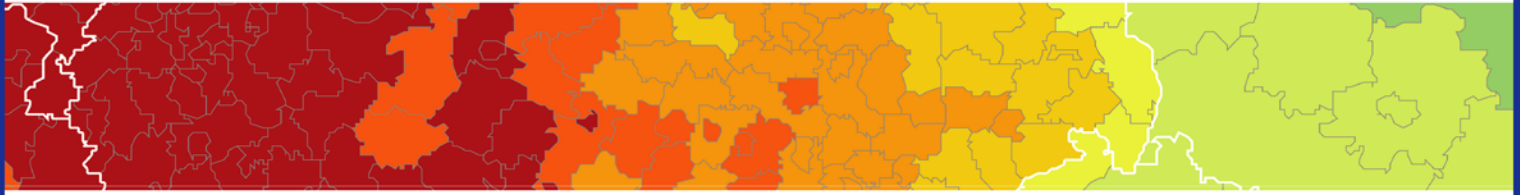


Inspire policy making by territorial evidence



PROFECY – Processes, Features and Cycles of Inner Peripheries in Europe

(Inner Peripheries: National territories facing
challenges of access to basic services of general
interest)

Applied Research

Final Report

Annex 16 **Case Study Report** **Vimmerby (Sweden)**

Version 07/12/2017

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PROFECY – Processes, Features and Cycles of Inner Peripheries in Europe

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Abbreviations

ENRD	European Network for Rural Development
ESPON	European Territorial Observatory Network
EU	European Union
GDP	Gross Domestic Product
IP	Inner Periphery
LAG	Local Action Group
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale
NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organization for Economic Cooperation and Acitivity
RUFUS	Rural Future Networks
SGIs	Services of General Interest
SLUS	Social Local Strategy
UMZ	Urban Morphological Zones

Executive Summary

Background

Vimmerby is a rural municipality in northern Kalmar county in the South of Sweden, with approximately 15,636 inhabitants, of which 8,098 people live in central Vimmerby. The economy is based on traditional agriculture, forestry and manufacturing industries, local tourism and the healthcare services sector. The municipality suffered economically during the 2008 financial crisis, which led to industrial decline and outward migration; however, the economy has since recovered, thanks largely to the ability of local industries in the agriculture and forestry sectors to diversify into new business areas, and consistently high levels of tourism to the area due to the successful branding of Vimmerby's natural and cultural assets, including the famous children's author, Astrid Lindgren. In the Swedish context, the economy is currently stable, but the municipality faces several challenges common to inner peripheries that need to be overcome if economic growth and stability is to be sustained over the long term.

Challenges and Problems

The case study highlights that Vimmerby municipality is currently facing challenges common to all Swedish rural communities, including downward trends in relation to a declining and ageing population, a lack of housing, low levels of education, an unskilled labour market and low access to SGIs. The main driver of inner peripherality in the municipality is regarded as urbanization and the outmigration of young skilled workers, particularly women, which is contributing to a low skilled labour market and reducing the ability of local businesses to innovate into new areas. Poor quality infrastructure in relation to transport and housing is also a key driver of inner peripherality in the area, with poor commuting links to functioning urban areas and low quality housing provision reducing the likelihood of skilled workers moving to the area. Finally, a lack of collaboration and coordination between national, regional and municipal governance levels is viewed as a major driver of peripheralization, as coastal regions in Kalmar County have been prioritized in regional growth strategies and there has been a lack of support and investment from the national level. Vimmerby has the characteristics of both a type 1 and type 3 inner periphery, as the peripheralization process within the municipality has been triggered by the geographical distance and poor access to centres of economic activity, and to some extent, a lack of collaboration and interconnectedness with key regional stakeholders.

Municipality Strengths and Growth Strategy

Vimmerby municipality has a strong business community, active associations, municipal leadership and engaged residents. This is reflected in Vimmerby's social local development strategy that focuses on developing regional strengths, including increasing the attractiveness of the area by promoting the municipalities natural and cultural assets, particularly increasing local tourism through the Astrid Lindgren brand. In addition, local industries have also been successful in diversifying into new businesses, particularly in the areas of green growth and renewable energies. The regional food strategy and wood strategy for Småland are important

initiatives in this regard, promoting growth, diversification and innovation in the traditional industries in Kalmar region. Finally, the Astrid Lindgrens Hembygd Association has developed a local strategy built on the 'leadership method', fostered by the European Network for Rural Development, that seeks to empower rural areas through building partnerships around strategic projects at a sub-regional level, between public, private and civil society sectors.

Future Developments

The municipalities growth strategy has been relatively successful in promoting economic growth through tourism and business development, but more can be done to overcome the ongoing challenges posed by urbanization, including:

- Using the high levels of destination tourism to the area to develop new innovative businesses;
- Build more housing to attract skilled labour to live in the area;
- Strengthen links between local businesses and regional higher education and research institutes to help match education programmes with regional labour market;
- Improve cooperation between national and regional levels, particularly in the coordination of rural growth strategies to improve transport infrastructure and increase investment in the municipality.

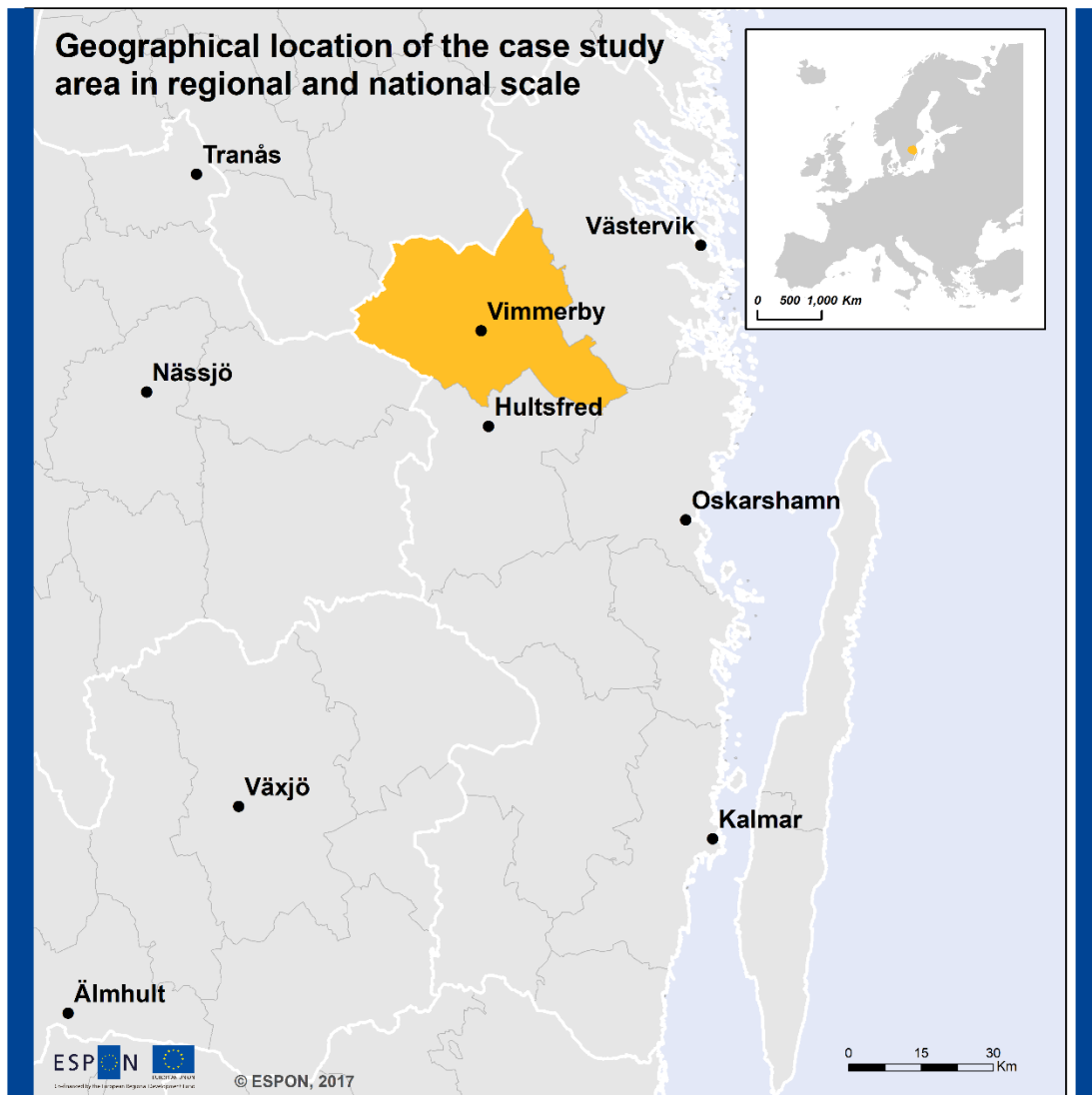
1 Introduction of the case study background

1.1 General information and location in European Space

Vimmerby is an inland municipality located in the northernmost part of Kalmar County in south-eastern Sweden (Map 1.1). The distance from Vimmerby to Stockholm, Gothenburg and Malmö is about 350 km.

Vimmerby is one of 12 municipalities in Kalmar County and covers a total area of 1 140 km². The municipality had a total population of 15,636 people in 2016 which corresponds to about 6,6% of the population in Kalmar County. The majority of the population is concentrated in the city of Vimmerby¹.

Map 1.1: Geographical location of the case study area in regional and national scale



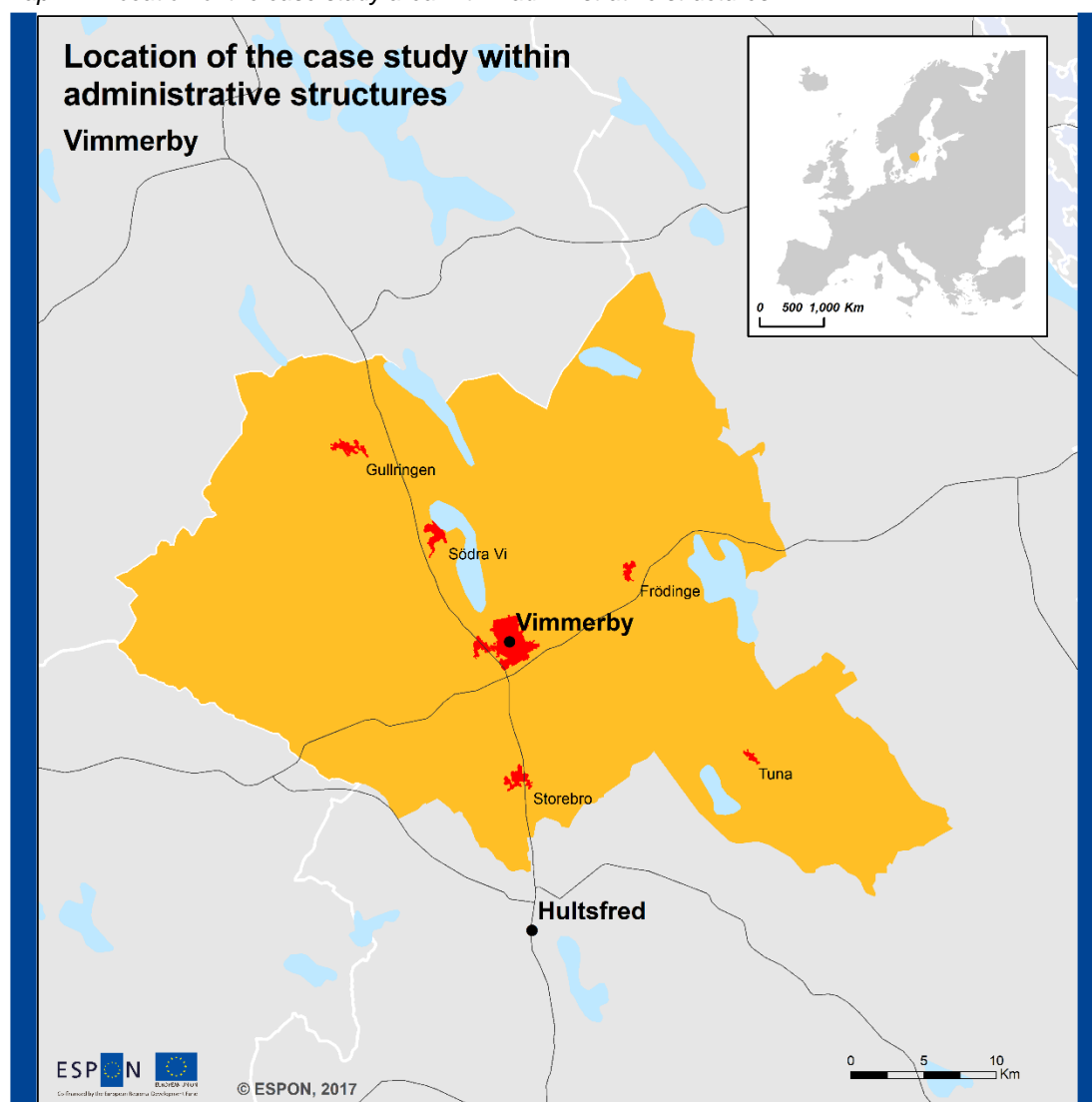
- Case study area: Vimmerby municipality
- LAU-2 units
- NUTS-3 regions

Local level: LAU2
Source: ESPON Profecy
Origin of data: Nordregio, 2017
RRG GIS Database, 2017
CC - UMS RIATE and RRG for administrative boundaries

Kalmar is a predominantly rural county and is the ninth most sparsely populated region in Sweden. Vimmerby municipality has a population density of 13,5 inhabitants per km², which is about 1,5 times lower than the average for the Kalmar region and 1,7 times lower than the Swedish average.

Vimmerby municipality borders Västervik municipality to the east, Hultsfred municipality to the south, Eksjö municipality to the west and Ydre and Kinda municipalities to the north. There are six urban areas or localities in Vimmerby Municipality with a population of over 200 people (Map 1.2). The largest town when it comes to the size of the population is Vimmerby (Table 1.1). Another 4, 060 residents live outside the urban areas.

Map 1.2: Location of the case study area within administrative structures



- Case study area: Vimmerby municipality
- Urban area
- Road
- Lake
- NUTS-3 boundaries

Local level: LAU2
 Source: ESPON Profecy
 Origin of data: Nordregio, 2017
 RRG GIS Database, 2017
 CC - UMS RIATE and RRG for
 administrative boundaries

Table 1.1: Population in six localities in Vimmerby municipality and land area characteristics, 31 December 2015. Adapted from: ^{2,3}

Urban area	Population (2015)	Density (2015) inhabitants/km ²	Area, km ²	Distance from the town centre (Vimmerby), km
Frödinge	396	0,68	502	9,5
Gullringen	499	1,27	395	16,8
Storebro	1 009	1,49	680	9,2
Södra Vi	1 135	1,56	729	8,7
Tuna	212	0,42	510	18,1
Vimmerby	8 098	7,51	1070	

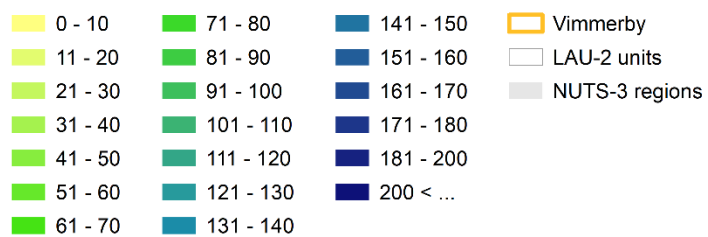
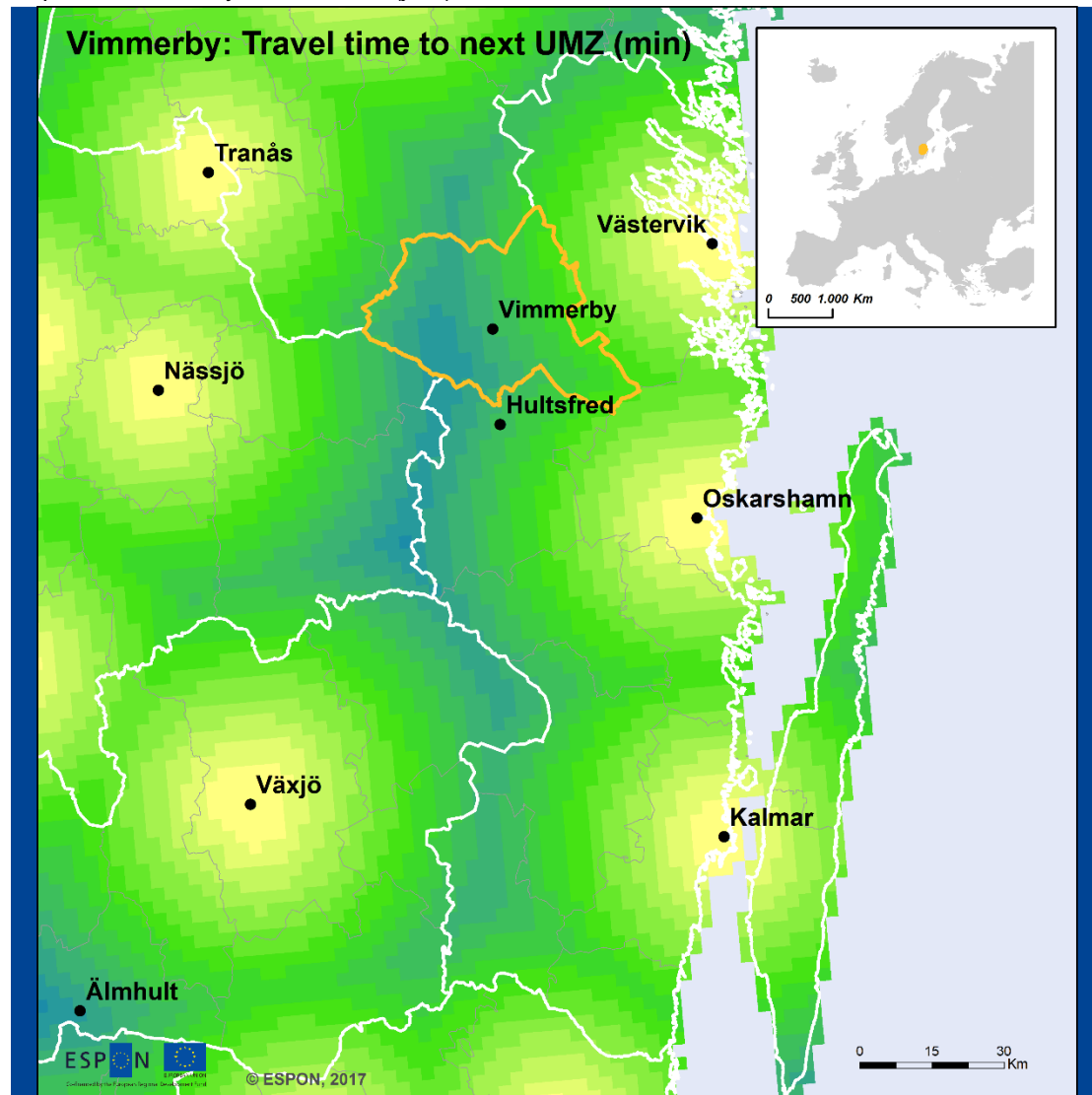
1.2 IP delineation outcomes

Vimmerby municipality was identified as an area with below average performance when it comes to travel time to Regional Centres (Delineation 1) and access to services-of-general-interest (SGIs) (Delineation 3).

Vimmerby appears as an inner periphery for several SGIs, namely hospitals (Map 1.4) and urban metropolitan zones, which is an indicator for jobs (Map 1.3). The closest regional centres to Vimmerby are Västervik (ca. 56 km), Linköping (ca. 95 km), Jönköping (ca. 119 km) and Norrköping (ca. 140 km). There is a railway that runs between Kalmar and Gothenburg, connecting the Swedish East coast to the West coast. It bypasses Alvesta (145 km from Vimmerby) where there is also a crossing with the main railway to Stockholm and Malmö. The closest station to Vimmerby on the railway Stockholm-Malmö is Nässjö, 80 km away. With regard to hospitals, Linköping is the closest city where specialized healthcare is provided (ca 95 km away from Vimmerby) (Map 1.4).

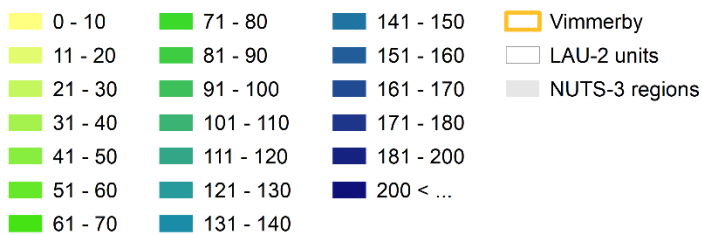
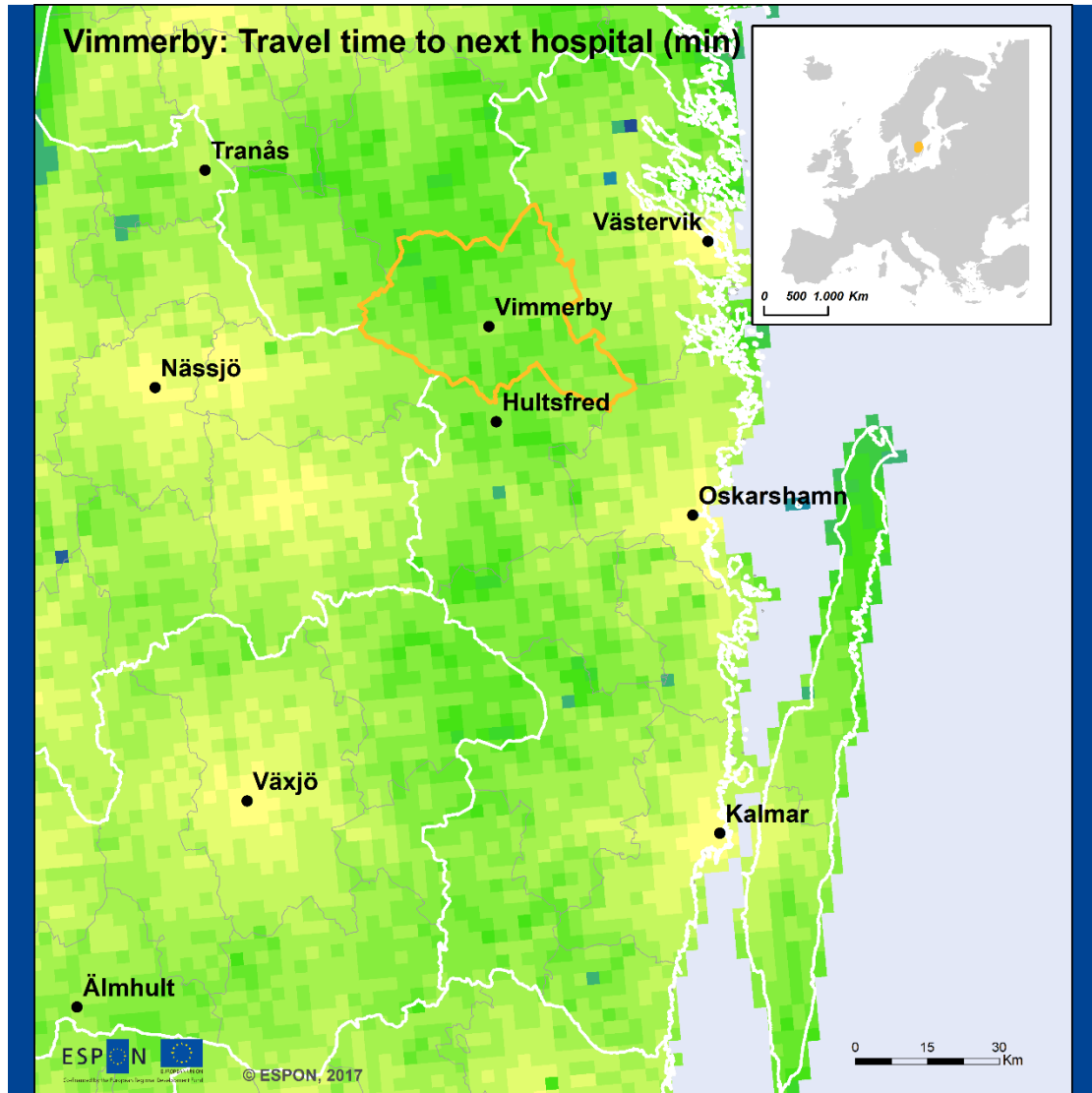
The combination of Delineation 1 and Delineation 3, as in the case of Vimmerby municipality, may characterize areas that have received less attention for service provision, or areas that have been affected by reductions in access to services, even though access to economic potential is not as poor as in the neighbouring areas. Inner peripherization problems are, therefore, mainly experienced here from the point of view of service provision.

Map 1.3: Accessibility to SGIs: UMZ (jobs)



Local level: grid cells (2.5x2.5 km)
 Source: ESPON Profecy
 Origin of data: TCP International
 Accessibility Model, 2017;
 RRG GIS Database, 2017
 CC - UMS RIATE and RRG for
 administrative boundaries

Map 1.4: Accessibility to SGIs: hospitals

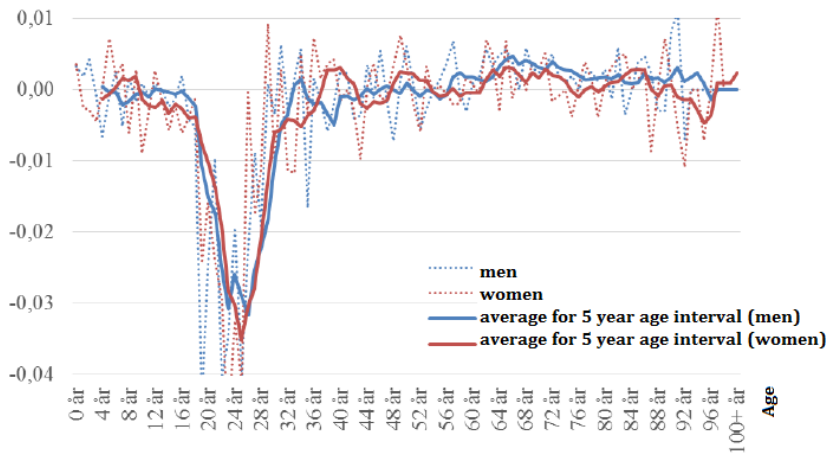


Local level: grid cells (2.5x2.5 km)
 Source: ESPON Profecy
 Origin of data: TCP International
 Accessibility Model, 2017;
 RRG GIS Database, 2017
 CC - UMS RIATE and RRG for
 administrative boundaries

1.3 Basic socio-economic characteristic

The population in Vimmerby municipality has shown a steady decline over the past decades, dropping from 15779 in 1999 to 15397 in 2012. Since 2013 there has been a slow growth in population in Vimmerby due to increased international immigration. Domestic net migration, on the other hand, has shown a negative trend over the past decade in all municipalities in Kalmar County besides Kalmar and Mörbylånga. There is an especially high domestic outmigration among the youth aged 16 to 30 (Figure 1.1).

Figure 1.1: Domestic net migration to / from Kalmar County, by sex and age, 2015².



When it comes to the population structure, Kalmar County has a higher share of the elderly and a lower share of youth than the national average. Old age dependency ratio (population aged 65 or higher as a share of working age population) was 38,5 in Kalmar County and 38,6% in Vimmerby municipality in 2013, while the national average was 30,1%.

About 59% of the residents in Kalmar County belong to the working age population (16-64 years old) (2015). The share of the working age population among the foreign-born residents in the county was 74% in 2015. Vimmerby municipality has a rather high share of international immigrants. The share of foreign-born population in Vimmerby was 10% in 2015².

The unemployment rate in Vimmerby municipality was 5,8% in 2016 which is slightly lower than the Swedish average. Youth unemployment rate was 16% in 2013, which was lower than the national average of 16,4%.

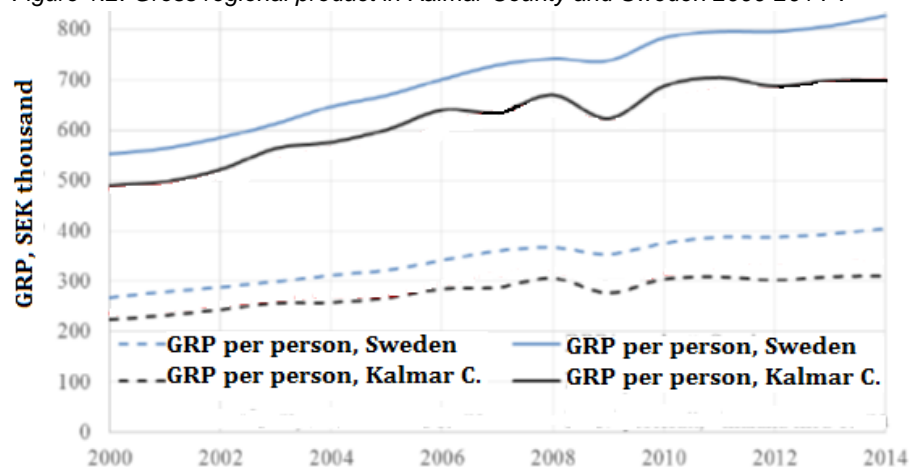
The level of educational attainment in Vimmerby municipality and in Kalmar County is generally lower than the national average. A larger share of the population has secondary or upper secondary education, and a lower share of population has postgraduate education of 3 years or more (see Table 1.2).

Table 1.2: Level of educational attainment of the population aged 20-64, December 2015. Adapted from².

Level of educational attainment	Percental distribution in Vimmerby municipality			Percental distribution in Kalmar county			Percental distribution in Sweden		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Pre-school education	20	11	16	17	11	14	14	10	12
Gymnasium	61	57	59	56	49	53	49	43	46
Tertiary education	17	32	24	26	39	32	35	45	40

Gross regional product in Kalmar County was lower than the Swedish average from 2000 to 2014 (Figure 1.2). The salaries in Kalmar County are also generally lower than the Swedish average, which can be attributed to a dominance of low-skilled jobs.

Figure 1.2: Gross regional product in Kalmar County and Sweden 2000-2014⁴.



For centuries, agriculture has been the most important economic activity in Vimmerby municipality, often combined with trade and craft. Vimmerby also had several tanneries. Since the 1900s, industry has become the branch that employed most people. Breweries, wood industries and foundries have become among the important industries³. Vimmerby municipality has several companies in the food sector, such as the dairy company Arla, Sweden's oldest family brewery Åbro and Frödinge cheese cakes. Vimmerby is also an attractive tourism destination primarily due to Astrid Lindgren's World Theme Park and nature tourism.

The primary and the secondary sectors are still the largest sectors in terms of employment in Vimmerby municipality today. Manufacturing, mining and quarrying employed approximately 28% of the workforce in Vimmerby in 2015, which is 10% higher than in Kalmar County and 16% higher than the Swedish average. Agriculture, forestry and fishing employed about 7% of the workforce population in Vimmerby municipality which is also considerably higher than the county and national average².

Unlike in many other regions in Sweden, employment in the primary sector increased by 35% in Kalmar County from 2007 to 2014. Business services was the only sector that experienced a higher increase in employment than agriculture, forestry and finishing sector in Kalmar County over the same timeframe (38%). The largest increase in primary sector employment is attributed to the industrial symbiosis built around synergies between the tourism and food sectors (e.g. nature-based tourism and farm stays).

From 2005 to 2013, Kalmar region accounted for more than one third of all growth in the livestock production in Sweden. The production value has increased by 38% in Kalmar County, whereas the overall increase in Sweden in total was 18%. Restaurant businesses and the processing industry saw the highest growth. The supply chain from farm-to-table includes over 3,000 companies and employs about 9,000 people in Kalmar County. Astrid Lindgrens World

alone offers food from local producers to over 430,000 visitors per year in Vimmerby⁵. The share of arable land in Vimmerby municipality used for organic farming increased from 7,8% in 2009 to 13,6% in 2016².

The manufacturing, mining and quarrying sectors remain the second largest sector in terms of employment in Kalmar County in 2014 (after health- and social care sector), the number of employed in this sector dropped by 20% from 2007 to 2014. A decline in the number of employed can be explained by the consequences of the financial crisis in 2008. Due to the presence of male dominated industries, occupational gender segregation is a defining feature of the labour market in Kalmar County.

Table 1.3: Employed per branch in Kalmar County in 2007 and 2014, and change in employment.⁴

Employed per branch in Kalmar County in 2007 and 2014, and change in employment	2007	2014	Change, nr. of employed	Change in employment, %
Agriculture, forestry and fishing	3747	5064	1317	35%
Manufacturing, mining and quarrying	24198	19253	-4945	-20%
Energy production and environment	1957	2158	201	10%
Building and construction	6717	7301	584	9%
Trade	10756	10631	-125	-1%
Transport and logistics	4653	4246	-407	-9%
Hotels and restaurants	2903	3309	406	14%
Information and communication	1856	1503	-353	-19%
Credit institutes and insurance companies	1011	959	-52	-5%
Real estate services	1404	1641	237	17%
Business services	6414	8869	2455	38%
Civilian authorities and national defence	4868	5420	552	11%
Education	11240	11049	-191	-2%
Healthcare and nursing	19794	20343	549	3%
Personal and cultural services	3898	4123	225	6%
Unknown sector	1763	1893	130	7%
Total	107 179	107 762	583	1%

2 Characteristics of the case study: Patterns and processes

2.1 The evolution of IP, internal structure and disparities inside case study region

Urbanization, demographic challenges, skills shortages and mismatch, poor connectivity and infrastructure development are among the most crucial problems that have contributed to the process of the peripheralization in Vimmerby municipality. The peripheralization process of Vimmerby municipality is primarily triggered by the geographical distance to centers of economic activity, which restricts access to a wider job market and unlocking economic potential. Accessibility and infrastructure challenges have also had a negative impact on economic activities and productivity by limiting access to a skilled and qualified workforce. A shortage of qualified workers has contributed to an inability to develop innovative, knowledge-based, higher value added activities that the municipality needs in order to boost the local economy and increase tax revenues. Accessibility and transport infrastructure challenges have also contributed to a decline of human and social capital, as they have triggered out-migration of young working age people and students, particularly young women.

Historically, Vimmerby has been lagging behind in national infrastructure development as there has been a stronger focus on developing coastal areas in Kalmar County. It was highlighted in interviews that the distribution criteria for the structural investments in infrastructure favours higher growth regions. Kalmar region can be characterized by a small population size and a low level of economic growth, which has an impact on tax revenues and results in a shortage of finance for regional infrastructure development, which exacerbates the accessibility problem of the region.

The accessibility challenges have a negative impact on the demographic development of the municipality, as a fast connection with other functional regions is seen as an important precondition for people to continue living in smaller urban and rural areas. Improved infrastructure (both rail, road and broadband) is crucial for creating the preconditions for a better access to a larger and more diverse job markets within commuting distance of Vimmerby, which would also ensure stability on the job market and reduce the areas vulnerability to economic shocks.

Commuting to work (both in and out) has become more common over the past decade and increased by approximately 20% in all municipalities in Kalmar County from 2005 to 2015⁶. There were 1 859 commuters to Vimmerby municipality among employed workers with housing in different municipalities or counties and about 1 503 commuters from Vimmerby municipality to other areas in 2014². According to the regional system analysis for transport infrastructure by RegionFörbundet Kalmar, there is a potential for Vimmerby and Västervik municipalities to be integrated in Östergötland functional region due to a relative proximity to Linköping and Norrköping⁶. Despite an increased commuting pattern, the local and regional actors emphasize the need for further improvement of infrastructure and public transportation.

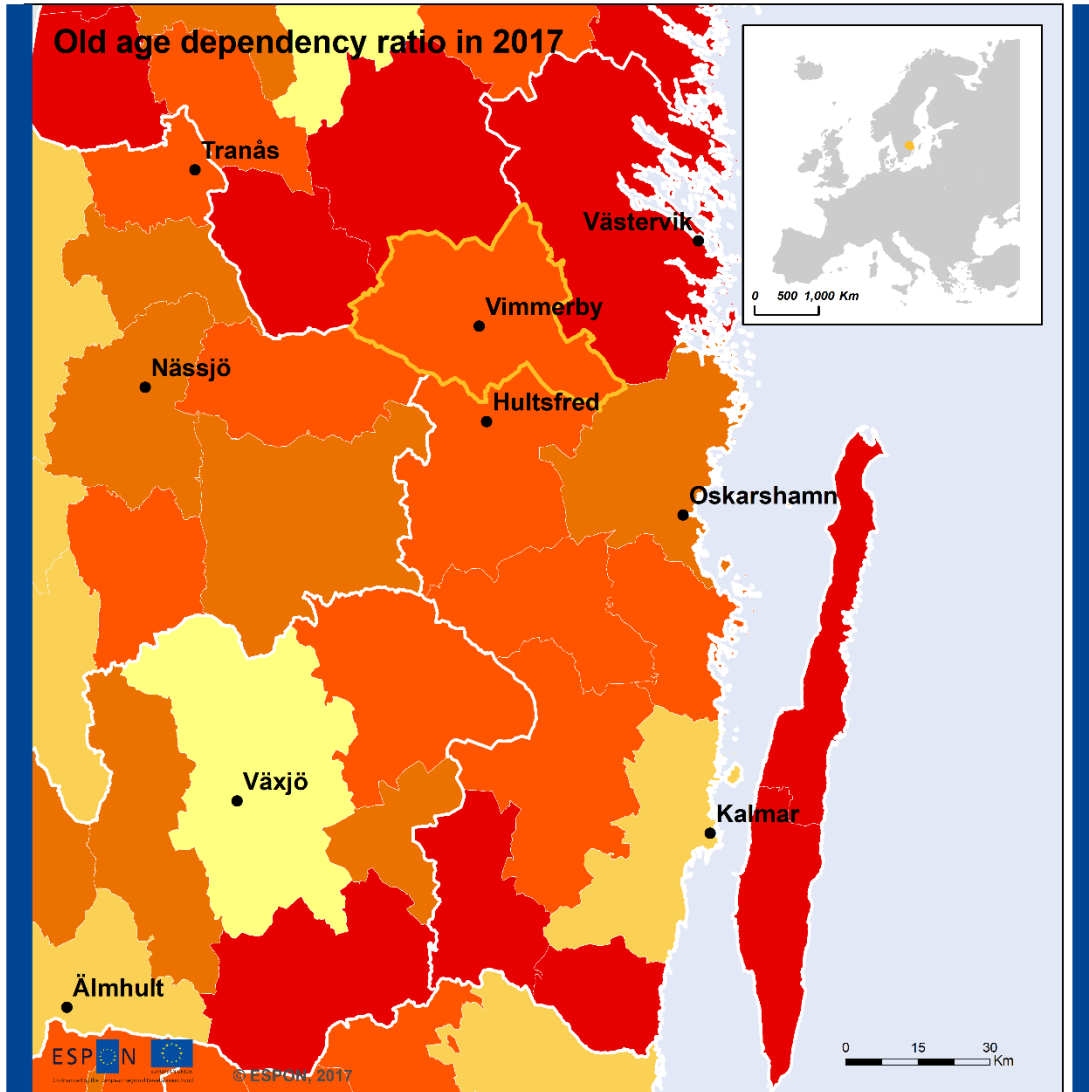
Travel by public transport has increased by nearly 50% in Kalmar county from 2006 to 2015 due to the introduction of 'lane traffic' in 2008, which contributes to faster bus traffic and a more punctual public transport timetable⁷. Despite a positive trend, nearly 70% of all public transport journeys in the county occur in the three largest municipalities: Kalmar, Västervik and Oskarshamn. Vimmerby can be accessed by bus from Västervik and Hultsfred. The preconditions for public transportation are not optimal in the county due to the small population and a sparse settlement structure. It was pointed out in the OECD Territorial Reviews: Småland-Blekinge (2012) that improvements in connectivity with the regional centers in neighboring counties are essential for achieving growth and development in South-East Sweden⁸. Today, the development of an integrated public transport system is hampered by differences in traffic planning, bus ticket systems and taxation across the regions⁶.

Despite the fact that the industry sector is quite diverse in Vimmerby municipality, the dominance of traditional manufacturing industries may have contributed to the peripheralization process, as these industries have lower salary levels and tax revenues than knowledge-intensive activities (according to the interviews conducted for the purpose of this research). Moreover, the dominance of the manufacturing industry makes the region vulnerable to changes in the global market for the products that these companies produce. The industry sector is more sensitive to fluctuations in the economy than the service sector, and the financial crisis in 2008 hit the region harder than Sweden as a whole. About 5000 jobs in the industry sector disappeared from 2007 to 2014 and the recovery process has been slow (see Table 1.3)⁴.

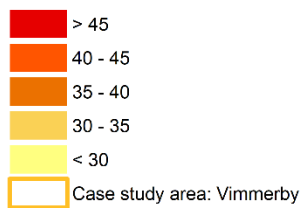
The demographic challenges are related to both the age structure of the population and population decline. Vimmerby municipality and Kalmar region as a whole are affected by the out-migration of the youth, primarily young women. There is also a particularly high share of the elderly which leads to an increasing demographic dependency ratio, i.e. on every person of working age there are more people that are typically not in the labour force (the elderly and the youth) than there is today (Map 2.1). This trend poses challenges to the welfare system and leads to more financial stress on working people and dependents.

On the positive side, there has been an increase in population aged 18-30 in Vimmerby which is attributed to international immigration. The age structure of the newcomers is about 20-25 years old which is seen as an opportunity to lower the demographic dependency ratio. Integrating the newcomers in the labour market and making them stay in the region is however a challenge (interview 2017).

Map 2.1: Population aged 65 or more as a share of population aged 15-64 years in 2017



Persons aged 65 years or more, as a share (%) of population aged 15-64 years



Local level: LAU2
 Source: ESPON Profecy
 Origin of data: Nordregio, 2017
 RRG GIS Database, 2017
 CC - UMS RIATE and RRG for administrative boundaries

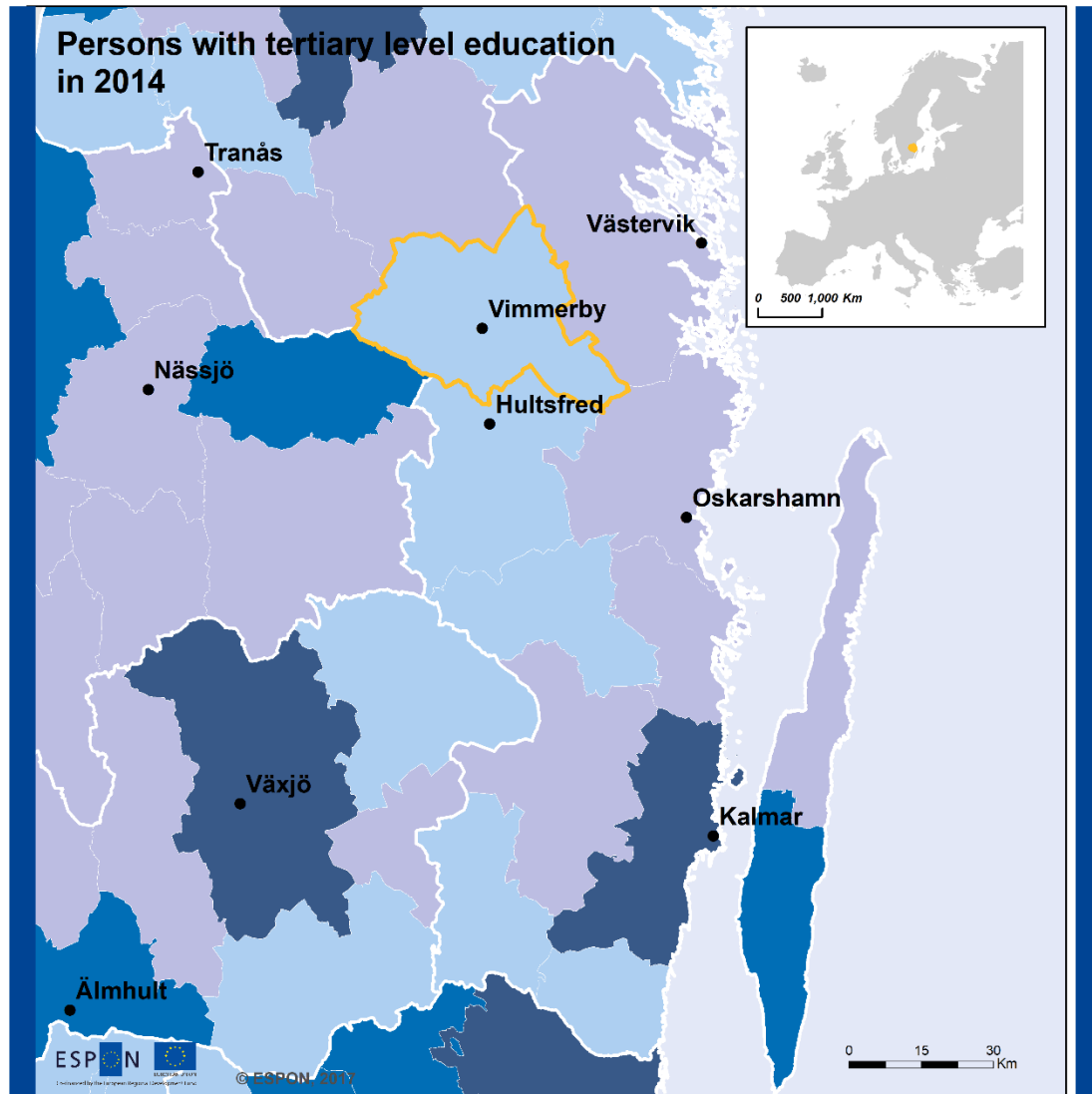
The region is also facing challenges related to skills shortages and mismatch. Skills mismatch is primarily caused by an imbalance between demand and supply of skills. In Kalmar region, there is a shortage of qualified workers, which can be attributed partly to the demographic challenges (ageing society and out-migration), and partly to a low level of educational attainment among the population in the region (Map 2.2).

The companies face difficulties in recruiting as a result of skills and competencies shortages, but also a generally low competitiveness of the region due to quite low salary levels caused by

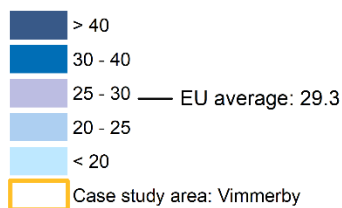
the dominance of traditional industries. Attractiveness of the municipality as a workplace is also limited by a relatively small size of the market and limited career development opportunities.

The shortage of competencies and skills hampers the development of knowledge-intensive activities and higher value added products which limits the rates of the economic activity and growth in the municipality.

Map 2.2: Persons with tertiary level education as a share of persons aged 25-64 years in 2014.



Persons with tertiary level education, as a share (%) of persons aged 25-64 years

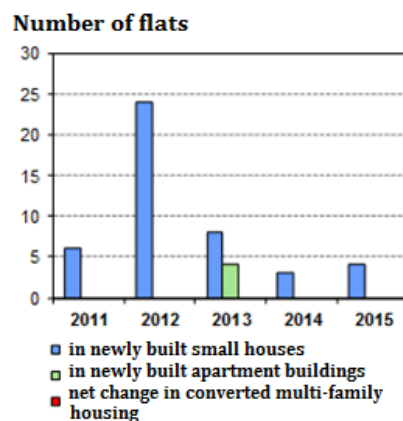


Local level: LAU2
 Source: ESPON Profecy
 Origin of data: Nordregio, 2017
 RRG GIS Database, 2017
 CC - UMS RIATE and RRG for administrative boundaries

Urbanization is another global trend affecting the region. It is primarily the younger people who choose to move out to Kalmar, Linköping or other larger cities for studies, urban lifestyle and jobs. This trend has an impact on income levels, the standard of services and the overall atmosphere in the region. In addition to the pull factors from the urban areas, there have been a number of push factors that contributed to such development. According to the local authority worker interviewed, Vimmerby municipality could have been better at sustaining cultural supply so that it would be more interesting and attractive for the younger people to stay.

Urbanization also implies a higher demand for accommodation in urban areas. Lack of housing in Vimmerby and many other municipalities in Kalmar region is another important issue that limits the growth of the region and has been an important factor influencing outmigration. It has been difficult for young people to find and finance housing. Until the 1990s there has been an expansion of housing construction that did not go hand in hand with the population development in most areas. This resulted in vacancies in the public housing stock, and nearly 1000 dwellings were demolished in the 1990s and 2000s due to leasing difficulties. In recent years the demand for housing has increased drastically due to a low building rate in combination with an urbanization trend and an increasing number of immigrants to the county. Moreover, Kalmar region has among the oldest population in Sweden which leads to a greater need for accessibility-adapted housing suitable for the elderly⁶.

Figure 2.1: Newly built / converted accommodation in Vimmerby municipality 2011-2015⁶



2.2 The case study against the region, country and Europe

Region

Kalmar County is situated in the South of Sweden and stretches along the East coast line of the country; the region is made up of 12 municipalities, including Vimmerby. According to the RUFUS typology, Kalmar is classified as Type 2 Region, characterized by a medium strength economy with a mixed labour market⁹. The largest employers in the region are manufacturing/mining industries, healthcare services and the agriculture/forestry industries. The region also has high capital in tourism and natural assets, with 17% of the region classified

as a Natura 2000 area⁹. Around 40% of the region's population lives in rural areas, which is reflected in terms of land use, with 68% of land used for forestry, 18% for agriculture, 2.9% for pasture and only 6.6% of land making up urban areas⁹.

Despite strong geographic and labour market similarities across the region, there are large socio-economic differences across the municipalities within Kalmar County. Coastal municipalities generally have stronger socio-economic conditions than inland municipalities, which is reflected in a stronger labor market, higher incomes, better public health and a larger number of people with post-secondary education⁹. Kalmar and Mörbylånga municipalities generally have stronger socio-economic conditions than other municipalities. Kalmar has a relatively young population and the highest proportion of post-secondary education. Mörbylånga takes advantage of its location near Kalmar, and has good transport links with Kalmar and Borgholm⁴.

Kalmar County is home to some of the oldest inhabitants in the country. The proportion of residents older than 65 is high in the county's municipalities, with Borgholm having the country's highest share of residents over 65. As a result, the working age of the population in each municipality is high, particularly in Oskarshamn, Vimmerby, Mönsterås, Högsby and Nybro. Kalmar and Mörbylånga has a relatively high proportion of younger people in the population and, therefore, a lower working age. Borgholm, Västervik, Hultsfred, Torsås and Emmaboda have the largest share of elderly people in the population⁴. After falling for a long time due to relocation to the rest of Sweden, the county's population has increased since 2010 onward due to immigration from abroad. Still, the county is largely characterized by outmigration with many people moving from the countryside to urban areas, particularly younger people and women. The relocation has led the county to have a lower proportion of young people and a higher proportion older than the national average⁴.

In education, there are relatively large differences between the county's municipalities in the proportion of people with at least three-years of post-secondary education. Kalmar has a relatively young population and the highest proportion of after-school graduates in the county due to the local higher education institute, Kalmar University. There is a high proportion of post-graduate students in Oskarshamn, Västervik and Borgholm and Mörby Långa is an immigration municipality where a large proportion of the population has higher education. The proportion of undergraduate education within three years of high school is highest in Oskarshamn and Mörbylånga by approximately 40%. Hultsfred, Högsby, Mönsterås and Borgholm have the lowest share of about 30%. Torsås and Hultsfred have big gender differences in the transition rate, where women largely progress to university studies and men continue only to a limited extent⁴.

Mönsterås has a lower education level and lower incomes than other coastal municipalities⁴. Income and income distribution are very close to each other in Kalmar County, which indicates a consolidated income distribution in the county. All municipalities except Oskarshamn are below the national average, but there are some variations between different municipalities.

Kalmar, Mörbylånga and Oskarshamn have the highest income in the county, while Mönsterås and Vimmerby are close to the county average. Income is lower in Högsby, Torsås, Hultsfred, Emmaboda, Nybro, Västervik and Borgholm. Unemployment levels are generally very low across the region, with 4.8 % of the registered work force were openly unemployed in Torsås council, whilst Mörbylånga and Vimmerby had the lowest percentage of openly unemployed; 3.1 %¹⁰. Oskarshamn, Mörbylånga and Vimmerby have the highest earners in the county. Oskarshamn has a strong labor market and the population has the highest income among the county's municipalities due to high levels of commuting from surrounding municipalities⁴.

Kalmar County comprises a relatively large and sparsely populated geography where long distances between municipalities restrict the geographical mobility of the labor market. A robust and reliable transport system that connects sparsely populated areas to functioning regions is required for both the distribution of goods and services and the county's labor market for the business community⁴. Hultsfred and Vimmerby have become a common labor market during the period, while Emmaboda has been integrated into Kalmar's labor market. In the northern part of Kalmar County, Hultsfred and Vimmerby municipalities have a clear commuting relationship with the regional core Västervik. Oskarshamn in the central county has a corresponding relation to Högsby, Mönsterås and to the regional growth center Kalmar in the south. Through improved communications, the functional regions around Kalmar, Oskarshamn and Växjö, Karlskrona and Ronneby can be more closely linked. Vimmerby and Västervik are most clearly connected to Linköping and Norrköping when it comes to travelling distances and could be integrated further into Östergötland's functional region. The municipalities of Kalmar, Oskars Harbor, Vimmerby and Emmaboda have a positive commuter net. From Hultsfred society, the journey time is long which has a adverse impact on the labour market in the area⁴.

Kalmar County has generally seen low levels of housing development due to weak population development. Until the 1990s there was an expansion of housing that did not go hand in hand with population development in most areas. This resulted in vacancies in public housing stock, and nearly 1000 homes were demolished in the county during the 1990s and 2000s due to hiring difficulties. In recent years, however, housing needs have risen sharply with the arrival of large numbers of immigrants in the county⁴. In January 2017, Kalmar County reported housing shortages consistent with the urbanization trend, both within the county and nationally, where migration moves from rural areas to larger cities and from major cities to metropolitan areas. The pattern of new construction is related to the migration patterns in the country, where the big cities and other counties with growing cities have a higher number of new buildings and a lower number of homes per inhabitant due to the growing population. In the northern part of Sweden, Kalmar and Blekinge counties, the relationship is the opposite⁴.

The regional goal is that all households and workplaces in Kalmar County in 2020 should have at least 100 Mbit / s broadband. Major efforts will be made to achieve expansion, while improving quality and reducing vulnerabilities in the networks. In 2017, 56% of all households and 40% of all workplaces had at least 100 Mbit / s. In many parts of Kalmar County, mobile

phone coverage is poor, which makes it impossible to install effective digital services in the home healthcare and the visiting industry⁴.

Country

In the Swedish context, Kalmar County's GDP per capita is consistently lower than the national average. GDP per capita fell from 89% to 84% of the national average due to a decline in traditional industries in the post financial crash period⁸. The County also has low levels of productivity and household income rates lower than the national average. The proportion of economically exposed and disadvantaged households is lower than the national average. The proportion is lowest in Mörbylånga and Oskarshamn by about 5%, while over 9% of the children in Borgholm, Emmaboda, Hultsfred, Högsby and Västervik belong to economically vulnerable households. All county municipalities have a lower proportion of children and young people in economically vulnerable households than the national level. The proportion of children in economically disadvantaged households is below the national average, but differs significantly between children with Swedish and foreign backgrounds⁴.

The area has the largest share of employment in manufacturing in Sweden in areas such as rubber, plastic and machinery equipment. The share of the work force working in agriculture, forestry, hunting and fishing is also above the national average. Unemployment in the county is in line with the national average; however, knowledge-intensive industries are underrepresented, with only small scale diversification into new business areas including biotechnology, design, environmental engineering and wind energy⁸. Growth in knowledge intensive industries has largely been stunted by low levels of private investment and low education levels in comparison with Swedish urban areas. Indeed, the area has high proportions of low skilled workers than the national average and lower educational level than the rest of Sweden⁸. The education level in Kalmar County is generally lower than the national average. Kalmar County is well suited for primary and secondary education, with the percentage of pupils in the county who pass grade 9 with qualifications for the gymnasium is above the national average, but the proportion of transition from high school to higher education is below the national average. This, in combination with a large migration of young people, means that the proportion of higher education population is lower than the national average⁴.

Rural regions in Sweden face the common challenge of population decline and ageing. The average life expectancy in Kalmar County is slightly lower than the national average, and the county places itself roughly in the middle of a distribution between all counties. Public health among the inhabitants in the county, however, is relatively good in terms of the proportion of the population with good self-reported health, and the county is in line with the national average and approximately in the middle of a distribution among Sweden's counties⁴.

Kalmar ranks above the Swedish average as a destination for tourism and business. The region is blessed with strong natural and cultural assets which can be used to generate new businesses and attract skilled workers to the region⁸. Around 17% of the region has been classified as a Natura 2000 area, which is above the national average⁹. In comparison to

Swedish urban areas, rural areas rank better in relation to the housing market with housing costs and market pressure relatively low⁸.

Europe

In comparison with other OECD areas, Swedish rural areas enjoy relatively high degrees of prosperity and well-being¹¹. Sweden consistently ranks in the top third of OECD countries in terms of GDP per capita and GDP growth rate. The country also has one of the lowest levels of regional disparities in the OECD, with the gap in disposable income relatively small in comparison with OECD averages¹¹. Sweden is the sixth least urbanized country in the OECD, with only 22% of the population living in urban areas. When it comes to economic prosperity, Swedish rural areas perform well in terms of GDP per capita in comparison with the OECD average, both in terms of income and annual growth rate¹¹. Employment rates and wages are also fairly high in relation to OECD averages and productivity levels remain higher than other well performing rural areas in Europe.

Swedish rural areas do, however, face similar challenges and dynamics to other OECD rural regions, such as a rapidly ageing population and smaller economies reliant upon tradable sectors¹¹. The variety of Swedish rural areas is somewhat wider than many other OECD countries, ranging from rural areas with a close proximity to functioning urban areas and remote rural areas. Many remote rural areas have large populations and the interventionist nature of the Swedish state provides high levels of services across the country. This is particularly the case in relation to access to digital technology, which is well above the OECD average with broadband coverage relatively high in Swedish rural areas¹¹.

2.3 The case study as a subject of local, regional and state coping strategies

National Strategy

The Swedish Agency for Regional and Economic Growth is the MA for the ERDF. ERDF is co-financing 8 regional and 1 national programmes in Sweden. Each programme is based on the Partnership Agreement, the National Strategy for Sustainable Regional Growth and Attractiveness 2015–2020 and the regional development strategy in each region (at NUTS3 level). Regional council of Kalmar county (Regionförbundet Kalmar) – association of municipalities in Kalmar county - has the formal responsibility for regional development issues and is responsible for the regional development strategy in cooperation with the County Administration Board and the private and civil society sector.

The priorities of the National Strategy for Sustainable Regional Growth and Attractiveness 2015–2020 are:

- Innovation and business development;
- Attractive environments and accessibility

- Provision of skills
- International cooperation

The focus of the Strategy is on giving the regions the opportunity to grow and develop based on their own specific regional conditions. The Strategy emphasises the importance of multi-level and sectoral cooperation in the regional growth efforts, integration of the EU cohesion policy into regional growth policy, a more explicit focus on results and monitoring, evaluation, analysis and learning¹².

The rural development programme for 2007-2013 was a key policy instrument for implementing measures for environmental, economic and socially sustainable development in Sweden's rural areas. The programme emphasized the potential of rural areas for promoting modern and efficient production in the agriculture, forestry and food industries, and the importance of natural and cultural assets for improving the quality of life of Swedish citizens¹³. The programme stressed the need to strengthen rural economies through diversified entrepreneurship and new businesses, and outlined a number of recommendations for promoting growth and development in rural regions, including:

- Food production should be developed to cater for consumer demand for organic goods;
- Create job opportunities by establishing the conditions for enterprise and business diversification;
- Develop goods and services production in agriculture and industries in relation to renewable energies, tourism and recreation activities;
- Promote knowledge and innovation through enhanced links with regional universities, colleges and research/innovation centres;
- Promote public benefit of natural assets and cultural heritage of rural areas¹²

The 2007-2013 rural development programme was regarded as unsuccessful. In 2014, national level debates emerged regarding Swedish rural areas and whether they had been neglected in government discourse surrounding regional growth and development¹¹. In response to this criticism, the Swedish National Strategy for Sustainable Regional Growth and Attractiveness 2015-2016 focuses on improving cooperation and coordination between the national and regional levels; in particular, building and strengthening links between urban and rural areas by increasing cooperation between municipalities in the delivery of public services¹⁴. The strategy emphasizes the need to empower regions by facilitating a dialogue between key stakeholders (e.g. municipalities, county authorities, government agencies and private sector actors) and promoting functional linkages between regions and municipalities¹³.

The Rural Development Programme for the 2014-2020 period focuses on improving broadband infrastructure, integrating immigrants into society and the labour market, and retaining access to key services in rural areas, such as convenience stores and gas stations¹⁵. There has also been a significant emphasis on improving the labour market by establishing links between employers and education institutes. The programme accentuates the importance of developing

the agricultural economy through the development of environmental goods and the green economy, but this strong agricultural focus has been criticized by the OECD for its narrow sectoral approach and its failure to differentiate between different types of rural areas with different sectoral strengths, including mining, forestry, tourism and manufacturing¹¹.

Sweden recently conducted a Parliamentary Inquiry into Swedish rural areas and the role of the government in rural development. The 2017 Parliamentary Report produced from the enquiry, entitled '*For Sweden's Rural Areas - A Coherent Policy for Work, Sustainable Growth and Welfare*', outlines the need to develop a more integrated and holistic approach to national rural policy. The report highlights the importance of Swedish rural areas for the development of the green economy and tourism, but notes a failure to exploit business potential and discrepancies in access to public services compared to urban areas¹⁶. The report outlines three broad overarching goals for developing a coherent rural strategy, including:

1. Equal conditions for citizens to live and work in rural areas;
2. Increasing the capacity of rural areas to exploit opportunities for entrepreneurship and employment in a manner that is sustainable in the long term;
3. Increasing the opportunities of rural areas to contribute towards the positive development of the economy¹⁵.

More specifically, the report makes a number of more focused recommendations, such as, emphasizing the need for businesses in sparsely populated areas to interact with local, national and global actors. This will be achieved by increasing the financial capital available to businesses, the development of good digital communication opportunities and creating stronger networks with research bodies and innovation centres. Improving access to the labour market and a skilled workforce is regarded as essential¹⁵. This will be achieved through increased investment in education and training centres, relocating public sector jobs to rural municipalities and offering skilled workers incentives to move to rural areas, including reduced student loans and easy access to services of general interest to improve the quality of living. The need for good quality housing and improved transport infrastructures is also stressed within the report; the latter viewed as particularly important for strengthening connections between rural and urban areas¹⁵. Finally, the report raises issues regarding the governance of rural areas, particularly in relation to the important role of the state in promoting employment, establishing cross-sectoral coordination and synergies between public and private actors and enhancing the role of societal groups in regional activities¹⁵. The final section of the report outlines 5 main recommendations, including:

- Create an infrastructure for education centres in rural regions that lack a university or higher education institute;
- Continue broadband expansion to rural areas with weak or no connectivity;
- At least 10,000 posts in government agencies to be relocated to rural regions;
- Apply the EU leader method to identify locally-led and developed programmes/projects based on regional strengths and assets.

- Increase funding for growth enhancing measures including reductions in local business taxes and write off student loans of rural inhabitants.

Swedish rural policy has come under scrutiny and criticism in the 2017 OECD Swedish Territorial Review, which argues that current government policy fails to comprehend the particular challenges faced by outlying areas and a more coherent approach focused on developing rural strengths and potentials is required:

“Sweden currently lacks a coherent vision for rural areas developed in collaboration with sectoral ministries, county and municipal councils, and other key stakeholders (e.g. business, local action groups [LAGs], and the not-for-profit sector). As a result, sectoral policies such as education and health services, spatial planning, and transport do not have a clear and coherent “rural articulation”. To address this issue a national rural policy for Sweden should be developed that articulates a clear vision for the future growth and development of rural Sweden, identifies strategic challenges and opportunities, outlines a set of clear priorities and measurable outcomes to address them, and makes distinctions between different types of rural areas. It will need to be supported by appropriate implementation mechanisms including dedicated funding to help deliver on rural development priorities, and approaches such as rural proofing to ensure rural issues are properly considered in decision making.”^{11 (24)}

The report notes the importance of promoting innovation and entrepreneurship in municipalities most tradable sectors to ensure comparative advantage. For example, the report highlights the work of the Swedish Agency for Economic and Regional Growth that identified 5 Swedish municipalities with the natural landscape and cultural assets to become internationally competitive tourist destinations, including: Åre, Bohuslän, Kiruna, Stockholm Archipelago and Vimmerby¹¹. The report makes four main recommendations for a more effective approach to the development of rural areas in Sweden:

1. Apply a commonly agreed spatially differentiated definition of rural areas, which builds on the existing work undertaken by Swedish Agency for Growth Policy Analysis, and provide support for it to be used consistently across government.
2. Develop a whole of government rural policy framework in collaboration with sectoral ministries, regions and local communities that:
 - a) articulates a clear vision and objectives for the development of rural Sweden based on a well-being framework with measureable outcomes
 - b) identifies how national sectoral policies (e.g. innovation, spatial planning, transport, etc.) will be tailored and adapted to the needs and circumstances of different rural areas
 - c) is complementary and integrates effectively with the existing regional growth policy.
3. Ensure this rural policy framework has mechanisms to facilitate and monitor implementation, which includes:

- a) allocating responsibility for implementing regional growth and rural policy at a regional level to the political body (either a County Council or County Co-ordination Body) currently responsible for regional growth policy, and tasking them to prepare an integrated regional and rural development strategy (in the case where a CAB is responsible for regional growth policy this responsibility should be transitioned to a regional policy body)
 - b) ensuring these strategies are based on the identification of regional needs, priorities and assets for urban and rural areas (and not constrained by EU priorities or funding rules), and is prepared in a collaborative way with CABs, municipalities, LAGs and other key stakeholders
 - c) tasking CABs to negotiate binding commitments from national sectoral ministries about how they will tailor and adapt policies to deliver on the regional and rural strategies prepared by each region
 - d) establishing a National Rural Advisory Committee made up of representatives from subnational governments, business, communities and the third sector that reports to the Prime Minister's Office and provides advice and act as champions for the development and implementation of the rural policy
 - e) implementing improved guidance and tools for policy makers to take better account of rural needs and issues in the design and implementation of sectoral policies at a national and subnational level
 - f) creating a national rural development fund, which subnational governments and third sector actors can use to leverage Common Agricultural Policy (CAP) Pillar 2 and European Regional Development Fund (ERDF) and other funds to deliver outcomes in line with the national rural policy priorities, and regional and rural development strategies at the county level.
4. Support regions to deliver better services and realise policy complementarities by:
- a) reducing administrative/regulatory barriers and developing stronger incentives for region and municipalities to broker innovative service delivery solutions for rural communities (with a particular focus on supporting social entrepreneurs and the third sector)
 - b) allocating a spatial planning competency to the County Councils, and ensuring these regional spatial plans are integrated with planning for regional transport and communications infrastructure (thereby helping to facilitate urban-rural linkages and complementarities in land use and infrastructure between different rural municipalities
 - c) ensuring that proposals for regional and municipal mergers properly consider the costs and benefits of these changes for families and communities in low-density areas.

Regional Level

At the regional level in Sweden, the governing documents are regional development strategies, which contain visions, goals and priorities for regional growth efforts in each county.

Kalmar County has developed a common regional development strategy that aims to optimize and develop the county's main assets for sustainable development 2012 -2020¹⁰. The regional

strategy emphasizes the importance of developing the green economy through the creation of environmentally-driven businesses and encouraging business innovations within the service sector. The regional strategy highlights a number of challenges that Kalmar County faces, such as, urbanization and out migration, with people moving out the region to Sweden's largest cities of Stockholm, Gothenburg and Malmo leading a significant population decline. The labor market in Kalmar is one of the country's most segregated in the private and public sector, with men covering two thirds of employment in the private sector, whilst women cover most of the public sector. The County's income levels are low and weak transport infrastructure are also highlighted as major problems. The strategy does, however, highlight five main strengths on which the region can build development and growth, including¹⁰:

1. Strong brands and key areas (e.g. energy, environmental technology, plastics, e-commerce). Glass has been produced in Kalmar county for about 350 years. Öland also popular attraction, the island has about three million commercial guest nights/year.
2. Strong base of many small businesses. About 90 % of the companies in the county have less than 10 employees, which implies a good base for growing businesses.
3. Vast knowledge within climate- and energy issues. 67 % of the energy production in Kalmar county runs on fossil-free fuel today, which makes Kalmar unique in the world.
4. An attractive and international knowledge environment through the Linné University. "Sweden's newest university". More available programs for doctors.
5. A vibrant countryside with high natural, cultural and environmental values (About ¼ of the most valuable crop landscapes in Sweden reside in Kalmar country, which create a biological diversity and contribute to the attractiveness of the county and the quality of life of its residents¹⁰).

The strategy aims to create a round and borderless region by improving transport infrastructure and digital technologies. Growing the business landscape is also high on the agenda through the development of more knowledge-intensive businesses, particularly in the healthcare services and food production industry. Improving teaching and increasing education levels is regarded as essential in promoting regional development by creating stronger links between businesses and regional educational facilities to match education to labour demands in the area. The strategy emphasizes the need to advertise the attractiveness of the region to encourage people to move to the area to live and work. This is to be achieved by highlighting regional cultural and natural assets and improving healthcare and education services.

The Regional food strategy was developed in Kalmar county in 2016 with the aim to strengthen the county's green industry¹⁷. *Growing Value – the Food Strategy for Kalmar County 2016-2025* aims at fostering competitiveness, innovativeness and productivity of the food industry in the region, and promoting the production of higher value added and innovative products. The strategy promotes further development of the food industry building on the existing assets and strength in the region. It promotes an increased cooperation among actors nationally and internationally, making use of the possibilities that have opened through the digitalization and the development of new niche products. A close cooperation between research and businesses is at the backbone of the strategy and is a key for fostering innovation in the industry. Business support and advisory services are provided in the framework of the strategy as well. Project

funding is envisaged to support innovative ideas that help to develop county's food identity and branding¹⁶.

The Småland wood strategy is an inter-regional cooperation between Kalmar, Jönköping and Kronoberg counties. The strategy was developed in 2011 and aims to strengthen the competitiveness of the forestry industry by coordinating efforts among the counties, profiling the region, business research and enhancing the degree of innovation in the industry. It also addresses the challenges related to recruitment by strengthening education in the forestry industry. It focuses on improving the matching of industry needs with education and increasing the attractiveness of industry for the youth¹⁸.

Local Level

The Municipality of Vimmerby has developed a social local development strategy aimed at overcoming some of the main challenges to the area identified by local stakeholders, such as, rapid demographic change, urbanization, environmental threats, supply, inclusion, weak infrastructure, housing and business development¹⁹. The social local development strategy, or SLUS as it is known, has been formulated by key stakeholders within the municipality, including local politicians, civil servants, businesses, community leaders and citizens, including the youth. The strategy integrates the national regional development strategy and national strategy for regional growth and sustainability. The main objective of the social local strategy is to create a local commitment to the creation of:

- Attractive and sustainable habitats;
- Expertise and labor supply;
- Promote enterprise on equal terms;
- Active and meaningful free time in a community-building and inclusive perspective;
- Well-functioning infrastructure;
- Trust and social capital¹⁸.

Creating an attractive and sustainable living environment is regarded as essential for attracting skilled workers to the region. The strategy outlines the need to build attractive sustainable housing and ensure that key services are available to citizens including high quality schooling, healthcare and nature areas. The strategy highlights the importance of increasing access to skilled labour to increase business competitiveness. There is a need to ensure that all young people have the opportunity for secondary and university level education and that university courses are tailored to meet the needs of local businesses. Higher education levels and access to a skilled work force is viewed as vital in promoting innovation and entrepreneurship in the area, therefore, stronger links will be promoted between the municipality and local business to encourage the development of startups, particularly in the area of renewable energies and the green economy. The municipality's cultural assets are viewed as essential in promoting regional growth, particularly increasing local tourism by highlighting the Astrid Lindgren brand. Continued investment and the development in local infrastructure is regarded as important with an emphasis on improving broadband access and transport links with larger urban areas.

Finally, the strategy emphasizes the need to develop social capital by involving local citizens in the policymaking process and increasing the role of societal groups in community life¹⁸.

The strategy was developed in the framework of SLUS project financed by the Swedish Growth Agency's program for Strengthened local attractiveness. The project has two overarching goals: the strategy development and increasing social capital. The latter is promoted through strengthening the relationship and building trust between residents, industry, associations and municipal authorities, and is expected to create a stronger dedication and pride in living and working in the municipality. A letter of intent was drawn up in the framework of SLUS project and signed by all political parties represented in Vimmerby acknowledging their commitment to strengthening the municipality's attractiveness through building trust, promoting tolerance and increasing social capital.

The Astrid Lindgrens Hembygd Association works for rural development in the municipalities of Eksjö, Nässjö, Hultsfred, Högsby, Oskarshamn and Vimmerby²⁰. Their local development strategy is built on the 'leadership method', fostered by the European Network for Rural Development (ENRD), that seeks to empower rural areas through building partnerships around strategic projects at a sub-regional level, between the public, private and civil sectors. The main goals of the strategy are to promote gender equality, increased sustainability, youth participation, diversity, public health and entrepreneurial spirit within rural municipalities. This is to be achieved through the development of effective:

Rural Partnerships: Increase collaboration between key stakeholders in local municipalities to promote regional development and increase the attractiveness of rural areas.

Digitalization: Ensure good quality access to digital technologies to increase information and service provision to rural areas and provide opportunities for local businesses and inhabitants.

Local Resources: Develop local resources in the hospitality and green industries to enhance job opportunities and the range of services and products available to local inhabitants.

Transport Links: Improve transport infrastructure Living in the countryside means that it is often a long distance to many functions in society. There are unique transport needs that require custom solutions that can be solved with creativity and good cooperation¹⁹.

Among other examples of local initiatives is a municipally-run design program Beautiful Vimmerby (*Vackra Vimmerby*) that aims at increasing the attractiveness of Vimmerby as a tourist destination and as a place to live. A 10-year program aims at improving urban environment through several urban planning initiatives, decorative elements in the streets, gardening etc. Both architecture companies and residents have been invited to contribute with their ideas to Beautiful Vimmerby²¹.

2.4 Future scenarios

In the Swedish context, Vimmerby municipality is currently going through a period of economic stability and steady growth, but many of the underlying features of inner peripheralization remain present and a continued obstacle to sustained future growth and development within the municipality. According to interviewees, the most significant variables to influence the peripheralization process in Vimmerby municipality in the future include:

- Rapid demographic change, particularly an ageing population.
- Downward population trend caused by outmigration.
- Low accessibility levels, as a result of poor transport infrastructure and access to SGIs.
- A low share of well-educated people, due to weak higher education system and inability to attract skilled workers as there is a shortage of knowledge-intensive jobs.

In relation to future demographic development in the area, interviewees were all in agreement that ageing is on an upward trend in Vimmerby and is likely to remain an ongoing and future challenge. Population potential is also regarded by interviewees as being in a downward trend as young people, particularly young women, continue a process of urbanization and outmigration to larger urban areas in search of skilled jobs. As a result, Vimmerby has one of the fastest growing ageing populations in Sweden, which is putting increasing pressure on public health service providers.

A shrinking working-age population and increasingly aged population will be a significant challenge. This will mean higher levels of public welfare payments for the elderly, with the working-age population required to pay higher taxes in the future to support public spending on the aged, while the retirement age of older people will increase as they need to work for a longer number of years. In the short term, ageing will also have a negative impact on the private and public sectors, as there is a high share of people who are about to leave the labour market and a deficit of people with right competencies and skills to replace them. In the long term perspective, infrastructure and housing will also have to be increasingly adapted to meet the needs of the elderly.

Interviewees pointed out, however, that international immigration is on an upward trend and this will be positive for the area in the short and long term in relation to increasing the population, reducing the old-age dependency ratio and enhancing the working-age population. Facilitating integration of immigrants in the labour market is, therefore, an important issue that the local and regional authorities are working with. At the same time, growing immigration rates have already placed a burden on housing and service provision and an increasing need for social workers to help the integration of immigrants into society and the labour market.

On the social dimension, a low share of educated people was evaluated as a sideways trend by interviewees, which is expected to continue in the next five years. It has a negative influence on the peripheralization process of the municipality, as it hampers the development of

knowledge-intensive businesses and higher value added products, which limits the rates of economic activity and growth. It also brings the individual income levels down, which results in lower tax revenues. In the long term, however, the number of educated people may steadily rise as more skilled immigrants enter the community. The municipality is also trying to strengthen links between local businesses and regional higher education institutes to ensure that teaching courses match the requirements of the labour market. Furthermore, if the region is successful in developing new knowledge-driven business through a diversification of traditional industries and an expanding tourist industry, this will have an impact on the number of skilled workers moving to the area.

The municipality has made strengthening social capital a key objective of their local social development strategy. Interviewees noted that a strong sense of municipal identity and belief was an important local strength which improved 'municipal self-esteem'. Indeed, strong social capital is an important intangible asset that has contributed to the positive development of the municipality and well-being. In addition, there has been an upward trend in the number of associations and voluntary organizations in the municipality. These groups have been especially active in the LAG under the EU LEADER-programme.

On an economic level, interviewees noted that the economy of the municipality is currently on an upward trend and going through a period of economic growth and stability, although it has not entirely recovered from the economic crisis. The long-term sustainability of this economic growth rests on the ability of the region to overcome the challenges associated with outmigration and weak infrastructure, particularly the ability to attract skilled workers to the area. The future opportunities are associated with building on the existing strong industries and developing of more innovative activities and niche products. To achieve this, it is crucial for the region to increase its attractiveness for skilled workforce and further develop the educational programs tailored to meet industry needs. Interviewees were split when it came to predicting whether individual income levels are expected to fall or rise over the next five years. Some interviewees were optimistic and expected an increase, while others predicted income levels remaining the same in a sideways trend. Individual income levels will most likely remain steady with any increase linked closely with the ability of the municipality to develop new knowledge-based industries and businesses to attract educated and skilled workers to the area.

Interviewees were in widespread agreement that accessibility was in a downward trend in the municipality. Overcoming infrastructure and accessibility challenges remains a crucial task for the municipality and the region as a whole as it is a limiting factor for further embracing the economic potential and facilitating a positive demographic development. The experts note that there is a need for national investments in infrastructure, but the efforts taken at the local level are also important. With the uptake of digitalisation there is a potential for developing innovative solutions that can address and improve the accessibility of people living in rural areas to social and healthcare services. Djurdalas Society Association (Djurdalas Samhällsförening) received funding from Astrid Lindgrens Hembygd Association for carrying

out a pre-study on designing the innovative welfare services that would suit rural lifestyle and would improve attractiveness of rural areas with the help of digital technologies and social innovation.

Access to services of general interest and transport system network were also viewed as downward trends which may exacerbate in the future. The problems are with provision of specialist health care and access to the culture and entertainment. There are currently relatively good local services of schools and groceries, but as one interviewee pointed out, it can quickly reach a flipping point for the local village schools due to problems with the municipal budgets and incentives to save money.

According to interviewees, governance is an important dimension that is having a major influence on the peripheralization process in municipality. Interviewees were in agreement that governance was currently in a downward trend, highlighting a lack of cooperation across governance levels and an inability to coordinate strategies for rural growth at the national, regional and municipal levels. The local authorities recognize the need for increasing the cooperation with other municipalities and regions to tackle common development problems in a more efficient way and increase their influence on the centres of power. In response, several initiatives have been introduced in the region in the field of cross-border public transport and tourism cooperation that could be further developed. There is also scope for greater cooperation between the municipality and regional higher education institutes to enhance education levels and ensure that teaching courses meet the needs of local businesses. Interviewees were particularly critical of regional level strategies for neglecting inner rural areas to focus on already economically thriving coastal areas. They highlighted the lack of funding provided from the national level as a significant factor inhibiting growth and development in the municipality. There also exists the potential for the municipality to become more actively involved in EU regional development fund programmes as an important source of additional funding for the area.

3 Discussion

Vimmerby is a traditional industrial area whose manufacturing base was decimated by the financial crisis, leaving the area economically weak and vulnerable to rapid socio-economic decline. In recent years, however, the municipality has started to recover through the implementation of a growth strategy built on areas of local strength, including the core assets of nature and tourism and a strong industry and business base. While Vimmerby has shown steady economic growth over the past few years, the region still faces many of the traditional problems associated with inner peripheries, which must be overcome in order to bring long term sustainable economic, social and environmental development. Based on interviews conducted with key local stakeholders within the Vimmerby municipality, the following discussion outlines some of the main challenges and downward trends the region still faces, and highlights areas of regional strength and potential strategies for overcoming these issues.

Despite recent signs of economic growth and recovery, Vimmerby municipality still shows many of the common characteristics associated with inner peripheries. Four core challenges and downward trends were consistently and regularly highlighted by interviewees, including:

1. **Demographic Change:** Outward migration of young people to Swedish urban areas is leading to decreasing population and an aging community with a growing need of access to health care services, which is putting stress on local public sector health care provision. Young educated women are one of the groups mainly leaving the area.
2. **Unskilled Workers:** Outward migration of young educated people is leading to a shortage of skilled workers and a lack of competent people for both skilled public and private sector jobs. One interviewee indicated that the major problem was matching people's educational background and skills with the job market.
3. **Transport Infrastructure:** Poor transport links, particularly in relation to the quality of train lines and bus provision, is reducing accessibility to the area, which is having an adverse effect on the labour market. One interviewee noted that rail traffic has been in state of deterioration for many years, which is making it difficult for young people to commute to urban hubs such as Kalmar, Linköping and Växjö, so they move out of the area instead.
4. **Weak Governance:** Poor collaboration across levels of governance, particularly in the coordination of national, regional and municipal strategies for rural growth and development, highlighting a need for greater cooperation across governance levels in supporting and financing joint projects.

There is widespread agreement amongst those local officials and stakeholders interviewed that urbanization is one of the main drivers of inner peripherality in the Vimmerby municipality. One interviewee noted that urbanization has been a slow ongoing process faced by all Swedish municipalities outside the major urban areas. She continued that the central feature of urbanization is the outward migration of young educated people to urban centres in search of

employment opportunities, which is leaving lacking competence in the skilled job positions available and reduces the potential for innovation and new businesses.

The peripherization process of Vimmerby municipality has also been triggered by the geographical distance and poor access to the centers of economic activity, primarily due to poor transport links which limits access to a wider job market and access to knowledge, value chain development and productivity. Vimmerby municipality, therefore, has distinctive features of a Type 1 model of inner periphery. Accessibility challenges have had a negative impact both on the local economy and human and social capital, as poor transport links has been among the triggers for outward migration of young people.

Access to SGIs was also considered an issue, with some interviewees noting that a lack of access to specialist health care and higher education, along with weak arts and culture provision (e.g. cinema and music centres), reduced the appeal of the area to potential residents. Some features of Type 2 model of inner periphery are, therefore, also relevant in case of Vimmerby municipality. However, poor access to or provision of SGIs has not been defined as a decisive factor for residents' decision to move, which reduces the validity of Type 2 model for Vimmerby.

Vimmerby does possess the assets to overcome these challenges and is currently going through a period of steady economic growth. One interviewee noted that economic growth is favourable as local businesses are doing well and unemployment is low, with youth unemployment around 15%. As one interviewee pointed out, however, the building of houses and apartments has been lagging behind for years, so even if local businesses and industries are doing well, there is no possibilities for skilled workers to move to the area. Another interviewee noted that the area also has good quality grocery stores and library provision for residents and strong local schools at a junior level; however, the latter could change due to budgetary problems at the municipal level and the need to makes cuts and savings.

One interviewee noted that there has been a positive demographic development since 2010 due to immigration. Immigration was having a positive effect on the municipality as the age level of newcomers was low, between 20-25, but the challenge is to integrate them. There are, however, ongoing European Social Fund projects (ESF), including one looking at ways to reduce high school dropout rates and another helping to integrate immigrants into the local job market. Furthermore, low cost travel and free healthcare checks have been provided to immigrants to help their integration into society. In 2016, Vimmerby together with two other municipalities in Kalmar county started a "Program for newly arrived entrepreneurs" with funding provided by the Swedish Growth Agency. The project aims at facilitating the newly arrived entrepreneurs to start business in Sweden and encouraging them to stay in the area. The programme is a combination of the customised educational programme and business coaching and advisory²². Involvement in European regional development and funding programmes has been relatively low however. One interviewee noted that they participated regularly in European Regional Development Fund (ERDF) programmes before 2010 as a

mechanism for building up the tourist industry, but they became tired with the complexity of the application process and the bureaucracy involved with implementing projects.

A number of interviewees have been critical of the relative impact of national, regional and local strategies that have been adopted in an attempt to overcome the challenges posed by inner peripherality. A common criticism is that national and regional strategies neglect the inner municipalities and focus on strengthening the already thriving coastal areas. As one interviewee pointed out, coastal areas in the Kalmar region already have a well populated urban base, steady tourism and a strong infrastructure for growth, including good quality higher education institutions. Another interviewee noted that he cannot see any concrete impact of regional development policies, arguing that small projects have a temporary local impact, but broader regional problems are failing to enact overarching systemic change that deal with the issues of urbanization and outward migration.

A lack of state involvement and support at the local level has been highlighted as a major obstacle to further regional development. For one interviewee, greater state involvement was regarded as crucial, particularly with regard to investment in transport infrastructure and education to improve both accessibility to the area and links between resident's educational competences and the job market. Another interviewee argues that the national decision to build railways by the coast has had an adverse effect on demographic development and that national level support on improving the infrastructure is imperative to improve accessibility to neighbouring regions.

There is general agreement amongst interviewees that if the challenges of inner peripherality are to be met, greater cooperation is required across all levels of governance. Weakness of interaction and a lack of connectedness of the regional stakeholders exposes the features of Type 3 model of inner periphery that can also characterise Vimmerby municipality. Coordination between neighbouring regions is regarded as insufficient and greater cooperation with the neighbouring regions could increase their influence on the national level decision-makers. One interviewee states that greater inter-regional cooperation is required, particularly in the areas of education, public transport and social services. For instance, they point to the development of a joint bus ticket system and vocational training programmes with the neighbouring Östergötland region as best practice examples of cooperation that need to be encouraged.

Local authorities claim that they have good access to and knowledge of European and national funding schemes and policies. The municipality has benefitted strongly from the Swedish Growth Agency investment support for small and medium sized enterprises and support for sustainable destination development. There has also been a strong push in promoting green growth businesses in the area, such as the development of a regional food strategy (2016), which promotes innovative and sustainable businesses in the area of organic foods. There has also been the development of public busses that run on fossil fuels and the construction of smart environmental housing.

Although it is too early to see the effects of the regional food strategy, one can definitely view it as a good example that could improve the competitiveness and innovativeness of rural businesses in Vimmerby and other municipalities in Kalmar. There are good opportunities for Vimmerby municipality to make use of the project funding under the strategy for developing new or higher value added food products and increasing the attractiveness of the municipality as a tourist destination by adding food tourism to its well-known Astrid Lindgren brand. With over 430 000 visitors per year, Astrid Lindgren's World is a good market for local food initiatives⁵. The wood strategy Småland is a good example of inter-regional cooperation between Kalmar, Jönköping and Kronoberg counties. The strategy fosters the cooperation between the regional authorities, forest industries and research actors to strengthen the competitiveness of the forestry industry in Småland. The overarching aim is to create jobs, generate more income and create future opportunities in sustainable and innovative utilization of forest resources. The regional council of Kalmar is also a partner in Smart Housing Småland initiative funded by the Swedish Innovation Agency's Vinnväxt programme. The objective of the 10-year initiative is to develop an internationally leading innovation environment that, with a focus on the user, creates smart housing and sustainable built environment based on glass and wood.

At the municipality level, the local social development strategy is focused on improving tourism by promoting the strong municipal brand based on Astrid Lindgren and building more housing in the area to encourage people to move to and stay in the area. The social local strategy has been successful in forging stronger links between municipal stakeholders, particularly engaging civil society organizations in regional development programmes, such as the Fiber Network project. Increasing the social capital and engagement of citizens in local development issues are the central elements of the strategy, which are an indication of good and inclusive governance. The Type 3 model of inner periphery, however, is only partly characterizing the situation in Vimmerby municipality and is primarily associated with the need for improving the inter-regional linkages and collaboration.

Several interviewees note that more attention needs to be taken in local marketing and increasing the 'attractiveness' of the area. For example, one project run by the Samhällsförening in a Vimmerby village, in cooperation with the University of Jönköping, is looking improving the attractiveness of rural areas with the help of digital technologies. One interviewee, however, notes that there is still a reliance on traditional industries for economic growth, which contributes to low competitiveness, income levels and education. They continue that there needs to be a concerted effort to make the transition to more knowledge-intensive activities and business if inner peripheralization is to be reversed. The 'college thinking' programme is highlighted as one possible strategy to increase local education levels, which links healthcare education closely with the employer to ensure the skills of students meet their needs; indeed, the need for more focused vocational training is strongly advocated by one interviewee.

4 Conclusions

The municipality of Vimmerby has undergone a process of slow recovery since the financial crisis led to a period of its economic instability due to the decline of local industries. The municipality currently finds itself in a position of economic stability and steady growth as a result of high levels of destination tourism to the area, based on the local Astrid Lindgren brand. In addition, there has been a steady recovery of traditional manufacturing, metal, agriculture and forestry industries, which have embraced new and diversified business ideas based on the green economy and renewable energies.

Despite this period of economic stability, the municipality of Vimmerby still shares many of the key features of inner peripheralization common to other Swedish rural areas. This period of growth is, therefore, unsustainable in the long term if these challenges are not fully addressed. Figure 4.1 below highlights the key features of inner peripherality in the Vimmerby municipality. Interviews with key local stakeholders revealed downward trends and challenges in relation to the following key areas:

- Declining and Ageing Population
- Lack of Housing
- Low Higher Education Levels
- Unskilled Labour Force
- Poor Access to SGIs
- Weak cooperation and coordination across governance levels

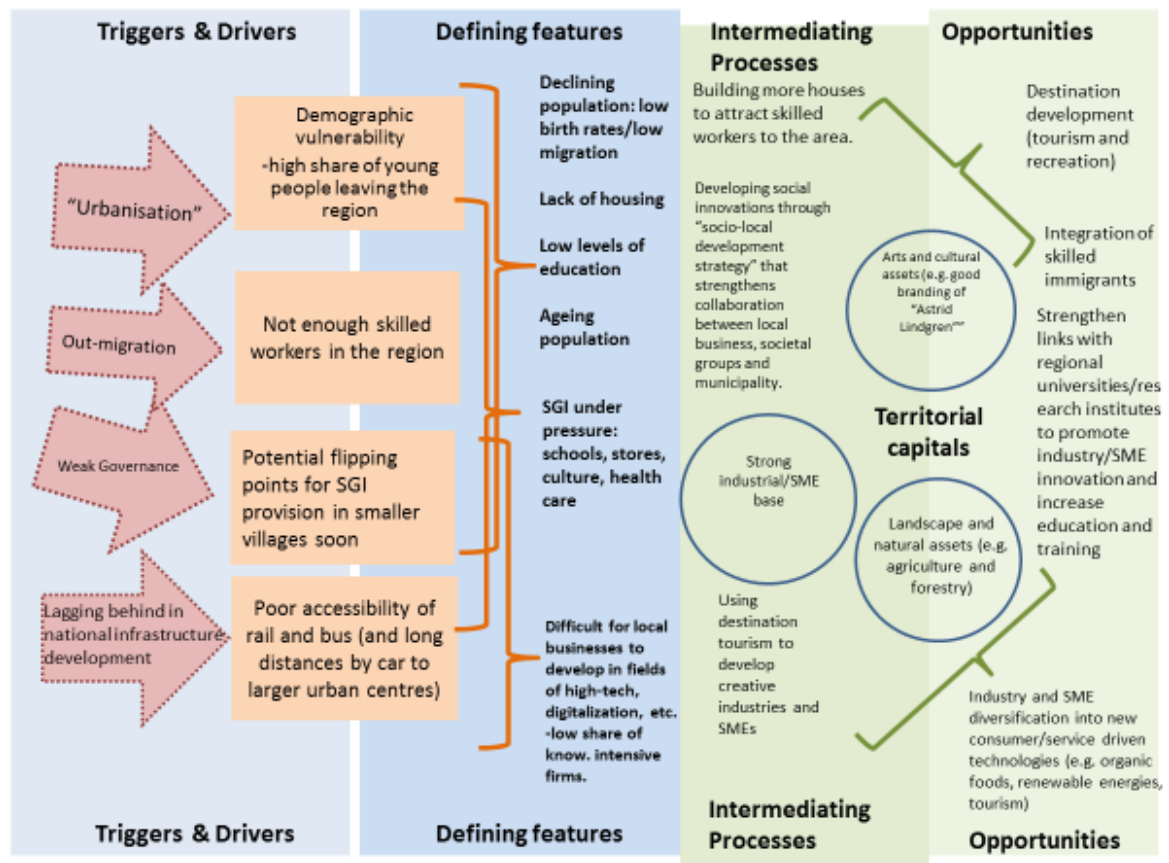
As indicated in Figure 4.1, the main driver of inner peripherality in the municipality is the ongoing process of urbanization, based on the outmigration of young skilled workers, particularly women, to urban areas in search of skilled jobs. The urbanization process is contributing to a low skilled labour market, which reduces the ability of local businesses to innovate into new knowledge-intensive areas. Poor quality infrastructure in relation to transport and housing is also a key driver of inner peripherality in the area, with poor commuting links to functioning urban areas, and low quality housing provision, reducing the likelihood of skilled workers moving to the area. Finally, a lack of collaboration and coordination between national, regional and municipal governance levels is viewed as a major driver of peripheralization, as coastal regions in Kalmar county have been prioritized in regional growth strategies and there has been a lack of support and investment from the national level. Based on the challenges that the area faces, Vimmerby municipality reveals distinctive features of both a Type 1 and Type 3 models of inner periphery.

As shown in Figure 4.1, Vimmerby has several strengths on which to promote regional growth and meet the challenges of inner peripherality outlined above. Vimmerby's main strengths include a strong industrial and SME base, beautiful landscape and nature, and a large cultural tradition and heritage. The municipality's growth strategy has largely been built upon promoting these local strengths and assets. Vimmerby's social local development strategy has been

formulated by key stakeholders within the municipality, including local politicians, civil servants, businesses, community leaders and citizens. The social local development strategy is focused on improving tourism by promoting the strong municipal brand based on Astrid Lindgren and building more housing to encourage people to move to the area. There has also been a push in promoting green growth businesses, such as the development of a food strategy which promotes businesses in the area of organic foods. Smart Housing Småland promotes sustainable and innovative use of glass and wood in building and construction, and there is an ongoing transition in the development of public busses that run on fossil fuels. The social local strategy has also been successful in forging stronger links between municipal stakeholders, particularly engaging civil society organizations in regional development programmes. Furthermore, the Astrid Lindgrens Hembygd Association has developed a local strategy built on the 'leadership method', fostered by the European Network for Rural Development, that seeks to empower rural areas through building partnerships around strategic projects at a sub-regional level, between the public, private and civil sectors.

Looking forward, Vimmerby municipality has the infrastructure and asset base to encourage long term sustainable economic growth and overcome the challenges faced by Swedish inner peripheries. As indicated in Figure 4.1, the area has a number of opportunities and potentials to cultivate future growth and development. Destination tourism presents an opportunity to diversify existing businesses and industries into new areas and create innovative startups in completely new fields. The high number of immigrants arriving in Vimmerby will potentially bring additional skills to the area, which need to be carefully matched to the labour market. The shortage of skills in the labour market could also be significantly improved by building new houses and by continuing the process of improving interaction between local business and the regions higher education institutes, to ensure a stronger link between educational courses and labour market requirements. Finally, there needs to be improved links between national, regional and municipal levels when it comes to coordinating rural growth strategies, particularly with regard to increasing national support and investment in developing transport infrastructure and supporting business development.

Figure 4.1: Visualisation of triggers / drivers / defining features of case study area



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Annex 1:Table Ia. Introductory data

1	Identification of case study area	
1.1	Administrative regions involved (eg. for Germany: Länder & Regierungsbezirke)	Län (NUTS 3) for "Region" and national level (NUTS 0) for "State".
1.2	Name and ID of the NUTS-3 areas that are (partly) covered by Inner Periphery (IP) area	SE213 Kalmar County
1.3	Size of IP area in km ² (and national average IP size)	1 140
1.4	Classification of concerned NUTS-3 area according to urban-rural typology as developed by DG AGRI and DG REGIO	Predominantly rural
1.5	Names of the regional centres within the IP: Vimmerby (Vimmerby municipality).	
2	Delineation outcomes	
2.1	IP according to Delineation 1 (Travel time to Regional Centres) y/n	Y
2.2	IP according to Delineation 2 (Economic potential interstitial areas) y/n	N
2.3	IP according to Delineation 3 (Areas of poor access to SGI) y/n	Y
2.4	IP according to Delineation 4 (Depleting area index) y/n and % of area coverage; brief qualitative description of the situation	N
2.5	Type of IP according to PROFECY delineation-typology	

Annex 2: Table Ib. Exploratory data

Data sources: Nordregio, Statistics Sweden, Eurostat

No.	Issues	Vimmerby Municipality	Kalmar Region	State (Sweden total)
3				
3.1	Population density per km ² (2013)	13,5	20,9	23,4
3.2	Total population (2013)	15403	233 548	9555893
3.3	Population development (1999-2013)	1999 15779 2000 15788 2001 15776 2002 15644 2003 15628 2004 15621 2005 15596 2006 15613 2007 15588 2008 15608 2009 15551 2010 15538 2011 15473 2012 15397 2013 15403	1999 238104 2000 236501 2001 235391 2002 234697 2003 234627 2004 234886 2005 234496 2006 233944 2007 233776 2008 233834 2009 233397 2010 233639 2011 233536 2012 233090 2013 233548	1999 8854322 2000 8861426 2001 8882792 2002 8909128 2003 8940788 2004 8975670 2005 9011392 2006 9047752 2007 9113257 2008 9182927 2009 9256347 2010 9340682 2011 9415570 2012 9482855 2013 9555893
3.4	Population development age 18-30, (1999-2013)	1999 2282 2000 2201 2001 2128 2002 2055 2003 2036 2004 2003 2005 1996 2006 2054 2007 2074 2008 2159 2009 2188 2010 2222 2011 2300 2012 2349 2013 2347	1999 34491 2000 33639 2001 32955 2002 32538 2003 32481 2004 32698 2005 32617 2006 32809 2007 33137 2008 33746 2009 34377 2010 35301 2011 35892 2012 36249 2013 36703	1999 2401648 2000 2368894 2001 2352104 2002 2332097 2003 2311626 2004 2299155 2005 2291626 2006 2286657 2007 2312074 2008 2354979 2009 2413556 2010 2483861 2011 2543038 2012 2584979 2013 2634177

3.5	Old age dependency ratio (2013) ¹	38,6%	38,5%	30,1%	
3.6	Gender Imbalance (2013) ²	Males: 6656. Females: 7565.)	Males: 116758. Females: 116790	Males: 4765905 Females: 4789988	
3.7	Ethnic composition (2013) ³	Country of birth (3 groups), Vimmerby: Sweden: 14188; Nordic countries except Sweden: 147; other countries: 1068.	Country of birth (3 groups): Sweden: 211444; Nordic countries except Sweden: 3048; other countries: 19056.	Country of birth (3 groups): Sweden: 8082637; Nordic countries except Sweden: 256156; other countries: 1217100.	
4					
4.1	Growth measured as GDP per capita in PPS (2013) ⁴		26659 (Gross regional product (in PPP) per capita, based on EU average=100)	33706 (Gross regional product (in PPP) per capita, based on EU average=100)	
4.2	Unemployment rate (2013)	6,4%.	7,2%	8,0%	
4.3	Youth unemployment rate (2013)	16,0%	17,5%	16,4%	
4.4	Main economic basis: Share of employees per sector (2013) (agriculture, industry, services) if possible in more detail and with time series	Employment shares in the three main sectors of economy (in %, out of total 100% for 2010)			
			Primary sector	Secondary sector	Service sector
		Vimmerby	1,9	38,1	59,9
		Kalmar län	5,2	29,9	64,9
		Sweden total	0,9	21,9	77,2

¹ Population aged 65 or higher as a share of working age population (ages 15-64 years), in %

² The absolute numbers

³ The most detailed data available is on population by country of birth divided into only 3 groups: 1. Sweden, 2. Nordic countries except Sweden, 3. Other countries.

⁴ Not available at the municipal level

4.5	Development of the economic situation in the past (dominant industries, major breaks etc.; please describe in a few sentences)			
4.6	Share of tertiary educated people (according to ISCED, 2013)		30,1%	36,9%
4.7	Forms / Amounts of received financial transfers			

Annex 3: Table II. Policies and programmes

Types of policy/programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
5. Regional/Cohesion policy	2014-2020	Fostering competitiveness, knowledge and innovation; employment		€ 44.2 million has been allocated to Norra Mellansverige, Östra Mellansverige and Skåne-Blekinge for the Youth Employment Initiative
5.1. Specific policy measure financed by the Operational Programme (ERDF, ESF)	Regional Operational Programme for the region Småland and the Islands 2014-2020 Community-led local development programme (supported from ERDF and ESF) 2014-2020 National regional fund programme for investments in growth and jobs 2014-2020	Growth and employment with particular focus on SMEs; public infrastructure, high-speed broadband Entrepreneurship, particularly SMEs Cross-regional cooperation, multi-level governance, support to SMEs	Work integration, combating social exclusion, healthy working environment, integration of migrants etc.	About 9 projects in the CS area so far. Total programme funding 66,020,424.00 Total OP budget: €33,696,500.00 Total OP budget: 266,489,500.00 €
5.2. Transnational/interterritorial cooperation	Interreg South Baltic 2014-2020 Interreg Baltic Sea Region	Blue & green economy, cross-border connectivity, cooperation capacity of local actors accessibility and infrastructure, capacity for innovation	6 projects in Kalmar Region on clean-tech, blue growth, climate change, youth policy and transnational cooperation	Each project from € 300 000 to € 2 000 000

	Interreg IVC Europe	Innovation and the knowledge economy		
5.3. Other initiatives				
6. Rural Development programmes (EAFRD)				
	2014-2020	expertise of farmers and other enterprises, business development, broadband networks, as well as the cooperation between businesses	LAG Astrid Lindgrens Hembygd	€ 1763 million (total in Sweden)
6.1. Specific policy measure financed by the RDP	2014-2020	broadband infrastructure, social and economic development in rural areas, retaining access to key services in rural areas		€4.3 billion
6.2. Leader initiative				
	2014-2020	Green energy, fisheries and agriculture, business development, innovation	Astrid Lindgrens Hembygd LAG	
6.3. Other initiatives				
	COSME-incubator support to SMEs 2017-2018	Tourism and fashion	Networking, workshops, coaching, platforms creation	Total €2 600 000
7. National/regional/local schemes (own funds)				
	The regional development strategy 2012-2020	Green economy, infrastructure, developing knowledge-intensive businesses		Financed through the structural funds and other funding sources, including private investments
	Growing Value – the Food Strategy for Kalmar County 2016- 2025	competitiveness , innovativeness and productivity of the food industry in the region, increasing value added, attractiveness	Business education for green industries (cooperation with university); further capacity building of chefs (municipality leading the project); agri. And farming education for	Use of different funding instruments, incl.cohesion /regional policy funds, national and regional funding

			migrants and the unemployed.	
	Småland wood strategy (2011)	Strengthening the competitiveness of the forestry industry (research, business, education)		
	The social local development strategy (SLUS) in Vimmerby	attractive sustainable housing, accessibility to high quality services and well-functioning infrastructure, business development, expertise and labor supply.	Projects aimed at strengthening the relationship and building trust between residents, industry, associations and municipal authorities	Financed by the Swedish Agency for Economic and Regional Growth and the Regional council of Kalmar county's

Annex 4 Table III. Governance structures

Governance structures	Role of local actors in the process of			
Types of policy/programme	Strategy design	Composition of the partnership involved in the project	Project implementation	Project financing and control
8. Regional/Cohesion policy	Managed by the Swedish Agency for Economic and Regional Growth and the Board of Agriculture			€ 2.1 billion from the EU
8.1. Specific policy measure financed by the Operational Programme (ERDF, ESF)	The Regional OP for the region Småland and the Islands. Regional council of Kalmar county and Vimmerby municipality, as well as business representatives, labour market organizations, university sector, and other stakeholders are part of the Regional Partnership that is responsible for developing the programme and selecting the project applications. Managed by the Swedish Agency for Economic and Regional Growth	Regional and municipal authorities, associations, business networks, university	Support from the Regional council of Kalmar county (RegionFörbundet Kalmar)	Co-financing of the projects by the Regional council of Kalmar county's funds for regional development

	Community Lead Local Development (CLLD) funded by ERDF and EDS, managed by the Board of Agriculture. Limited involvement of the regional level.	public, private and non-profit organisations	public, private and non-profit organisations	Financing by the Board of Agriculture, the Fisheries and Sea Fund, ESF and ERDF. Limited coordination between them.
8.2. Transnational/interterritorial cooperation	Interreg South Baltic 2014-2020. Regional council in Kalmar County is in the Joint Programme Committee and have an influence on the programme structure	Public bodies, private and municipalities	Support from the Regional council of Kalmar county	Co-financing from the Regional council of Kalmar county
8.3. Other initiatives				
9. Rural Development programmes (EARDF)	Centrally managed by the Board of Agriculture with overall low involvement of the regional level			
9.1. Specific policy measure financed by the RDP	CAP Pillar 2:			
	Measure 13: Payments to areas facing natural or other specific constraints			€975 million
	Measure 7: Basic services and village renewal in rural areas (ICT, etc)			€558 million
	Measure 11: Organic farming			€491 million
	Measure 19: LEADER and CLLD. Limited involvement of the County Government	public, private and non-profit organisations		€202 million (the Board of Agriculture, the Fisheries and Sea Fund, ESF and ERDF)
9.2. Leader initiative	Astrid Lindgrens Hembygd Association-	Private, public and third sector	Private, public and third sector	

	funding mainly from EAFRD and RDP			
9.3. Other initiatives				
10. National/regional/local schemes (own funds)	Sweden's National Strategy for Sustainable Regional Growth and Attractiveness 2015–2020		For project activities, regional business support and support for commercial services	Approx.. € 1.5 million per year in special funding for regional growth measures. Co-financing from municipalities, county councils, EU structural funds

Annex 5: Table IV. Socio-economic characteristic of administrative units of case study area (internal structure)

Vimmerby municipality		
Population density per km ² (2013)	13,5	
Total population (2013)	15403	
Population development (1999-2013)	1999	15779
	2000	15788
	2001	15776
	2002	15644
	2003	15628
	2004	15621
	2005	15596
	2006	15613
	2007	15588
	2008	15608
	2009	15551
	2010	15538
	2011	15473
	2012	15397
	2013	15403
Population development age 18-30, (1999-2013)	1999	2282
	2000	2201
	2001	2128
	2002	2055
	2003	2036
	2004	2003
	2005	1996
	2006	2054
	2007	2074
	2008	2159
	2009	2188
	2010	2222
	2011	2300
	2012	2349
	2013	2347
Old age dependency ration (2013)	38,6%	
Gender imbalance (2013)	Males: 6656. Females: 7565	
Ethnic composition (2013)	Sweden: 14188; Nordic countries except Sweden: 147; other countries: 1068.	
Growth measured as GDP per capita in PPS (2013)		
Unemployment rate (2013)	6,4%	
Youth unemployment rate (2013)	16%	
Main economic basis: Share of employees per sector (2013) (agriculture, industry, services) if possible in more detail and with time series		
Share of tertiary educated people (according to ISCED, 2013)	22,3%	

Annex 6: Table V. Content analysis of coping strategies documents

Relevant initiatives from table II and III, which:

- had or are having major impact in the study area (as perceived by local actors);
- among those carried out in the last 10 years;
- possible one of them should be carried out (or is carrying out) in the most recent years

Document 1	
Title	The social local development strategy (SLUS) in Vimmerby
Information and status of the document:	Formulated by key stakeholders within the municipality, including local politicians, civil servants, businesses, community leaders and citizens, including the youth
Type of the document (plan/strategy/...)	Strategy document - guiding document external and internal work in the municipality
Governance level/levels (local/regional/...)	Local level, implemented at case study level
Synthesis/general findings of the document – in context of peripherality of case study region or its part	Aimed at overcoming some of the main challenges to the area identified by local stakeholders. The main objective of the SLUS is to create <i>a local commitment</i> and citizens engagement to the creation of an attractive and sustainable living environment. Focus on attractive sustainable housing, accessibility to high quality services and well-functioning infrastructure, promoting enterprise on equal terms and expertise and labor supply. Building trust and social capital are the central elements of the strategy.

Document 2	
Title	Regional development strategy for Kalmar County 2012 – 2020
Information and status of the document	In line with Sweden's National Strategy for Sustainable Regional Growth and Attractiveness 2015–2020
Type of the document (plan/strategy/...)	The governing document that contains visions, goals and priorities for regional growth efforts in the county
Governance level/levels (local/regional/...)	Regional
Synthesis/general findings of the document – in context of peripherality of case study region or its part	The strategy aims to create a round and borderless region by improving transport infrastructure and digital technologies. Growing the business landscape is also high on the agenda through the development of more knowledge-intensive businesses, particularly in the healthcare services and food production industry. Improving teaching and increasing education levels is regarded as essential in promoting regional development by creating stronger links between businesses and regional educational facilities to match education to labour demands in the area. The strategy emphasizes the need to advertise the attractiveness of the region to encourage people to move to the area to live and work. This is to be achieved by highlighting regional cultural and natural assets and improving healthcare and education services

Annex 7: Table VI. Content analysis of newspaper archives – image / stigmatization

		Number of articles
Size of the article	Short (less than 1 page)	2
	Medium (1-2 pages)	4
	Long (more than 2 pages)	3
Author of the article	Journalist	5
	Publicist/expert	4
	Local authority	
Author's attitude	Positive	
	Neutral	6
	Negative	3
Context	Positive	2
	Neutral	5
	Negative	2

Note: Negative or positive image of the case study area according to brief screening of regional and local newspapers; based on newspapers query with keywords of the case study area (various names) and terms of 'periphery', 'decline', 'crisis', 'problems', 'lagging' for last 5 years.

Source: regional and local (Östra Småland, Barometern, Vimmerby Tidning, Kalmar Läns Tidning)s (2012-2017)

Annex 8: List of experts

1. Local Politician in Vimmerby
2. Local government representative
3. Local government representative
4. Local entrepreneur and community member
5. Regional government representative

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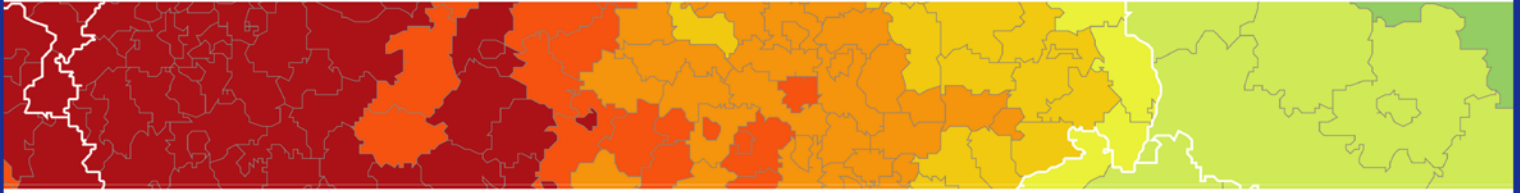
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