village in Tvøroyri municipality (Kringvarp Føroya, 2023). In previous periods of labour shortages, work-related migration was permitted and, with increased labour shortages, work-related immigration has grown significantly, made easier from late 2021 by a fast-track scheme (Útlendingastovan, n.d.). There is also, of course, the increased opportunity for social connection – to sustain close contact to relatives and friends at home while being a labour migrant in the Nordic Atlantic – that ever-increasing travelling mobility and technological/digital platforms have made possible. The significant growth in migration since the start of the 21st century witnessed in the Faroes is, therefore, a combination of marriage migration, work-related migration, refugee migration and lifestyle migration and has changed the social composition of the coastal village and smalltown landscape (Collantes et al., 2014; Hedberg & Haandrikman, 2014; Holm, 2023; Ísfeld, 2019).

One does not need to spend long time on Suðuro to notice that the villages in many ways resemble other Nordic fringe communities. People of many nationalities are visible in the streets. One of our key informants told us there were 23 nationalities in Vágur. In Tvøroyri, several migrants have found work in the fish factories, which mainly offer seasonal, hourly-paid work. Our information also shows, however, that migrants are of great importance outside the fishing industry as well. In general,

most migrants find employment in construction work, in the service industry, and in the fishing industry where there is a labour shortage. Most migrants have to make do with lower-paid jobs, even when they have higher qualifications. A major obstacle to full participation in society is learning the Faroese (and also Danish) language (Holm et al., 2020; Ísfeld, 2019).

In the last 20 years, the towns of Tvøroyri and Vágur have become culturally diversified communities. The municipalities do not have the capacity to form an active integration policy, so integration is mainly a local-level task for day-to-day life and in the workplaces. In general, integration, or its lack, is not considered a problem. However, our information from Tvøroyri also indicates concerns about increased segregation.

4.3.4 Second homes

In the 21st century, the number of second homes in Nordic and European areas, coastal communities included, have increased significantly (Hall & Müller, 2004; Hall & Müller, 2018; chapter 1 of this report). This trend became apparent to us during our visits to Tvøroyri and Vágur not to mention other places on Suðuroy. Officials and residents commonly talk about "empty houses", even if the houses are not empty all year round. The term reflects a perception that the house in question is not an authentic home, because no-one has a permanent address there. We also heard the term "mailbox locals", a negatively charged expression for people who stay in their house for only minor periods. There were also stories about houses that locals did not get the opportunity to buy because they were bought up by people "from outside" the community. It was assumed that these houses went to people with high real estate value or salaries, from the capital Tórshavn, or possibly even from abroad. We were also given examples of people with an address somewhere on Suðuroy, but who lived most of the time in another municipality.

Second homes in the Faroes are normally one-family homes that were part of the old settlement structure of the villages, as there is no tradition of having cabins in the 'wild', as in Norway for instance. A division between areas of residential and summer houses is uncommon in local planning. A few places have in the last couple of years designated areas for second homes, but these are still close to existing villages.

From a planning perspective, the lack of reliable data about the use of the housing stock in the Faroes is a considerable problem. In 2018, a count in 25 of the 29 Faroese municipalities showed that 18% of the housing stock, app. 1,500 units, were empty houses. The three largest towns and one of the smallest municipalities were not part of the count, so these figures were not necessarily reliable. The figure for Suðuroy in all was approximately 25% empty houses, for Vágur 16% and for Tvøroyri 17% (Bertholdsen, 2018). Our calculation on Suðuroy revealed that 28% of the private housing stock in Vágur and 34% in Tvøroyri was made up of second

homes. In the surrounding smaller municipalities, the figures were even higher, between 36% and 52%. The numbers from the two counts cannot be compared as they were built on different criteria. Our count, we believe, should be more accurate as it was based on a combination of the public registration of ownership, the permanent address of the owner(s), and whether the owner, if local, owned more than one house on the island. National authorities in the Faroes are working to develop a housing registration that will significantly improve knowledge of the use of the housing stock.

At municipal-level, the high proportion of second homes causes quite a few headaches. In the Faroes you can own a house in a different municipality than the one where your registered address is, while the hosting municipality has no legal authority to demand payment for services such as sewerage, water or waste disposal from second homes. A municipality with a high proportion of second homes can, therefore, have significant budgetary issues because of citizens who do not contribute to the municipal common fund. This is something that particularly affects peripheral municipalities. In line with the increase in the numbers of second homes and a general housing shortage, this issue has increasingly edged its way onto the political agenda (Kommunufelagið, 2022). There appears, though, to be no consensus, either in national politics or in the municipal political system, on how to regulate second home ownership and overcome the most serious negative consequences (Kringvarp Føroya, 2019, own interviews). At least one municipality – Sandur on the island of Sandoy – has tried to cover its expenses by sending an annual bill of DKK 1,500 to each second home owner in the municipality. This initiative then, according to the mayor, was welcomed by a good number of the second home owners (Kringvarp Føroya, 2019).



Second homes are mainly integrated within the existing settlement structure. Here a randomly chosen picture of the village Vágur to the east.

Photo: Anna Jacobsen

By far the prevailing reason for people to have second homes in Tvøroyri and Vágur is local or family connection. These are inherited or purchased houses, where the owner or the owner's immediate family have had part of their upbringing locally. Our cases – and the Faroe Islands in general – fit the pattern seen in the other Nordic countries: that a strong identity is attached to the place where you grew up (Gaini, 2013). An increasing number of second homes are today used as rental properties, most of them as permanent rentals, but more and more as part-time rentals (a combination of the owner's second home and Airbnb). We have also seen that some locals invest in one or more properties for either permanent rental or rental to tourists. This is reflected in the fact that about 10% of the second homes in both Tvøroyri and Vágur are owned by businesses. Our guestimate is that only 3% or less of the housing stock are properly empty houses, those where no-one stays, and which are more or less uninhabitable. Over the past 20 years, the housing market has increasingly become driven by a market logic and the general economic development in society. Housing prices have risen sharply since the 1990s, and especially since 2010, and this trend has spread to communities in the periphery of towns. For some people, housing has gone from being an expense to also providing income, whereas others have been priced out of the market and cannot afford to buy or build. In a peripheral place like Suðuroy, people from the outside with strong purchasing power may outbid local people who have considerably more difficulty getting a bank loan. This trend is reinforced by the fact that there is very limited cooperative or social housing in the Faroe Islands, and none in some areas.

4.4 Identity diversification

When asked how locals perceived the development of their community in recent years, a majority on Suðuroy replied that they were generally positive, including their perception of the island's culture and its public sector services of health, education and childcare. On the other hand, when it came to local unity and cohesion and the opportunities in the labour market, respondents were less positive. Given the opportunity to choose which of the three major industries in the Faroes should be developed, respondents gave tourism the highest priority, followed by fisheries and then aquaculture. When asked to rate issues of great importance to local well-being, housing and mobility (public transport in particular) were rated very high. When asked about the biggest threats for the future, out-migration of youth and a lack of connection to the 'mainland' were the two main concerns.

The survey from the Suðuroy upper secondary school provided rich information about the younger generation's perception of identity and their future on Suðuroy. All but seven of the 72 students in our survey grew up on Suðuroy, and generally wanted to settle in their home village or town after finishing school. This shows, not unexpectedly, a strong attachment to place among the youngsters. But why did

they want to live in their hometown? Here the students gave a wide range of arguments in free text answers for example: *"Because it is here that I grew up, and I think it is the best place to live"*, *"Because it's good to be here, feeling most comfortable here, Vágur is my home village!"* and *"The family is close by."* Others talked about a "safe place" that was "child-friendly" and a place that they would want their own children to grow up in. One student said he would need to move to the north (to the capital area) to find a job that matched his ambitions. He emphasised that he wanted to live in a small place close to the capital, rather than in the city of Tórshavn (roughly 18,000 inhabitants). A few students said they planned to move out of the country. Most of the students considered the housing situation to be a very important issue. Only eight students gave it a rating of less than 43 on the 1 to 100 scale. This reflects the relevance of the housing shortage, the lack of diversity of housing options and the general changes happening in the housing market.

It is impossible to take the journey to Suðuroy to talk to young people about mobility and future residence without mentioning the planned Suðuroy tunnel. 53 students said a Suðuroy tunnel would affect where they wanted to settle, and 24 answered that it would not. 69 of the 72 students wanted the tunnel to be constructed. Yet, when the students had an opportunity to qualify their answers, they also expressed ambivalent feelings about the tunnel. Many supported the idea of a tunnel link to the 'mainland' but were aware of possible negative consequences in the local community. We gave the students the opportunity to write freely about the possible advantages and disadvantages of the tunnel. The result was fascinating and demonstrated how essential the question of identity and belonging was to discussions about mobility and the 'continentalisation' of the Faroes. The dilemma is that people want to be better connected but also to sustain their unique local identities. Several students mentioned that the advantage of the tunnel would be to facilitate commuting – making it possible to live on Suðuroy and work in the capital area, and vice versa. One student said: *"You can visit family and return home whenever you like."*, contrasting the flexibility of a 24-hour tunnel service to the waiting time and frequent delays and cancellations associated with ferry transport. Another student said: "I have many a time spent 14 hours away from home just for half-an-hour at the dentist..." The sense of being stuck and isolated, because of limited transport, was echoed in many of the comments from the students. They craved easier and faster connection to the rest of the country. One student believed the tunnel would make it easier and cheaper to live on Suðuroy. The tunnel clearly symbolises an opening to a more progressive and thriving community, economically and socially, according to the young people from the upper secondary school on Suðuroy.

Regarding possible disadvantages, some youngsters were worried about the high charges that might be imposed on travellers using the tunnel. The total cost of this enormous project was also something that some of the students considered to be a

(national-level) problem that might affect the national economy. Others focused primarily on cultural identity issues and the special 'islandness' of Suðuroy. The island, a student said, was at risk of becoming a "holiday home island". The island will change and not be as "peaceful", another student noted. "Northerners will arrive, the language [dialect] will change, less safe" was a scenario that another student pictured. The role of Smyril, the ferry sailing between Tvøroyri and Tórshavn, was also discussed in several comments in the survey. The ferry trip is a natural part of everyday life of the people of Suðuroy. In an article about young people, Hayfield and Pristed Nielsen (2022, p. 208) argued that: *"Belonging in the island is practiced on the ferry, and island life continues during the ferry journey"*. While most people were positive about the idea of constructing the tunnel, many students had mixed feelings about the possible termination of the ferry route across the sea. One student said: *"You lose the pleasant conversation that you get on board Smyril, with people that you usually don't see."* Others said Smyril was "cosy", the trip to Tórshavn was often "fun", and the ferry created a strong sense of "togetherness". Others talked about demographic predicaments. They believed that a tunnel would make more people move away from Suðuroy.

When it came to young people's perspectives on their future careers, the survey showed other interesting perspectives. When asked what sectors they would prefer to work in (with opportunity of up to three choices from a prepared list of sectors, as well as free text), public sector jobs within health and care had by far the highest score (27), which underlines the vital importance of the public sector. Trade was the second most popular occupation with 18 students choosing this sector. Beyond these two areas, participants in the survey had very differentiated interests and preferences and chose a wide variety of careers on the given list. On their open 'wish list', students wrote baker, professional football player, lawyer, pilot, nurse, midwife, designer, IT worker and more.

Students were also asked which of three industries they thought should be developed in their area. As in the general survey, tourism was given priority by the students, followed by fisheries and then aquaculture. In the comments students made about their ratings, there were interesting variations in their perception of sustainable development. One student discussed tourism as an example of an industry that should be downgraded and substituted with alternative sustainable solutions:

"The tourist industry is growing and that is a good thing for the Faroes, because more people will know about us, our culture, etc., but it is also disturbing our nature, e.g. birdlife [...] Therefore, I think we should think about other progress in the Faroes. Things that are not yet, but can become something in the future, something redefining the Faroes."

Another student had a different, yet clear, message that fish farming was very rewarding, sustainable, and should be given the highest priority. The fishing

industry, as well as the tourism industry, he said, should be developed to become more sustainable. Generally, the comments reflected a concern with sustainable production and a critical view of existing forms of production and their impact on the natural and social environment.

4.5 Value chains and open communities

In the previous sections, we have seen how the demographic and socio-economic composition of Vágur and Tvøroyri has changed along with changes in global as well as local value chains. The increase in immigration and the immense increase in second homes over the last 20 years exemplify this most prominently and have become new aspects of present and future community-building. Our data all points in the same direction – there is an ongoing diversification in ethnicity, professions, socio-demographic structures and local identities. The shift from locally owned, labour-intensive industries to diverse, capital-intensive industries in both Tvøroyri and Vágur is a key example of this transformation within value chains in the Faroes, a change that has led to increased de-localization with an impact on local subsistence economies and community control. Enforced by the interaction of global value chains, mobility and local identities, these are indicators of an emergence of – or shift towards – what we term 'open communities', as explained in chapter 1 of this report.

The open community is open in the sense of being a part of the globalising world and a destination for international migrant workers, non-local companies searching for new investment opportunities, as well as for tourists and other short-term visitors. It is also open in relation to the opportunities for incoming (second) homeowners with or without family roots in the community. The open community, therefore, is a community in need of dynamic local adaptation to the development in global value chains, but, as emphasized in the previous report (Hovgaard & Bærenholdt, 2022), we also need to rethink the 'local community' by *"investigating local value chains, and analysing the ties and relations among local people"* (Bærenholdt & Hovgaard, 2022, p. 16).

Here it is important to remember that the modern history of Suðuroy is a story of industrialisation and major growth in the late 19th and early 20th centuries, attracting people from all the corners of the Faroe Islands to search for promising working opportunities in Tvøroyri and Vágur, which were the economic powerhouses of the Faroes (Holm & Mortensen, 2002). The difference is that, today, migrants come from beyond the Faroese national borders, and the value chains are much more weakly anchored in the local community. The open community on Suðuroy is characterised by increasing individualisation (Beck & Beck-Gernsheim, 2001), an increasingly age-segregated social order, and increasingly de-localised, or de-territorialised, and hybrid identities. It is, nevertheless, important to be aware of

nuances of the interplay between continuity and discontinuity in the local community. There are many families in Tvøroyri and Vágur with a strong sense of belonging to the place rooted through generations. These 'stayers' are not "passive observers of their own fates" because their lack of physical mobility does not reflect a lack of symbolic mobility and "imaginative horizon" (Stockdale & Haartsen, 2018; Pedersen & Zittoun, 2021). A man from Tvøroyri, who grew up in the 1930s, and who never left his childhood community for long periods, said:

"I have been born, raised and lived my whole life here in the village and I also want to say – I want to be buried here. It has been my intention since I was quite young. And why. I don't know. I have no explanation." (Pedersen & Zittoun, 2021, p. 64).

In other words, there are many different groups of people living on Suðuroy with still more diversified place-based identities. The open community is, therefore, also a community with invisible links between different groups of citizens. Who are the immigrants? Who are the second home owners? Who are the 'real' locals? The local community is changing, and the spatial footprint of the value chains is influencing the demographic and housing situation in the community. The open community, with its changed local and global value chains, is a community in transition, with new groups of people and identities moving in and others moving out, who may or may not keep a place-based relationship to the community.

Suðuroy has a strong position in the mental map of the Faroese. It is considered the 'Other' within the Faroes because of its geographical remoteness, its lack of road connection to the capital, its culture and dialects, its beautiful scenery, and its curious history. It represents a special place with an exotic culture in dominant Faroese cultural narratives. Therefore, Suðuroy is the 'other' in the perspective of the northerners who have continentalised and centralised the geography of the Faroes with the shift from boat- to car-based mobility (Gaini, 2024). At the same time, people from Suðuroy belong to many different communities within the island – villages and towns – with different identities.

Relative remoteness and isolation, a small population and territory, hence close spatial proximity, as well as close connection to the sea, are essential for the identities of people living on Suðuroy. The spatial identity, connecting people to a place that defines a local community, is strongly influenced by the social, economic and demographic transformation on Suðuroy and beyond. Since the second half of the 20th century, many coastal communities in the Nordic countries and globally have been "struggling to sustain their viability and prosperity in the wake of economic restructuring processes, globalization, and new cultural, educational, and lifestyle values" (Kjørholt et al., 2022, p. 3). Depopulation and youth out-migration make it difficult to develop resilient local communities in the future (Gerrard, 2008), but many coastal communities have also witnessed waves of newcomers searching for the opportunities and everyday lives offered there (Kjørholt et al.,

2022, p. 3). Older and retired people seek quieter lives. Even if the population is decreasing, diversification of working opportunities and of the skills and experiences of the population play a significant role for local opportunities, not least for career opportunities in the public sector. As outlined earlier, Suðuroy does not differ from this general trend. Coastal communities are places of transition, and even if the communities in Suðuroy are small with people strongly connected to each other, we could also see that established residents and new migrants had different positions in the community. Young people in Suðuroy have identities and networks that link them to each other, but some migrant groups feel less connected to the main social networks than others. In other words, our coastal communities form a landscape characterised by complex dynamics of identities and inclusion, exclusion, connection and disconnection (see also Kjörholt et al., 2022, p. 4).

4.6 Resilience challenges in Tvøroyri and Vágur

In this chapter, we have described how changes in value chains, demography, migration, second homes, and other dynamics have fundamentally changed the social landscapes of Tvøroyri and Vágur, and of Suðuroy in general. We have seen how local people, the younger generation in particular, values their place in the context of key socio-demographic issues. These changes, which all point towards increasing diversification and openness in socio-demographic and socio-economic structures, while robust in many aspects, also mean important challenges for the resilience of these communities. Developing new sustainable practices that better integrate these structural changes are essential to the long-term health of the local ecosystem, and crucial for the resilience of coastal towns. This is a critical planning challenge both locally and nationally, and a challenge for current municipal functions and structure. This is also something that many local actors are well aware of.

Diversification away from traditional fisheries to industries like aquaculture, pelagic fishing and tourism may have reduced local economic vulnerability, but the dependence on these extractive industries also highlights a gap in skills and planning for long-term economic and environmental sustainability. While the extractive industries have attracted newcomers and so helped to reduce the demographic gap (the relatively small numbers of children, young people and young adults), sustainable practices require an understanding that increased economic activity and resource consumption do not, by themselves, create population growth or a more balanced demographic pattern. Maintaining strong local identities and community spirit in the face of demographic and economic changes is vital. Learning the language via a course, information leaflets, or through jobs with a high degree of second-language colleagues, is not enough to create local belonging or full access to society (Holm, 2023; Skaptadóttir & Innes, 2017).

Furthermore, the prevalence of second homes will influence social and community resilience in unprecedented ways. For both non-permanent residents and for immigrant residents there is no easy way to have a voice in local development, and this is a relatively ignored phenomenon in local and national planning and policy. For example, can second home tourism represent a form of 'small tourism' that is easier to integrate in coastal communities than traditional forms of tourism (Bærenholdt et al., 2021; Larsson & Müller, 2019). Overall, these are issues that require greater planning attention.

The aging population and out-migration of young people pose another significant resilience challenge. Retention of the younger generation may be crucial for maintaining a dynamic and resilient workforce, but there is a gap between aspiration and reality. Our data reveal that young people aspire for a life that mirrors their urban or global counterparts, and they are mobile. However, we do also see a unique blend of traditional and new identities and skills, which can play a pivotal role for developing coastal contexts. Some young people dream of city-life, but they also aspire for a future in or close to their childhood community. To harness the potential of youth in rural development, policies need to focus on providing quality education, healthy environments and digital connectivity in rural areas. Moreover, creating avenues for high-quality (public) employment and entrepreneurship for the younger cohorts may be essential for building resilient communities. These challenges need to be addressed through strategic policy interventions and community-driven initiatives, including those that encourage more youth participation in local governance and decision-making.

This point reinforces the observation made in our previous report (Hovgaard & Bærenholdt, 2022) that public infrastructure and welfare services are of great importance for local diversification and, therefore, also for resilience. Added to this is the fact that the public sector offers many of the professions that women prefer. This is important to mention, because many village communities have experienced large female out-migration because of a lack of career opportunities beyond the traditional male-dominated work in fisheries and farming.

Finally, a subsea tunnel to Suðuroy could drastically improve accessibility, and boost economic activities and social vitality. However, a tunnel is only one possible prerequisite for resilient development, and a fixed connection will not reduce the need to develop new policy and planning tools to deal with the challenges of the open community.

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Chapter 5: Value creation and internal resilience in South Greenland

The case of Nanortalik – a town in the municipality of Kujalleq

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5.1 Introduction

In this chapter we present an analysis of some of the critical issues, central challenges and emerging trends identified in our case study on value creation and internal resilience in South Greenland. With a focus on Nanortalik in the municipality of Kujalleq, and with reference to other localities in South Greenland where relevant, we discuss the local challenges and prospects related to value creation, resilience and economic diversification, and the difficulties of attracting and retaining labour. Our discussion and analysis take as point of departure the local context of Nanortalik as presented in the NorValue I report, *Value Chains and Resilient Coastal Communities in the Nordic Atlantic* (Larsen, Hovgaard & Ingimundarson, 2022), which focuses more broadly on livelihoods and socio-economic transformation within Kujalleq and rests on field-based observations, interviews, focus groups and community consultation meetings among a broad range of stakeholders in Nanortalik, Narsaq and to lesser extent the municipal capital of Qaqortoq. While data on and derived from Narsaq and Qaqortoq is important for this chapter, its focus is specifically on Nanortalik which, for reasons of severe weather and flight cancellations, became the only site where a sufficiently comprehensive survey was conducted and where two field seasons instead of just one could be carried out.

Our chapter is guided by four main research questions: What is the role and contribution of local value-creation to economic development in Nanortalik? What are foundations of and obstacles to socio-economic development in Nanortalik?

12. Joan Nymand Larsen and Jón Haukur Ingimundarson were also supported by funding received from the EU H2020 project JustNorth, grant agreement no. 869327.

What are the state and prospects of a resilient community and economy in Nanortalik? And what are some of the examples of success stories in Nanortalik, and to what extent can their example be lessons elsewhere?

Although significant socio-economic challenges face the local population of Nanortalik - in many respects similar to numerous other small communities in the Arctic region - our data analysis suggests that most residents find comfort in a sense of belonging and community and natural place attachment, and many share a common vision of hope for the future. Moreover, according to local informants, critical push factors that drive youth and young families away in search of better opportunities and service provision elsewhere, are often factors that can be addressed through improved transparency and a more balanced division of power.

While many communities in Greenland are places of hope and collective visions for greater sustainability and more internal resilience, many are also places that face significant levels of vulnerability. The case of Nanortalik, located on the outer rim of South Greenland, is in many respects a community apart from others with its economic volatility and periods of stagnation or decline. With 1,119 inhabitants as of January 1st 2023, it is the 11th largest town in Greenland, yet must be considered small-scale when viewed in combination with its remote location, challenging accessibility and connectivity, and social and economic inequalities. Prior to amalgamation into the larger Kujalleq municipality in 2009, Nanortalik was the administrative center of a municipality that was designated by its name but also included the surrounding district's settlements of Aaappilattoq, Alluitsup Paa, Ammassivik, Narsarmijit, Tasiusaq and Qorlortorsuaq as well as several farmsteads (Larsen, Hovgaard & Ingimundarson, 2022). The community's vulnerability is revealed by its population decline since the municipal restructuring in 2009: The populations of the town was 1,448 residents in 2010, 1,261 in 2015, 1,185 in 2020 and 1,129 in 2022, and it continued decreasing as of 2023 (Greenland in Figures, 2010, 2015, 2020 and 2022). For many, this process is both a cause and effect of the growing trend of youth out-migration, and a manifestation of the difficulties in attracting and retaining newcomers and young families. The process has been offset to some extent by incomers – seeking services, work or residence – who come from aforementioned satellite settlements that have been experiencing a very steep population decline since the turn of the century, but collectively, these settlements and farmsteads numbered 1,013 residents in 2000, 700 in 2010, 507 in 2015 and only 444 in 2022 (Greenland in Figures, 2010, 2015 and 2022). Based on primary field data we describe some of the central issues and matters of debate facing our case region and particularly the conditions that affect Nanortalik's internal and external resilience, or lack thereof, and point to critical trade-offs that must be made in decisions regarding resource allocation to address them.



Nanortalik town seen from the dinghy harbour area.

Photo: Joan Nymand Larsen

In the case of Nanortalik, key areas of much attention, as documented in NorValue I, include a critical housing shortage and lack of affordable and better quality housing; a small, declining, and aging population; an increasing youth outmigration, and a growing dependency ratio. Moreover, a lack of stable and well-paying jobs; challenges in accessing services to meet demand, and associated difficulties of attracting and retaining newcomers are critical challenges. In addition, a lack of critical infrastructure to meet growing needs in fisheries and tourism and other trades, including harbour facilities and a new airstrip; and a general lack of educational attainment and access to educational facilities and opportunities for training, makes Nanortalik a case of significant human and fiscal resource gaps (Larsen, Hovgaard & Ingimundarson, 2022).

The following analysis is based on extensive interviews, focus groups, and informal conversations conducted in September 2021 and March 2022 with a variety of local stakeholders representing both public and private sectors, local institutions, different levels of government, businesses, and civic society. In addition, a survey on perceptions regarding the socio-economic situation of the locality was completed in Nanortalik in 2021 and provides additional background data and context for more nuanced analysis of the complexity of the local socio-economic situation, the

divergence of views among locals on critical issues, and the challenges of achieving economic development, stability, and internal resilience. Among the 64 individuals who completed the survey in Nanortalik 56.5% were long-time residents having lived in Nanortalik for more than 15 years, while 25.8% had lived there for less than 5 years. 12.9% had lived in the town for 6-10 years, and 4.8% for 11–15 years.

In this chapter, we first present an overview and discussion (section 5.2) of the qualities and strengths of the community in the small town of Nanortalik. This is followed by an analysis of some of the central barriers to economic development in the local town (section 5.3). Next, in section 5.4, we take a closer look at local prospects for sustainability and provide an overview of the internal resilience and future visions for Nanortalik. This is followed in section 5.5 by reflections on local success stories and concluding comments on the future of Nanortalik.

5.2 The nature and strength of local community

While significant socio-economic challenges do confront the daily lives of people in Nanortalik, in our conversations with locals it becomes clear that on balance many residents nonetheless feel a sense of comfort being part of the community in which they live and hopes for a better future in coexistence with nature and each other are present among and within all groups of stakeholders.

5.2.1 A sense of community

Results from extensive interviews conducted with individuals in the public and private sectors as well as other local inhabitants of Nanortalik, also including some interviews from the nearby town of Narsaq, suggest that a strong sense of community is widely experienced by the residents of both towns. Overwhelmingly, when expressing their sense of social solidarity, individuals were referring to the qualities of community relationships and sentiments within their own town, not the municipality of Kujalleq. On the other hand, when discussing cultural wellbeing, social cohesion and belongingness, many interviewees made references to other towns, particularly within Kujalleq. For example, several individuals in well-established career positions made references to the municipal center of Qaqortoq, which some associate with challenges to their local community wellbeing and a perceived lack of autonomous agency. Others, on the other hand, associated the municipality center with promising development opportunities and new initiatives, colleagues, and collaborative networks across Kujalleq. Also, the residents interviewed in Nanortalik and Narsaq frequently expressed the situation in their town relative to that of the other. For example, they compared and characterized the two towns in terms of different opportunities and problems, and social, economic, and institutional factors and activities which either promote or impede a

positive sense of community. Many of our interviewees see their community as endowed with a strong sense of collective consciousness, collective conscience, and social cohesion, e.g., *"It goes without saying that there is inequality in Nanortalik. Yes, it's there - it's just not as pronounced here as in many other places. We are good at helping each other with food and clothes for example. People share quickly. Inequality yes, there will always be some."*; and *"Narsaq has a strong political movement which worked against the Uranium mine, around 90%, and in favour of making Narsaq a UNESCO heritage site [including the town in the Kujaata world heritage area]."*



Center of Nanortalik town including the community hall and its bench area, a place where locals like to gather.

Photo: Joan Nymand Larsen

Nanortalik is in many respects a very open community. It is a community that readily and actively seeks and welcomes newcomers, including migrants and fly-in-fly-out workers. It is a place where newcomers feel they have a role, a place, and an opportunity to contribute and be integrated into the many aspects of local life;

where the limited, restricted public decision-making processes afforded to the local community are perceived as inclusive of newcomers, and where people feel their voice matters locally. At the same time, several local leaders pointed in interviews to the question of how to become more inclusive, how to bring more of the local population into discussions about the future that effects their lives, so that people, including newcomers, find a reason to stay and help ensure that value-added production, services and human resources remain and continue to grow within the community.

Interview material from Nanortalik included conversations with several in-migrants and newcomers – mostly individuals who live in Nanortalik either temporarily or on a more permanent basis because of an offer of good and meaningful employment. This might include management and leading positions in public institutions or industry, and good and meaningful opportunities in the private sector, including entrepreneurship. Many of our interview respondents had lived in Nanortalik for a long time, but several had moved to Nanortalik within the past 5 years. Interviewees often expressed a feeling of being integrated and described their role and contribution to society. Generally, in-migrants described as decisive pull factors the economic opportunity or job offer they received, whereas nature or cultural attachment in many instances only became of importance after having settled there.

Strongly agree	Agree	Neither/nor	Disagree	Strongly disagree
1.64%	9.84%	19.67%	42.62%	26.23%

Figure 5.1: The amalgamation has increased our sense of community

In response to the survey statement "The amalgamation has increased our sense of community" (Fig. 5.1), only 11.4% of those surveyed in Nanortalik responded that they agree or strongly agree. While a 68.8% majority of respondents declined this assertion (and 19.7% responded neither/nor), we can merely assume that the 26.2% who strongly disagree are of the opinion that the municipal amalgamation has decreased residents' sense of community. The word "our" in this survey query is an unclear reference, but as mentioned above, most of the people we interviewed understood a sense of community as referring to perceptions of residents in the context of their town, not their municipality.

5.2.2 A community with a shared vision for the future

Despite current vulnerabilities, our interview data, particularly from Nanortalik, suggests that locals share many similar hopes and visions for the future of their hometown. Broadly described, these community aspirations include e.g., maintaining, enhancing, and expanding successful businesses, institutions, organizations, and activities; reclaiming authority and productive activities lost or in decline; and acquiring new opportunities, resources, infrastructure, and enterprises. Specifically, commonly shared hopes expressed by our interviewees included prospering fisheries, retaining the fish factory, expanding tourism in a sustainable way, more educational opportunities (including secondary school in town), more affordable and better housing, an airstrip, a new harbour to meet a growing demand, and reopening of a gold mine with opportunities for locals. In addition, local hopes for the future included changes in municipal structure and administrative practices that would lead to more respect and sensitivity toward local needs, transparency, power balance, and equality. These common aspirations are linked to the residents' shared perceptions of the challenges their community is facing such as housing shortage and housing quality problems; youth outmigration and declining and ageing population; low availability of stable employment; and limited means for attracting and retaining newcomers. Additional challenges and issues include a lack of certain critical infrastructure (such as airstrip and sufficient harbour facilities); human and fiscal resource gaps; changes to municipality structure; and climate change in the forms of increased storms and more unpredictable weather and sea ice that impact travel, resupply and connectivity and procurement of ecosystem services.



The only connection by air in Nanortalik is the helicopter on weekdays. Weather and technical problems are a frequent challenge.

Photo: Joan Nymand Larsen

With the survey statement, "I feel in good control of my future", merely 20.6% of Nanortalik respondents disagreed or strongly disagreed. Many more respondents (50%) agreed or strongly agreed and thus accepted an assertion that implies a sense of (potential) empowerment or a sense of individual responsibility as well as available options and opportunities (as residents of Nanortalik). However, 29.3% of respondents replied neither/nor (Fig. 5.2).

These results beg the question of whether and how many Nanortalik residents feel that their community is in control of or responsible for its own destiny. While the survey did not include a comparable query regarding feelings of collective fate control, many interviewees elaborated on this issue while invoking the importance of either external or internal agency or both. Most of our informants emphasized the need for these resources to be brought favourably together, e.g.

"My vision for a sustainable future is linked to growth in tourism, population growth, fisheries, and plenty of quotas. These are the foundations for going forward. It's hard to predict the future. Do we keep the factory? Will there be enough work for people? I do not think the goldmine is a factor here in town – but maybe will be in the long run. Now they are trying to make a long-running goldmine rather than the other times when opening and closing depended on whether gold prices went up or down."

Strongly agree	Agree	Neither /Nor	Disagree	Strongly disagree
15.52%	34.48%	29.31%	17.24%	3.45%

Figure 5.2: I feel in good control of my future

Many pointed to certain positive aspects of Nanortalik's culture and current living conditions as providing a strong foundation for a viable future, e.g. *"What gives a good life here, these are the people who live here - we do not meet the prejudices we see elsewhere. There is togetherness and you know each other. Security is part of it - I do not lock the door."* Several informants also reported on recent successful developments which they attributed to local culture, agency, and human resources, e.g. *"People need to survive but they also need reasons to survive, and culture gives that reason. After they [disadvantaged youth] got the citizen house there have been no suicides, and nobody has been moving away."*

Furthermore, our survey data suggests that many Nanortalik residents are content with local healthcare services or at least do not experience the quality of healthcare

declining. In responding to the survey statement "Healthcare services have developed negatively", 31.7% disagreed and 25% strongly disagreed, whilst 15% agreed and only 3.3% strongly agreed. During our interviews we frequently listened to positive assessments of local facilities respectively serving the elderly, handicapped individuals, disadvantaged youths, and educating and assisting children.

However, while the town's cultural wellbeing and social solidarity and security were frequently invoked as a critical asset and basis for sustainable future, 47.5% of respondents agreed or strongly agreed with the survey statement "Culture has developed negatively since the time of the amalgamation" (Fig. 5.3). Even so, a significant 20.4% disagreed or strongly disagreed with the assertion and a compelling 32.2% responded neither/nor. Furthermore, it should be noted that this survey question invited participants to assess culture change over time, while our interviewees who emphasized today's cultural wellbeing in Nanortalik frequently did so in the context of comparing it with living conditions in other Greenlandic towns.

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
11.86%	35.59%	32.20%	13.56%	6.78%

Figure 5.3: Culture has developed negatively since the time of amalgamation

The survey results speak strongly to two notions which we frequently encountered during our interviews and were respectively expressed by two of our informants as *"Since the amalgamation, it has all come to a standstill"* and *"The town needs to learn how to help itself."* Disagreement toward the survey statement "The municipal amalgamation has been very important for Nanortalik" was 73.7% - including 28.1% who disagreed and 45.6% who strongly disagreed - while 14% responded neither/nor to the statement. The word "very" in this query may appear to reduce the value of its results, except that the strikingly high percentage of individuals who strongly disagreed speak loudly for the widespread opinion against the statement. Equally important, by agreeing or strongly agreeing with this strong statement a significant 12.3% of respondents are making it clear that they earnestly consider the municipal amalgamation as having been beneficial for Nanortalik.

Not surprisingly, the relative proportions of individuals who answered agree (10.5%), strongly agree (0%), disagree (31.6%), and strongly disagree (29.2%) in response to the survey statement "Municipality amalgamation has increased

people’s belief in a better future” are very similar to the results discussed above. The only notable difference between the two query results is that the percentage of those who responded neither-nor with respect to this question (28.1%) is twice as high as those who did so in response to the statement “The amalgamation has been very important for Nanortalik”. We suggest that the reason for this difference is that the statement concerning whether amalgamation has increased belief in a better future does not mention the survey-takers’ hometown and is more open and not as strongly worded as the statement concerning the importance of the amalgamation for Nanortalik.

Responding to the survey statement “Municipality amalgamation has increased people’s belief in a better future”, 10.5% agreed, 0% strongly agreed, 31.6% disagreed, 29.2% strongly disagreed and 28.1% answered neither/nor. In indirect contrast to how few survey respondents agreed with this statement, nearly twice as many Nanortalik residents agreed or strongly agreed (18.9%) with the idea that the future for Kujalleq municipality is bright (Fig. 5.4). This mildly significant finding when taken together with the above presented survey results on the perceived impacts of the amalgamation on Nanortalik residents, evokes the impression that many Nanortalik residents feel as if theirs is a community left behind (or to itself).

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
3.45%	15.52%	36.21%	25.86%	18.97%

Figure 5.4: The future for Kujalleq municipality is bright

Indeed, many of our interviewees both in Nanortalik and Narsaq testified to the experience of living in a community left behind, e.g. by making assertions such as *"we are the end station here"* (local business owner), *"since the amalgamation, it has all come to a standstill"* (civil servant), and *"there are not that many people who come and talk to us down here"* (civil servant). Some emphasized their community's disempowerment interlocked with external domination and obstacles: *"We feel colonized, first by Nuuk and then by Qaqortoq"*; and *"Nanortalik and Narsaq's development has been on standby. Qaqortoq is where there is development, you can just look at our roads, lots of holes, lots of closed houses."* But there were others who agreed with the notion that their community is left to itself but emphasized the need and possibilities for community residents to make a positive difference and to reclaim stronger measures of fate control, or as expressed by one of our informants: *"How do we reverse a negative view? I can use myself and my story. It was a good decision for me to return. Many of my friends*

have decided to stay elsewhere. I say to them: If you stay there, nothing will happen here (in terms of development)." In agreement with our survey results, several of our Nanortalik and Narsaq informants expressed the opinion that the municipal amalgamation has been important for their town and that the future for Kujalleq is bright.

5.2.3 Community with strong sense of place and attachment to nature

As previously discussed, many of our interview informants described their quality of life in Nanortalik as positive by virtue of its culture of togetherness, familiarity, generosity, security and shared values and participation in popular activities. Just as often did our informants express their wellbeing and comfort and community attachment by referring to their contact with and love for nature. As expressed by one interviewee, *"What makes Nanortalik a good place to live, that's the culture. It is different from Qaqortoq and Narsaq. Qaqortoq is modern and growing - Narsaq is agriculture - Nanortalik is 'old', it is fishermen / hunters. Everyone knows each other here - you do not do that in Qaqortoq. When I am away in bigger cities, I miss Nanortalik and Narsaq. Almost everybody is related to one another."* A local hunter commented *"The high point for Nanortalik is in May when the season of hunting hooded seal begins."* Others expressed their sense of belonging as:

"It has become worse to live in Nanortalik since the amalgamation. But I would never be able to live in Nuuk. I returned to Nanortalik because I missed the place. This is where I want to be"; and *"Nanortalik is a good place to live – the nature, the peace, people know one another."*

5.3 Barriers to economic development

5.3.1 Remoteness, accessibility, and resupply

Critical challenges of creating a more internally resilient community in Nanortalik include its small size, remoteness, and lack of accessibility due to climate or other environmental factors as well as lack of necessary infrastructure, such as an airstrip and updated heliport, and new harbour facilities. These challenges, in turn, lead to high costs of transportation and problems with the resupply of goods and services. One local interviewee explained the difficulties with resupply due to increasingly common severe weather events: *"It's a challenge receiving goods here. Everything is one day behind everywhere else, and when a storm comes, we may be cut off for days. This means a need to be able to adjust the routine all the time."* And another interviewee commented, *"We know about climate change here. It is a reality. Sometimes the ships must turn around just as they are approaching town. This winter has been one of the worst in terms of storms, and many flights have been cancelled and people stranded."* And on the problem of missing an order in the

context of remoteness and lack of accessibility a local resident described the challenge further: *"Here we receive resupply once a week. If we forget to put in an order, then it takes up to a month before we receive the order."* These reflections shared by locals describe an environment where instability and uncertainty and the frequent need for adjustments to plans and schedules create bottlenecks and shortages that affect the regular flow of daily life and business.



The clean-up begins towards the end of a big winter storm that closed down Nanortalik for several days.

Photo: Joan Nymand Larsen

5.3.2 Employment, and attracting and retaining people.

Opportunities for good, stable, and well-paying jobs in Nanortalik have been relatively limited, and attracting and retaining labour has tended to be equally challenging. The working age population has been declining over time, while demographics, as in other parts of the Arctic, is showing an aging population, and an increasing youth out-migration (Larsen, Hovgaard & Ingimundarson, 2022). With the population of Nanortalik not only decreasing, but also getting older, there is an increasing dependency ratio which challenges community resilience. This is not a situation unique to Nanortalik, but common among smaller coastal communities in Greenland and other Arctic regions. However, the case of Nanortalik is that of a place left on the margin according to some indicators, especially when combined with other key challenges such as remoteness, lack of accessibility and limited

opportunities for low-cost geographical connectivity between places. The low and declining proportion of young families and productive workforce impacts the level of public services. The declining youth cohort can be linked to lack of stable employment, training, and educational and recreational opportunities. Moreover, shortages of safe and affordable housing and good facilities for daycare and kindergarten makes attracting newcomers and younger families, and retaining staff, even more difficult.

In Nanortalik, as in many other places in Greenland, the housing situation is complicated, including meeting the demand for safe and affordable housing, dealing with issues of overcrowding and deteriorating infrastructure, and frequently long waiting lists, all of which means that the fraction of the population living in vulnerable situations is relatively high. The housing situation makes attracting and retaining newcomers more challenging, and in turn becomes a factor in efforts towards increasing the level of internal resilience.

5.3.3 Economic diversity

Economic diversity can help provide for a more stable and resilient community. We surveyed local perceptions about economic diversity in Nanortalik. On the statement “The economic life in my town has become more diverse since the time of amalgamation”, 28.1% of local residents disagreed and 12.3% strongly disagreed, while 21.1% agreed and 10.5% strongly agreed, and 28.1% responded neither/nor (Fig. 5.5).

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
10.53%	21.05%	28.07%	28.07%	12.28%

Figure 5.5: The economic life in my town has become more diverse since the time of amalgamation.

Perceptions and concerns about the limited degree, distinctive attributes and challenges of local economic diversity are strongly reflected in many responses gathered through one-on-one interviews. One interviewee expressed concern over the future of Nanortalik: *"It will be bad when the hotel owners leave "*. Another interviewee added, *"If the factory closes, we can no longer survive. We are afraid that the fish factory will close. There are many early retirees and retirees here."* One more interviewee added, *"You can earn something in the cafe for one to two*

days when there is payment of pensions. But the rest of the time there is nothing."

While these responses are phrased in very strong and absolute terms, they nonetheless reflect a sense of the vulnerability perceived by locals – that the survival of the community overwhelmingly depends on the status of one or a few local businesses.

Unlike on the question of changes in diversity of economic life in the town of Nanortalik in and of itself, on the survey question "The development in my town since amalgamation has not affected peoples' lifestyle", a striking 45.7% responded that they agreed or strongly agreed, only 33.9% disagreed or strongly disagreed, and merely 20.3% responded with neither/nor (Fig. 5.6). Survey responses such as these as well as the above presented interview results reveal the common perception of residents being left to their own devices and ways of living, perhaps including the idea that development occurring in the municipality of Kujalleq has not had a similar or proportionally equal impact on Nanortalik as on some other localities in the region.

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
20.34%	25.42%	20.34%	18.64%	15.25%

Figure 5.6: The development in my town since amalgamation has not affected peoples' lifestyle

Generally, people of Nanortalik feel that development of economic life has had challenges. As shown in Fig. 5.7, only 11.3% agree and 1.6% strongly agree that the town's economic development has been positive since the amalgamation, whereas a 66.1% majority of respondents either disagree (27.4%) or strongly disagree (38.7%) with the statement, and 21% responded neither/nor.

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
1.61%	11.29%	20.97%	27.42%	38.71%

Figure 5.7: Economic development in my town has been positive since amalgamation

5.3.4 Value added and economic diversification

The private sector, local institutions, and residents of Nanortalik like other places in South Greenland are looking for ways to diversify the small and narrowly based economy. Further diversification could be built on the rich cultural heritage and subsistence-based traditions, including arts and crafts, and local products of fish, meat, skins, and plants. Also, tourism plays an increasingly important role in Nanortalik with its unique nature, landscapes and culture, and small-scale manufacturing for local, regional, and international markets might also be possible. Improved transportation infrastructure, including sea and air, could provide greater market connectivity for the people of Nanortalik. The emphasis in Nanortalik and Narsaq is primarily on economic diversification in the key economic sectors of fisheries, agriculture, tourism, and mineral resources as well as in the creative arts. One hopeful Nanortalik interviewee commented that *"What is most important for the future of this town is that the factory stays open and that we get a new harbour, new apartments for young people and a goldmining operation providing many jobs."* In the case of Nanortalik it will also be interesting to look at possibilities for other types of sectors and trades, such as knowledge-based industries, arts and crafts, small-scale manufacturing, professional and technical services, food, recreation, and local retail trade. These are examples of ways to diversify into new services and product lines. Economic diversification in Nanortalik is, among other, also taking place through increased processing of fish products, and in the type and variety of tour packages and activities offered in tourism.

Among critical stumbling blocks has been the need for more role models. One interviewee noted, *"We lack people who can help entrepreneurs and be role models."* Such sentiments were expressed by several young people, students, and apprentices as well as adults desiring to enter a more stable and meaningful career path. Locals are generally acutely aware of the importance of role models who can provide motivation, inspiration, and support, and make goals more tangible. While locals in their conversations with us did not point to specific role models they often would mention the name of individuals in town who were viewed as being particularly successful and to whose success they seemed to aspire. Seeing others succeeding and pushing for their work to be the best can inspire others to do the same. Entrepreneurial role models can be a possible source of relevant human or social capital, which is important when critical gaps of these capitals are present at the local level. A better understanding of this potential driver of entrepreneurship may lead to the development and use of additional (policy) instruments to enhance entrepreneurial activity and outcomes, including education and training, and small business loans. While policymakers tend to agree that entrepreneurship is instrumental for economic growth and technological progress, the local residents of Nanortalik are similarly aware of this fact as was also reflected in many aspects of

their conversations with us including their frequent reflection on the consequences of the acute lack of certain access to critical human and financial capital.

5.3.5 Youth and out-migration – a destabilizing trend

While locals in Nanortalik generally convey a sense of community and belonging (as discussed above), a major concern expressed by many interviewees is the lack of educational and recreational activities for young people. The survey data show overwhelmingly that Nanortalik residents feel that young people lack opportunities locally, and that this presents barriers to internal resilience. Of the respondents only 8.3% agreed and 1.7% strongly agreed with the statement that young people have good opportunities within the town (Fig. 5.8).

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
1.67%	8.33%	11.67%	46.67%	31.67%

Figure 5.8: Young people have good opportunities in this town.

One interviewee described this challenge in the context of lack of educational and training opportunities: *"It is mostly the girls who go to business school and high school. What is lacking for the boys is a post-secondary technical or vocational school, a school where one uses one's hands rather than just books. Narsaq and Qaqortoq have post-secondary vocational schools and some from Nanortalik enrol in these, but if we had a vocational school in Nanortalik then young people would come to our town from elsewhere (the smaller settlements) to study."*

A strong majority of the local population surveyed either agreed (50%) or strongly agreed (19.6%) with the statement that more efforts in economic development will reduce out-migration (Fig. 5.9). This suggests that out-migration is caused by both pull and push factors, and that more emphasis on creating opportunities locally could help address this negative trend.

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
19.6%	50.0%	12.5%	10.7%	7.1%

Figure 5.9: More efforts in economic development will reduce out-migration.

While many people interviewed commented that one of the challenges in town was the lack of sports and recreational activities, survey responses nonetheless suggest that many people of Nanortalik find that sports and recreation have developed positively, with 43.3% agreeing (although only 3.3% strongly agreed) on this. 35% responded neither/nor (Fig. 5.10).

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
3.33%	40.00%	35.00%	18.33%	3.33%

Figure 5.10: Sports and recreation have developed positively since the amalgamation.

One interviewee remarked, "*Leisure options are ok. People compare too much Denmark with us. There is a lot to do – we have nature, football pitches and something happens.*" Lack of opportunities stand in the way of many, e.g.

"*One big problem we have here is lack of apprenticeship placements for the youth. Most teenage boys who come from broken homes would rather live in Nanortalik than having to move – but the possibilities are not there.*"

One education representative explained, "*Once they (the youth in Nanortalik) have completed Majoriaq (schooling after elementary school) then many of them cannot find an apprenticeship. Either they must travel or do nothing. Many boys would go on if they could get an apprenticeship. There are also many girls who do not break through. Maybe there are better opportunities for the boys. When we were a municipality, there were better opportunities for the girls.*" This last point suggests a possible gender division in jobs and training, and with fewer jobs for girls in public service after the municipality amalgamation.

With an aging population the migration and educational challenges become important to resolve. A well-educated and skilled workforce will be needed to support local sustainable development. Today, the municipality is lacking such a workforce, and a general challenge is the persistent mismatch between local competences and skills required, leading to a situation where there can be unemployment and vacancies at the same time. A significant share of the young people that leave their hometown for educational purposes decide not to return to make a living there. Young people who choose to stay typically have limited education, training or experience with job opportunities, or do not have the qualifications, safety net and independence for faring well in the external job market.

Generally, employment and business opportunities are scarce, especially for the younger generation, and there tends to be a lack of professional services, particularly for younger families. While many residents of Nanortalik describe the town as a good place to live, they also express concern about what kind of future their children might have if the family chooses to stay. Some residents perceive the standard of primary education to be lower than elsewhere, and they often express concern and frustration over a lack of teachers, quality daycare and kindergartens, as well as limited sports and recreational activities for the youth.

Many Arctic communities struggle with limited job prospects and economic opportunities. The lack of diverse industries and employment options in many small towns and settlement often lead young people to seek better opportunities in more central and urban areas. Moreover, the impact of environmental and climate change is significant in regions within Greenland as in other places of the Arctic (e.g. Jungsberg et al., 2023). Climate change and changing ecosystems can have significant implications for local industries and traditional livelihoods, which may also contribute to outmigration as young people search for more stable employment opportunities and better living conditions.



Football field in Nanortalik – a popular place for many youngsters during summer and after school during winter and fall.

Photo: Jón Haukur Ingimundarson

The trend in youth out-migration in Nanortalik and other South Greenland localities, as well as in the broader Arctic region in general, contributes to population decline, ultimately leading to demographic imbalances and challenges for community sustainability, indigenous cultures and heritage, and social networks and community cohesion, as also witnessed in the case of Nanortalik and other smaller Greenlandic localities. When young people leave it impacts on the social dynamics and support systems which challenge community resilience. In conversations with town representatives and other locals from public and private sectors we listened to a variety of perceptions regarding youth outmigration. Mostly locals pointed to a need for more and better educational infrastructure and access to skill development programs which create hope, meaningful opportunities and help youth feel a sense of empowerment. Solutions may require a closer collaboration between different levels of government and the local community. Such collaboration may be weaker where locals perceive a disempowerment due to socio-economic factors.

Nanortalik is experiencing a general challenge attracting newcomers. Several issues explaining these trends have been raised by locals such as the lack of affordable housing, and the lack of services. One interviewee explains, *"The town is having a housing shortage with a shortage of apartments also for those employed by the municipality. The government has been selling many of the public housing apartments, and this has created a critical shortage."* Another commented, *"One block has been closed off for the past 5 years because of mould, and nothing has been done about it yet, because of lack of resources."*

One interviewee explained, *"I think the town should become a little more attractive to people who are going down here, housing for example. When we as a school recruit staff down here, we lack housing to offer, and then they live in vacant housing for a long time."* Another respondent commented, *"It is difficult to find accommodation and housing for people down here. In that closed off block over there (points) there has been mould for a very long time, and they still haven't started the work of renovating. The block has been closed off for the past 5 years. It would be easier to build a new one. There is a huge waiting list."*

On the issue of changes in the quality of services, a major share of respondents disagreed (33.9%) or strongly disagreed (38.7%) with the statement "Level of municipality services has generally improved". Only 9.7% agreed and no one strongly agreed, whereas 17.7% responded with neither/nor. Similarly, in response to the statement "Services and trade have generally improved in my town", 60% either disagree or strongly disagree, only 6.7% agreed and 3.3% strongly agreed, while 30% responded neither/nor.

While many locals express a dissatisfaction with the level of service provision in Nanortalik and point to the lack of housing and schooling as main explanations for

outmigration and difficulties of attracting newcomers, the survey nonetheless found that 39.4% of the respondents perceive that the primary school has developed positively, about 34.4% respond neither/nor, whereas 26.2% feel it has not developed positively. Also, we received from our informants many positive comments expressing a sense of place and belonging, connection with a particular local culture, and feelings of being safe in a small place where most people know or know of each other. In fact, in our interviews, especially with youth and adult members of young families, we often heard people saying that they could not see themselves living in a big place like Nuuk.

5.3.6 Municipality amalgamation and a change in balance of power

In interviews and discussions with locals in Nanortalik and Narsaq, concerns over the Kujalleq municipality amalgamation, and the fall-out and aftermath of its implementation, often became part of discussions (see also Larsen, Hovgaard & Ingimundarson, 2022). Local perceptions and criticisms in particular concerned challenges with daily social services, the lack of maintenance of roads and other infrastructure, and the perceived decline in local empowerment. Locals perceive a change in the balance of power, which to some has left Nanortalik and Narsaq worse off in terms of socio-economic status and political clout, and this in sharp contrast to Qaqortoq – the headquarters of Kujalleq. These power imbalances are perceived by many locals to be a root cause of experienced inequalities in socio-economic outcomes.

A major share of the Nanortalik population perceives that amalgamation of the municipalities of Nanortalik, Narsaq, and Qaqortoq has not been a good step. More than half of the respondents (55.4%) strongly disagree with the statement “the amalgamation has been good for the people in my town”, while another 23.2% merely disagree. Only 7.2% either agree or strongly agree (Fig. 5.11).

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
3.57%	3.57%	14.29%	23.21%	55.36%

Figure 5.11: The amalgamation has been good for people in my town.

Local perceptions about the municipality amalgamation are also reflected in people's feelings about the mood in Kujalleq (Fig. 5.12), but among the survey respondents 41% disagreed and 27.9% strongly disagreed with the statement

"the mood in the municipality of Kujalleq is good", while only 8.2% either agreed or strongly agreed. This strongly suggests that a major share of the Nanortalik population feels that the mood in Kujalleq is not good. It is particularly striking that fewer than 10% either agree or strongly agree that the mood is good. One interviewee noted, "*after the municipal amalgamation things fell apart.*"

Strongly agree	Agree	Neither/Nor	Disagree	Strongly disagree
3.28%	4.92%	22.95%	40.98%	27.87%

Figure: 5.12: The mood in the municipality of Kujalleq is good.

More than half of the survey respondents in Nanortalik either agreed (43.9%) or strongly agreed (19.3%) that there is tension between Qaqortoq and the other towns, while only 7% disagreed with this statement. Correspondingly, many of our interview informants declared that power has become more concentrated in Qaqortoq and that most of the municipality administrators have moved there, and only rarely do they visit Nanortalik. Some described how the town has moved from being one of the richer municipalities to being poorer with a drain of human and financial resources, and with fewer services and resources, including lack of repair and maintenance. One interviewee noted, "*Things have become worse after the municipality restructuring; less resources, and the kindergarten has mould, and nothing has been done about having it fixed.*" Others emphasized the lack of opportunity to participate in decision-making at the municipality level, as well as the loss of authority, responsibility, and resources, e.g. "*Everything has gotten worse since the municipality amalgamation. The municipality sold a lot of its public apartments, and the working conditions have deteriorated.*" Another interviewee added, "*I have experienced the merger (municipal amalgamation), but so far, I can see it's all going down. We are becoming depopulated, and companies are moving to Qaqortoq.*"

5.4 Internal resilience and future visions

The level of internal resilience of a place is determined by a multitude of critical factors, including the level of economic diversification; the quantity and quality of fixed community assets, knowledge, and education; the nature of the local market; the number and engagement of local entrepreneurs; the importance and role of the traditional economy, contact with nature and overall cultural wellbeing; and political and administrative authority, and fate control.

Thus, economic diversification is one among a set of key factors in the internal resilience of a place. Achieving a more diversified economic structure is a challenge for small, remote towns dominated by primary commodity dependence (more concentrated economic structures), such as in fisheries. With limited diversification an economy may experience less stability and be more volatile towards shocks and disturbances from external markets, which in turn can lead to lower rates of economic growth. This may create barriers to future internal resilience, as the degree of diversification is linked with structural transformation of the economy and the achievement of higher levels of productivity that results from moving resources within and between economic sectors. Hence, not surprisingly, attaining a higher level of economic diversification is a major challenge for smaller and remote places such as Nanortalik which tend to have limited productive trade, primary and single commodity dependence in trade, and limited resource mobility due to educational gaps and challenges with existing infrastructure.

In the case of South Greenland, and in Nanortalik in particular, examples of new activities might include the expansion of the agricultural sector and sheep husbandry, knowledge-based industries, arts and crafts, small-scale manufacturing and more processing of marine products, professional and technical services, food preparation, recreation, and local retail trade. However, successful diversification also depends on supply of appropriate incentive frameworks; investments and policy reform that is geared towards reducing trade costs; supports for the reallocation of resources towards new economic activities (including from the informal sector); government interventions (market interventions) and attention to weaker institutions, and new and improved infrastructure, such as airstrip, harbour, roads. Many of these incentive frameworks today are either limited or absent in Nanortalik and Narsaq and are perceived by many residents as being particularly weak since the municipality amalgamation. Some locals described challenges with getting the necessary start-up support; the lack of resources and collaboration with the municipality offices; and a general feeling of power being increasingly concentrated in Qaqortoq, and often at the expense of initiatives or creative ideas formulated in Nanortalik and Narsaq (Larsen, Hovgaard & Ingimundarson, 2022; Larsen & Ingimundarson, 2023).



Brættet (traditional fish and meat market) in Qaqortoq where fresh fish and meat from local hunters and fishermen is sold.

Photo: Jón Haukur Ingimundarson

Nanortalik and Narsaq are facing sluggish demand for some of their main products and services, with fluctuating prices and earnings. Due to their remoteness and small size, connections to external suppliers and markets are relatively weak. Therefore, achieving a more resilient and sustainable future requires finding opportunities that produce value added locally and maximize benefits for locals. In this regard, in interviews with locals the conversation often turned to hopes surrounding the fish factory or the new goldmine nearby.

On the survey question of whether the respondents in Nanortalik see themselves in town 10 years from now, i.e. "I can see myself in this town 10 years from now", only 3.5% of respondents strongly disagreed and 17.2% disagreed, whereas 17.2% strongly agreed and 17.2% agreed, and 44.8% responded neither/nor. Thus, while trends suggest a future with more depopulation and stagnation, a strong majority of respondents either do or can see themselves living in Nanortalik ten years from now. While these results may reveal certain positive prospects for internal resilience, the fact that 61.4% of respondents either disagree or strongly disagree with the statement "Municipality amalgamation has increased people's belief in a better future" may be more indicative of resident's common perception towards the prospects for internal resilience.

One interviewee explains, *"The municipality amalgamation was in 2009, and after that everything got increasingly worse."* Another person notes, *"There is more bureaucracy, and everything takes longer time."* Yet another respondent perceives that times were much better before amalgamation: *"Before the amalgamation we were a rich municipality: the fishery, the goldmine, tourism",* and *"The amalgamation is the reason why Nanortalik is no longer a rich municipality; the new municipality no longer listen to what locals here have to say."*

In analysing the internal structure, the degree of resilience, and the level and potential of increased economic diversification, an approach is to study the strength and number of local economic linkages. Industries are linked to other industries and sectors in ways that can be considered in deciding on a development strategy – or in evaluating the impact of resource development. Linkages to consider include for example backward linkages. While our case study region is very small, backward linkages (input from other industries) in general are most effective when the using industry (e.g. fisheries) becomes so large that supplying industries (e.g. safety clothes) can achieve economies of scale of their own, thus lowering their production costs and becoming competitive. Backward linkages might include e.g. clothing, food, machinery, equipment, security, subcontracting, supplier contracts, service collaborations, and so on. However, such economies of scale in supplying industries would be difficult to generate for a small locality such as Nanortalik.

Forward linkages are also important for the region. This includes input into other industries, i.e. when investment in a project leads to investments in subsequent stages of production, for example, adding value by processing fish instead of exporting it raw or unprocessed. Our many observation and interviews in the local industrial fish processing plant, which is owned and operated by Arctic Prime Fisheries, revealed that many capital and labour intensive steps had been taken to increase locally benefitting value creation, including the production of a final product (dried salted cod) for export (mostly to Spain and Portugal), providing stable employment for about 35 to 40 local residents, as well as providing jobs on the company's offshore vessel to a similar number of Kujalleq residents, most of them from Nanortalik.

There are also potential horizontal linkages, such as skills developed in one sector that can be transferred to other sectors (for example personnel receiving management training in fisheries who will then be able to use that training in e.g., mining projects, public administration, etc.). These kinds of linkages seem realistic for a place like Nanortalik. Moreover, there are the basic consumption linkages, also referred to as final demand linkages, where a place realizes an increase in demand by those who have realized an increase in income and as a result spend more on consumption goods (i.e. more demand for basic consumer goods in the local stores due to increased local income). This type of linkage will be smaller when earnings are lower (as in the case of unskilled labour), earnings are not spent locally, or

profits leave home jurisdictions as payments to shareholders (i.e. the case often observed in remote locations in extractive industries). In the case of Nanortalik local residents expect increased income for many if the goldmine becomes a success and if locals will receive more of the well-paying jobs. In addition to these types of linkages, there may also be side-stream linkages, which are links to support infrastructure (power, logistics, communications, water) that can be used for other projects or sectors as the place develops further. The same is the case for basic infrastructure linkages (e.g. roads, water, ports, power grids, communications, airports, etc). These types of linkages have tended to be rather weak in the case of Nanortalik in particular, which is also reflected in the interview data.

Probably one of the most important linkages in a northern context is the fiscal linkage, when government revenues (corporate and income taxes, and royalties) can be used to finance development in other sectors in the region or locally. This type of linkage is contingent on the nature of institutional arrangements and cost-benefit agreements made. In the case of South Greenland, the fiscal linkage primarily connects to the central government, and funds are subsequently distributed from there to the benefit of Greenland in general, and not specifically to the town or regional locality where the economic project or activity is taking place.

Nanortalik does not have much productive trade except for activities in fisheries, tourism, and the start-up of goldmining. But these are sectors that are small in Nanortalik. The fish factory in Nanortalik is the heart of town, where production could be potentially larger with more quota, more local production, and with more small-scale fishers selling more of their catch to the local factory. But local fishermen described a lack of financial support for new fishing boats and sorely needed upgrading of equipment. In interviews with locals concerns over deteriorating or lacking infrastructure and support was expressed by several people, e.g. *"What is missing and what we need in Nanortalik is a first-rate harbour for big fishing ships and harbour facilities which can accommodate cruise ships with 1000 passengers or more."* Some further argued, *"Fisheries would be better if local hunters could sail further out, but they need new boats and motors for that, and support is lacking."*

In the case of tourism, the local community is somewhat divided on the question of whether the expansion of tourism has been positive for the town, with 42.1% responding that it has not been positive, whereas 24.6% agree and 7% strongly agree that it has been positive. 26.3% responded neither/nor. The relatively big negative response may be related to the growth in cruise tourism with large cruise ships (1-2000 passengers) visiting the town, resulting in large numbers of tourists relative to the small size of the town. Also, common issues of rapid growth of the tourism sector includes concerns that cruise companies and cruise ships negatively impact communities through air and water pollution, economic leakage, and tax avoidance. Tourism can put enormous stress on local land use, and can lead to soil

erosion, increased pollution, natural habitat loss, and more pressure on endangered species. Negative factors such as strain on local infrastructure, limited money spent locally, cruise ships sometimes changing their schedules, or not keeping to agreements can add additional frustration and negative sentiments about this sector. Yet, in interviews with local residents, where interviewees have had time to reflect on the issues, we heard positive takes on the growth of this sector, but also concerns over lack of infrastructure to meet the growing needs. One interviewee explained, "*We need more opportunities for people to visit Nanortalik and its surrounding nature. We do not have an airstrip and Air Greenland can only bring 9 passengers each time they arrive at our helicopter port. The company Disko Line does not bring enough tourists to Nanortalik, and their tickets are very expensive.*"

In interviews locals have explained the following procedure: "*When a cruise ship docks near our town for a day or two, one thousand or more passenger tourists are brought ashore in smaller boats. We sell these tourists ahead of time various 'packages' – which are put together in collaboration with different local service providers and people in charge of institutions such as the school, church and the museum – and included in these packages are such things as visit to our big indoor and outdoor local museum, the church and harbour market place, listening to choruses (there are three in town), observing performances of various sort, enjoying things and activities produced by the elementary school's children and their teachers, and going on speedboats into our fjord to enjoy icebergs, the glacier, Greenland's only evergreen forest and nature in general as well as fishing*". About 50–150 locals participate in making and offering tours. Activities also includes smaller day tours, and activities like kaffemik (coffee and cake usually at someone's home) folkdance, church choir, etc. There are also local artists who set up booths and sell their craft. The museum offers activities such as demonstration of how to clean a seal, etc. Earnings from these local tour and event activities amount to 70,000– 150,000 DKK, and this income is distributed among those who have participated.

But one operator explains, "*We all gain when the ships come in; many people work together, and the benefits are distributed among many households.*" Another notes, "*We have a good flow of tourists, but they only buy a few souvenirs.*" Some interviewees explain the opportunities and challenges: "*In spite of Covid 19 it has been good this summer - it has been busy. There have been new hotel guests from North Greenland they meet a Greenland they do not know at all, and it amazes them when they come here,*" which by some is viewed as a sign of resilience because the local market was able to expand to meet the increased demand from domestic tourists. At the same time others argue in a similar vein as often heard in other small towns along the Arctic coast, that there is too little staff to handle demands of thousands of tourists. Moreover, as explained by some, infrastructure or sites need repairs to be able to meet demand. There is a need for more toilet facilities and in general more of a strategy to prepare for a sustainable tourism. These kind

of challenges – although a concern at the local level – are similar to many other places in the early phases of a tourism growth strategy.

While fishing and tourism have been important economic pillars for Nanortalik for a long time, mining has been viewed by many as a possible source of income and jobs for locals, both in the case of the goldmine Nalunaq, but also in earlier days the once proposed rare earth and uranium mine in Narsaq. So far there are not many locals who have worked for the mine, but one interviewee explained that the goldmine nonetheless provides some income for Nanortalik, because of service and consumer goods purchased from Nanortalik. One local in Nanortalik remarked, *"The goldmine is our last chance – the fish is not enough. We cannot live of the tourists either – we have no accommodation. They have been talking about 20–30 years ahead in time with the goldmine."*

While most locals have seen opportunities in the start-up of goldmining located in an area of about 37 km from the town of Nanortalik, some worry about jealousy from potential increased inequality between those who get opportunities with the mine and those who do not. One local noted,

"People here don't worry about environmental issues concerning the Nalunaq goldmine, they think about the employment. However, I do worry about possible jealousy from mining in the future."

There are many challenges with ineffective linkages and barriers to realizing growth, many of which would be interesting to study in the context of the case study in South Greenland. These might include sluggish demand, fluctuating prices and earnings, linkages that are slow to materialize, difficulty for smaller and more remote locations to link up with communities and centres economically. In the case study region, especially in the case of mining in South Greenland, backward linkages to suppliers and consumption linkages may be less likely to work well; or infrastructure (ports, railroads, transport) built for the mine site may not lower costs and stimulate investments in other industries – nor may remote and specialized capital be well suited for other projects. Also, in terms of fiscal linkages, given the many fiscal challenges and a growing need for financial resources, it may be difficult to choose between options for where to channel resource wealth.

Successful economic diversification toward more diverse production and trade structure depends on many things, including supply of appropriate incentive frameworks; investments and policy reform that is geared towards reducing trade costs; effective policies that supports the reallocation of resources towards new economic activities (including from the informal sector); and government interventions (market interventions), addressing weak institutions (need for new institutional arrangements). There needs to be political commitment and societal support towards economic development, a capacity to manage a diversification process, and local stakeholder interest and support in new sectors, including human

capital formation and institutional arrangements. Addressing the persistent gaps in human and fiscal capacity is critical, and so far a place such as Nanortalik have many challenges to overcome.

5.5 Concluding comments

The case of Nanortalik in South Greenland describes a place with a strong sense of community and belonging and hopes for a more sustainable future. At the same time, as illustrated in this chapter, some locals have described a sense of disempowerment and decline in economic wellbeing, with many long-time residents of the local town describing how things were better in the old days when Nanortalik was its own municipality and there were better opportunities for participation in decision making that affects one's life. Among those residents who were more critical of how the system has changed were often those working within the municipality offices or local institutions. Local hunters and fishermen who were connected primarily to the traditional sector were to some extent more focused on the positive aspects of local life, living so close to nature, and expressing pride with being able to provide for the household through traditional activities, hunting, and fishing.

Many interviewees pointed to the lack of coordination and networking, and the negative consequences for local development and business start-up. At the same time, some locals also questioned to what extent a small and remote place such as Nanortalik realistically can become internally resilient even with efforts to reverse outmigration. At the same time, these people acknowledged that this is also a question of looking at alternative ways of doing things, and to look at how things are done in other places, and what is it that enables some people to succeed. A local stakeholder also described the importance of the town helping itself instead of waiting for support and assistance from outside the community. The town has entrepreneurial talent, with several entrepreneurs who look for new and creative opportunities to create work and income locally, including expanding on tourism tours, boat transportation, local taxi service, creating products from plants and berries etc. Yet, it seems that the economic potential of this entrepreneurial talent has not had the opportunity to fully flourish, and some benefits have not been realized.

Some of the success stories in Nanortalik include the local fish factory that provides stable and valued employment for many, as well as training and education opportunities in the local fisheries and a subsequent increase in local leadership roles at the factory. The local fish factory has also found innovative ways of contributing to more stable employment by investing in new technology (defrosting tank) that has enabled a more stable flow of resources thereby allowing for stable work throughout the week and in all seasons. Also, as explained in interviews, a

shift to increased specialization in cod and processing it as saltfish or bacalao has increased the competitiveness and product quality and contributed to a more stable workforce.

The local elementary school has similarly had success with alternative methods. One school representative explains, "*Two years ago, we started bringing Nanortalik's culture more into teaching. The students started going out to fishing grounds, the heartlands, making lard, cooking trout etc. It has been a great success, and the plan is for more classes to go on such a trip, and with the elders staying overnight for a few days.*" The representative went on to explain how this has had a positive effect on the students and their interest in schooling.

Other places in Kujalleq have also found innovative alternatives, such as the case of Narsaq where tourism needed to find new and adaptable ways due to Covid. One representative explains, "*Covid taught us to be adaptable: Locals, students, researchers, and increased number of Greenlandic tourists have participated in the museum-organized 'Historical Picknicks', which take place both in summer and winter and are a combination of lectures, art shows, exercise, hiking, and enjoying culture and nature, and cooking and eating together.*"

A representative from an economic development office in Qaqortoq also explains:

"*We have started tasks together with local industry to gather berries in the settlements and to collect waste from the fishery. There are many locally based resource persons who are involved. It takes 'many small streams' to do something significant.*"

In nearby Qaqortoq one local resident describes that there is a need to increase export and to do more than just sell fish, birds, and meat products at the informal market, and that a new airport will make it easier to expand the market and e.g., sell birds in Denmark. The interviewee further explains, "*In Greenland we have reindeer, musk oxen, grouse, hares – it can all be sold from Greenland – just like you can buy this in our grocery store here.... When we catch a whale then the stores decide to buy it all. But this is only small scale. There are millions living elsewhere whom we could sell these products to.*" For many local interviewees it is perceived that the airport development in Qaqortoq which is now underway, will help improve access conditions for the population of South Greenland, and in particular people living in Qaqortoq, as well as nearby Narsaq.

While many challenges persist and, in some instances, seem to be mounting only further, there is a sense of hope for the future. Above all, many locals express a desire to live close to nature in a safe and familiar setting close to those they have grown up with and that they know. These are the strong foundations that cannot easily be overlooked - a sense of place and community – that help provide some semblance of continuity when much else points in a different direction.

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Chapter 6: Conclusion and policy implications

Gestur Hovgaard & Jørgen Ole Bærenholdt

6.1 Overall findings

Several significant overarching findings have emerged from our collective results, which are further reinforced by the individual findings presented in the preceding chapters. These comprehensive findings hold substantial importance because they were observed across a diverse range of locations and in different chapters, addressing a variety of themes in specific contexts. The central finding was that the residents of Nordic Atlantic local communities generally express a strong sense of belonging to their local community. However, this is *not* because they belong and relate to only a territorialized community with common values. Instead, people feel they are part of an *open* local community, in which people do not need to share values, culture, or identity, but they do share a relationship to a specific place. Places are thus shared, while people in many ways use and value them from different perspectives. Their places are the same, but not their place-values. While valuing specific places (e.g. Nanortalik in Greenland), people also belong and relate to wider communities, such as the larger municipal commune (e.g. Fjallabygð in Iceland), the wider region (e.g. Helgeland in Norway or Suðuroy in the Faroes), and nation. Despite this, the specific place, visible and reachable from the house where people live or stay sometimes, has a central role.

The other general finding was that people tended to experience a feeling of being 'in control.' While some individuals expressed dissatisfaction with certain aspects of their lives, such as municipal amalgamation or certain services, the majority of people we encountered expressed their opinions from a standpoint of resilience and adaptability. Despite experiencing marginalization and feelings of neglect or exclusion, people generally exhibited a forward-thinking perspective, contemplating future actions that could be taken. However, this did not translate to a feeling of certainty or security. On the contrary, residents in Nordic Atlantic coastal communities know they live in vulnerable circumstances, but they are used to handling uncertainty. Climate change is a reality, and storms, avalanches, and other extreme weather events can occur. Additionally, social conditions such as schools, services, and jobs may change.

These general observations indicated a certain level of resilience (Bærenholdt & Hovgaard, 2022b). As explained in previous chapters, the resilience of local communities can result from the diversification of the economy, where the multiplicity of value chains involved and the pluriactivity of local people produces a certain level of robustness and ability to cope with social and environmental challenges, simply because there is the possibility to shift between involvement in various value chains. However, even a diversified local community typically does not have much control over the value chains which the various actors in the local community depend on. If the decision-making power regarding these value chains is delocalized, it can have a detrimental impact on the resilience of the local community.

There is often a *feeling* among residents that decisions taken at a distance from the local community lead to less resilience. This is clearly what the cases of municipal amalgamation in Greenland and Iceland indicated, although the degree of centralization and the distance between local communities differed. The distances and infrastructural hindrances were much larger in Kujalleq municipality (Greenland) than in Fjallabygð municipality (Iceland). Fjallabygð municipality is internally connected by a tunnel, making it possible to operate a school for different age groups in just one location, and for children to return home after school. This is not possible in Kujalleq, where operating a school in one place would involve moving children to colleges when they reach a certain age. This would likely weaken the social aspects of local community resilience.

Alternatively, public sector decisions made at higher national levels can contribute significantly to *diversification from above* (Bærenholdt & Hovgaard, 2022b). The impact of top-down decisions on resilience varies greatly depending on the specific nature of the decision, its context, and the extent to which it can be influenced from below. For example, this includes planning decisions regarding resource management systems, schools, health care, and tunnels or other infrastructure. Therefore, delocalization can be problematic, but in general it is important for local communities in the Nordic Atlantic to be part of wider societies taking responsibility for their territories. Although some of the cases in this report are literally island communities, local communities are in general not 'societal islands,' and there are few benefits for local communities in being isolated. For residents, and especially young people, connectivity and the possibility to act beyond the local community is essential.

The larger problem is that of environmental resilience. Many of the businesses that are central to local labour markets have large environmental footprints. This is particularly the case for some of the intensive marine businesses, such as aquaculture in the Faroes and Norway and pelagic fisheries in the Faroes, but few of these problems are only local issues. They are issues of the environmental sustainability of larger systems and societal resource management, which also

includes the environmental consequences of domestic and international mobilities, including tourism based on fossil fuel consumption. This is not something we considered in great detail, but it is unfortunate that larger, up to planetary, scale problems are sometimes regarded as less relevant for the local community, despite the contribution of local activities to these problems. This is an issue that requires further research.

6.2 Open local communities sharing places with new neighbours

The coastal local communities studied in this report were characterized by their openness and tended to exhibit cultural and economic diversity rather than homogeneity. Unlike communities where people predominantly share values, traditions, and habits, coastal communities were found to be becoming increasingly culturally diverse, with more variations in their economic activities. However, the degree of cultural diversity and economic diversification differed among the local communities studied. This was related to the infrastructural connectivity and the capacity for public investment, with significant differences between the more isolated Nanortalik (Greenland) and the cases in Iceland and Norway. Comparing two other communities in Iceland, Kokorsch and Benediktsson (2018, p. 109) found their resilience to be very different. The cases characterized by diversification, improved connectivity, and stronger social ties exhibited higher levels of resilience. It was obvious that infrastructural connection was one of the most significant place characteristics and was central to resilience. Infrastructural connections, including ferries, tunnels, and the reliability of schedules, was therefore a central theme in all cases studied. Because infrastructure is essential to economic diversification, it remains a central resilience factor and requires political attention. Furthermore, infrastructure plays a crucial role in attracting people and facilitating social interactions.

These issues are related to the other central resilience factor, which is place attachment or the 'people-place relationship' (Amundsen, 2012, 2015; McElduff & Ritchie, 2017), as discussed above in the general findings. People relate to places in different ways, but it is the attachment to and valuing of places that makes local communities. The sense of place is more important than being a cultural community. Although people value their places differently, it is essential that they value and share the same place. People's engagement in and care for a place, is based on their attachment to the place (Amundsen, 2015, p. 258). This should not lead to complacency (Amundsen, 2012); place attachment or sense of belonging alone is thus not sufficient to achieving resilience, with diversity also needed. It is, however, the sense of belonging that makes people engage in associations, projects, events, and mobilizations.

As shown in chapter 1, coastal communities comprise more than just the traditional residents. We saw in Table 1.1 (Chapter 1) that, with the exception of the Greenlandic local communities, all local communities experienced continuous growth in the proportion of migrants within their populations from 2000 to 2023. This development was related to demand for labour in fish processing, aquaculture, and tourism, where jobs are not always attractive to locals. Additionally, there is a demand for highly qualified labour in the public sector that has added to the cultural diversity of local communities.

The other significant group were second homers that reuse, inherit, buy, or construct second homes, either in former family houses that have now become 'empty houses' (as they are called in the Faroes), or cabins that are built for second homing and other forms of tourism. Second homes accounted for a large proportion of the houses in several of the studied local communities (around 30% in the Faroes cases, 20% in Icelandic Fjallabyggd, and 40-50% in the two Norwegian cases, with substantial growth since 2000). This has profound consequences for the material aspects of the place, particularly with regards to houses that may be renovated and maintained, but are often 'empty.' It also means that at certain times, a new population group that is not counted in statistics is present, practicing 'vicarious habitation,' i.e. part-time living in local communities 'on behalf of others' and being accepted (Knudsen, 2018, p. 281). Some of them are just repeat tourists, but others are strongly related to the place through family and economic activities, e.g. continuing to keep sheep on the land of the local community (as in the Faroes).

These two types of 'new neighbors' may contribute significantly to the economic, social, and cultural life of local communities, which are otherwise ageing. Their contribution to community life and resilience may become decisive, but this will depend on how people cope with the growing diversity of the place-based 'open community.' Having outlined some of our main findings, we will now discuss some policy implications of these findings. Because the focus of this study was not policies and their implications, we will only mention some important implications based on our investigations.

6.3 Policy implications for 'new' and 'old' people

Attracted by either jobs or second homes, the populations living or staying in coastal communities have diversified. Migrant workers make a considerable (more than 10%) contribution to the population in many coastal communities, but the extent to which they feel welcome and at home, and therefore wish to stay, remains uncertain (Aure et al., 2018). Workplaces often do not effectively integrate migrant workers. Likewise, second homers are often seen as people from other places, and their way into becoming a part of the local community can be difficult and troublesome. Their shorter stays in the local area can make it harder to establish

long-lasting relationships and actively engage with the community. However, especially senior second homers increasingly spend extended periods of time in their second homes. There are important policy outcomes that can be implemented on a bottom-up basis to support locals and municipalities. 'Newcomers' and 'often-comers' may bring resources and capacities to open networks and funding possibilities, which can be activated if they take part in just a few local meetings and become members of neighborhood associations. This can be facilitated at the municipal level through supporting/providing meeting facilities and community/citizen houses. Sometimes there will be a need to actively invite people. Much can be achieved just from meeting, welcoming, and inviting people to everyday activities. Specific events can be organized to mobilize people, for example to welcome, guide, sing and cater for tourists from a visiting cruise ship in Nanortalik (Greenland).

For the growing share of senior people already living in the community, these initiatives could provide new avenues for social interaction that are also related to cultural events or training. It is important that all such 'policies from below' refer to the common place as the point of reference, and they should not come from particular cultural, religious, or other groups. The place is the common reference.

6.4 Policy implications for diversification

Municipalities are often associated with local economic development policies, but it is critical to assess if smaller municipalities have such a capacity. It is possible that some of the larger, amalgamated, municipalities are better equipped to attract the new economic activities that encourage diversification. However, size may not be the decisive factor. Studies from Norway have shown that many smaller municipalities have the capacity to establish local economic development policies, where factors such as attractiveness, the ability to mobilize locally, and various forms of internal and external engagement play important roles (Aarsæther et al., 2020).

Business development work requires a mindset focused on exploring new markets, organizations, connections, and possibilities, that go beyond traditional approaches. Value-chain thinking helps because it recognizes the importance of external linkages. In many cases, the attraction and quality of the place are also advantageous factors. The return of an entrepreneurial local investor is not always possible, although we did observe some examples of this. However, many people who share a common place of origin but are living in other places can still be mobilized for the place of origin, which can be instrumental to network, raise capital, and reach markets. The same is true for the migrants and second homers mentioned above. The capacity required to manage diversification includes a complex range of institutional arrangements, but it is also based on the

construction of appropriate and sustainable infrastructure. This requires business and political entrepreneurship. Tunnels and ferries with appropriate schedules for locals and non-locals is also a political matter, requiring political representation and participation in regional (in Norway) and national government.

However, diversification of the local economy does not automatically produce local community resilience. If the drivers of the value chains in the diversified local economy are beyond local control and engagement, there is a risk of disempowering local economic actors who can make decisions in favor of the community. This was already the case in some of the main pillars of the 'blue economy,' which is crucial for several of the local communities investigated in this study. The involvement and entrepreneurship of people locally is therefore central to the diversification of the local economy.

6.5 Planning for nature, tourism, housing, and multiple uses

The diversification of the economies of coastal local communities already involves some small-scale tourism activity, and in some places like Vega (Norway) and Siglufjörður (Iceland) tourism has already become 'more than small'. Nature is the main tourist attraction, which raises difficult questions about sustainability, carrying capacity, and crowding in relation to access to nature. In the Faroes, the historic sheep farming system involves a complex fencing arrangement, which is not inviting for tourists, and there have also been issues about payment for access to nature (i.e. access to the outfields that are the commons of the local sheep farmers). Regulation of access, and therefore also potentially of tourist capacity, to avoid over-tourism are on the agenda. A diversified local community where different people live and interact requires careful regulation and planning measures. It also raises important issues about walking routes for the public authorities to engage in. This requires cooperation between authorities, large-scale tourism providers, and the often locally based small tourism providers. In their case study from the North Cape in Norway, Viken & Aarsæther (2012: 39) argue that large- and small-scale tourism providers can collaborate and contribute to the diversification and successful development of the industry, while also respecting important public governance regulations.

The most challenging issue for planning is housing. The situation is different in Greenland where there is no private ownership of land, and we did not consider second homes in Greenland in this study. In the three other countries (six local communities), the proportion of houses used or sold for second homes, some of which are for rent via platforms has grown significantly. In some areas this means increasing prices, making it hard for young people to find a place to live. Norway was the only country that had the potential to introduce a residency requirement

for some houses, but this policy instrument was no longer used in the studied communities. For comparison, in some Danish cases (Bornholm), a residency requirement is maintained in towns, but not outside of towns. There are planning measures needed, which will also depend on national policies regulating and planning housing and tourism. There is clearly a need to find new ways of regulating housing markets, which consider the local needs for a core of permanent residents and more mobile non-permanent residents, who tend to undertake remote digital work. Both groups value the specific place, although only some of them have their formal address in the place.

The analysis of local community development in this study, which highlighted resilience through the valuing of place and diversification, indicated the need to develop effective planning and planning tools to develop places and secure their multiple uses by many important and different stakeholders.

6.6 Vulnerability and the climate crisis?

This study specifically examined the social resilience of coastal local communities but did also consider environmental resilience issues in relation to the use of resources and greenhouse gas emissions from the transport activities that are crucial to coastal local communities in the Nordic Atlantic (Bærenholdt & Hovgaard, 2022a). It is therefore important to stress that the open coastal communities examined in this study were environmentally vulnerable in several ways. First, they may be directly affected by extreme weather events and therefore need to *adapt to climate change*, as observed in the Greenlandic cases. Studies of local communities have often tried to address these issues, without giving much detailed consideration to adaptation issues, because climate change does not seem to have motivated much adaptative behavior yet (Amundsen, 2015). The impression is that people in coastal communities 'are used' to extreme situations and vulnerability. Second, there are issues around the *sustainability of the 'blue economy'*, which are prominent especially in the world-leading Norwegian aquaculture industry, and they also impact the coastal zone management systems discussed in the Norwegian chapter. There are several regulatory and planning measures needed to secure the environmental sustainability of marine production, and this is especially the case in locations where there may be conflicting interests, for example between aquaculture and tourism as identified in the case of Vega (Norway). It will therefore be essential to establish policies that regulate and plan the global, national, and local aspects of sustainability. This is also needed within tourism. The third concern is the large and seemingly unmanageable issue of the much-needed *mitigation of the accelerating global climate crisis*. We have stressed the role of infrastructure and mobility for the development of a diversified economy, but it is not easy to reduce the carbon footprint of many of the transport technologies central to the livelihood of relatively remote coastal communities. In some cases, to meet global

objectives it might be better for global warming to reduce the local carbon footprint by restricting access to some areas (such as in Vega in Norway or Nanortalik in Greenland). This depends on the available technologies and energy systems (electricity). These issues may lead to a critical assessment of the growth ideals that are inherent in much regional and local development thinking. It is possible that the contracting population and economy of coastal peripheries are more resilient than other locations in relation to the climate crisis. It may also be the more diverse traditions of self-employment and a combined household economy, together with modern digital work opportunities, that make coastal communities a sustainable alternative. We may rethink whether it is right to look at the gradual loss of permanent residents in many coastal communities as a negative trend. To mitigate the climate crisis, depopulation is probably required, but it is difficult and irrational to think of 'giving up' as a contribution to a future life within planetary boundaries. However, the policy implication of this existential consideration is not 'do nothing,' but rather to carefully think about what is really needed when taking the climate crisis and other planetary concerns seriously. It should be remembered that it is not only coastal local communities that are vulnerable to such issues.

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Picture from the older part of Nanortalik, looking east. Nanortalik is the southernmost of the larger Greenlandic settlements and one of three towns in the municipality of Kujalleq.

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