



Photo: Dennis Holm

V.14. VAGÚR AND THE FAROE ISLANDS: Improving attractiveness through a change of image – Joint collaboration, infrastructure development and new business opportunities

By Michael Kull and Karen Refsgaard, 2018/2019

Introduction

Why are some municipalities better than others at deploying their resources, attracting people and creating jobs? This was the key question studied in this analysis of the attractiveness of 14 rural municipalities in the Nordic Region.

The 14 areas selected are all defined as attractive in the sense that their populations and the number of people in work have increased in recent years. The nature of the boost to employment in some sectors has been identified by means of shift-share analyses to determine how much of the change is attributable to specifically local factors.

Interviews then probed key stakeholders about motivation, working conditions, job creation and living conditions. These interviews were with public sector representatives (e.g. mayors and heads of planning and development), business representatives and entrepreneurs, high school students and people from the education sector, as well as families. Combined with analyses of other data and information, the interviews helped us to understand why some places do better than others.

Among the reasons to choose Vágur was a positive change in terms of net migration and

population, inclusive approaches to (re)building a sense of community, and the stimulation of new economic activity.⁶⁴ Vágur is located on Suðuroy, the southernmost island in the Faroese archipelago. There are seven municipalities on Suðuroy altogether (Figure V.14.1, next page).

In 2018, 4,612 people lived on Suðuroy and 1,370 in Vágur. Vágur is the only place on the island where the population grew between 2013 and 2018 – from September 2013 the increase was from 1,295 to 1,370. This was higher than the average for the Faroe Islands as a whole (Table V.14.1, next page).

Interestingly, the population increase in Vágur was also higher than on the Faroe Islands (growing from 48,005 to 50,710 between 2013 and 2018).

The largest sectors for employment in 2016 were public administration, fish processing and fisheries, sea transport, trade and repair and construction (Figure 3). The shift-share analysis for the period 2008-2016 (Figure V.14.2) shows that municipal administration, fish processing, and sea transport have done better than expected, based on national or sectoral trends. The proportion

⁶⁴ For the different steps in data collection and case study selection see “Methods” section.

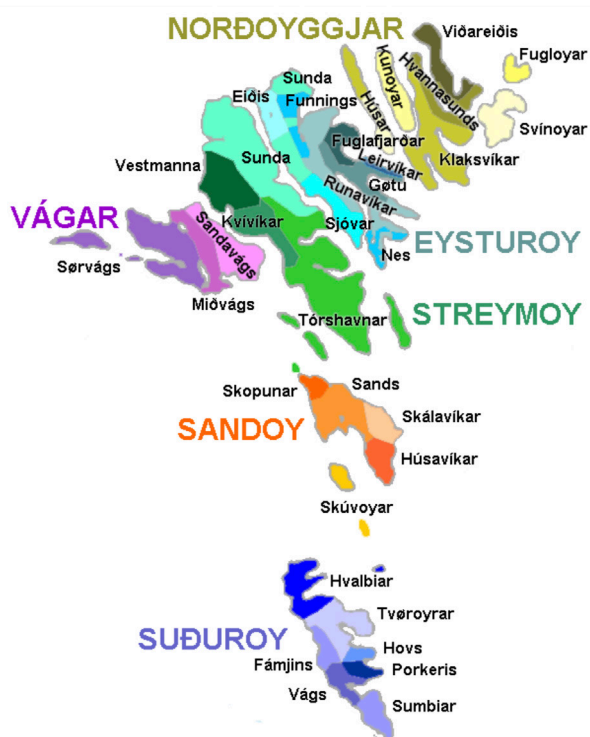


Figure V.14.1. Map of the Faroe Islands.
Source: https://da.wikipedia.org/wiki/F%C3%A6r%C3%B8ernes_regioner#/media/File:Map-kommuna-2005new-color-caption.png.

Table V.14.1. Population development in the Faroe Islands, Suðuroy and Vágur

Population	2013*	2018**	Development
Faroe Islands	48,005	50,710	5.6%
Suðuroy	4,637	4,620	-0.1%
Vágur	1,295	1,370	5.7%

*These figures are from September 2013. In that month, the population in Vágur was the lowest in recent times (probably since the 1920s).

**The population in Vágur has declined a little since January 2018.

of jobs provided by the fish processing sector in Suðuroy remains high, and the local employment effect is stronger than average on the Faroe Islands.

In Suðuroy the number of jobs in fish processing in 2007 was 286. This increased to 341 in 2016 (Table 2).

This has proved to be different from the general trend in the Faroe Islands, where the number

of jobs decreased from 1,482 to 1,387 during the same period (see figures 4 and 6 below). Hence, on the following pages, we will reflect in greater depth on the structural conditions of the Faroese labour market. We will also discuss one of the particular success stories in Vágur, a sports high school.⁶⁵

Prior to the positive trends of the past few years, and especially between 2004 and 2012, the municipality of Vágur faced a variety of negative developments. There was declining population, because few children were born, and young people moved away from Suðuroy. The students and others who moved did not return. Vágur, as Mayor Dennis Holm⁶⁶ explains, has also had a bad reputation in the news. He talks of “one-sided headlines, crises, jobs losses, workplaces closing in the pelagic industry, and so on”.⁶⁷ In one television show an elderly woman from a small village in the northern part of the Faroes said that she would not dare to travel to Suðuroy, because there was “civil war on Suðuroy”. This was an image she had gained from those one-sided, negative headlines about the place. The issue in this case was the choice between maintenance of an upper secondary school or, alternatively, a home for the elderly. Disagreement led to local conflict, which even broke out on the streets. In the end, the school moved out and the home for elderly was built.

According to Mayor Holm, many of the local people also have a rather poor self-image. “They almost had to excuse themselves for still living on the island,” he explained. Holm was not mayor at that time. There was a lack of local leadership and no adequate plan for where the municipality was heading. This led Holm to get involved in politics. When he came into office, he says, “it was like Alice in Wonderland at a crossroads. Which way should we go? While it may not be important to move in the entirely right direction immediately, clear movement is needed to change the situation.” The Town Council decided to try to put down into words its thinking on:

65 The sports high school and tourism developments after 2016 are not reflected in Figure 3.

66 Holm is an Aalborg-educated social scientist. He worked at the research centre on local and regional development across the Faroe Islands. His main focus was on rural and peripheral areas.

67 The television show Ymisk lív (Different Lives) came up with this slogan: “Visit Suðuroy? No I would not dare, because there is a civil war there!”

- Which way we should go in the future?
- What values are important to us?
- How do we recreate a sense of community?
- How can we change local feelings of impotence to a shared feeling of pride?

One of the first steps that needed to be taken in this regard was a change of image for the place. Related to this was *developing infrastructure for*

and with the people. Reflecting structural transformations of the labour market, a sports high school was initiated. Finally, further action was taken to prevent the further outward migration of young people and to create an attractive environment to encourage students and young families to return. This case study aims to shed light on these transformative processes.

Suðuroy, 2008–2016

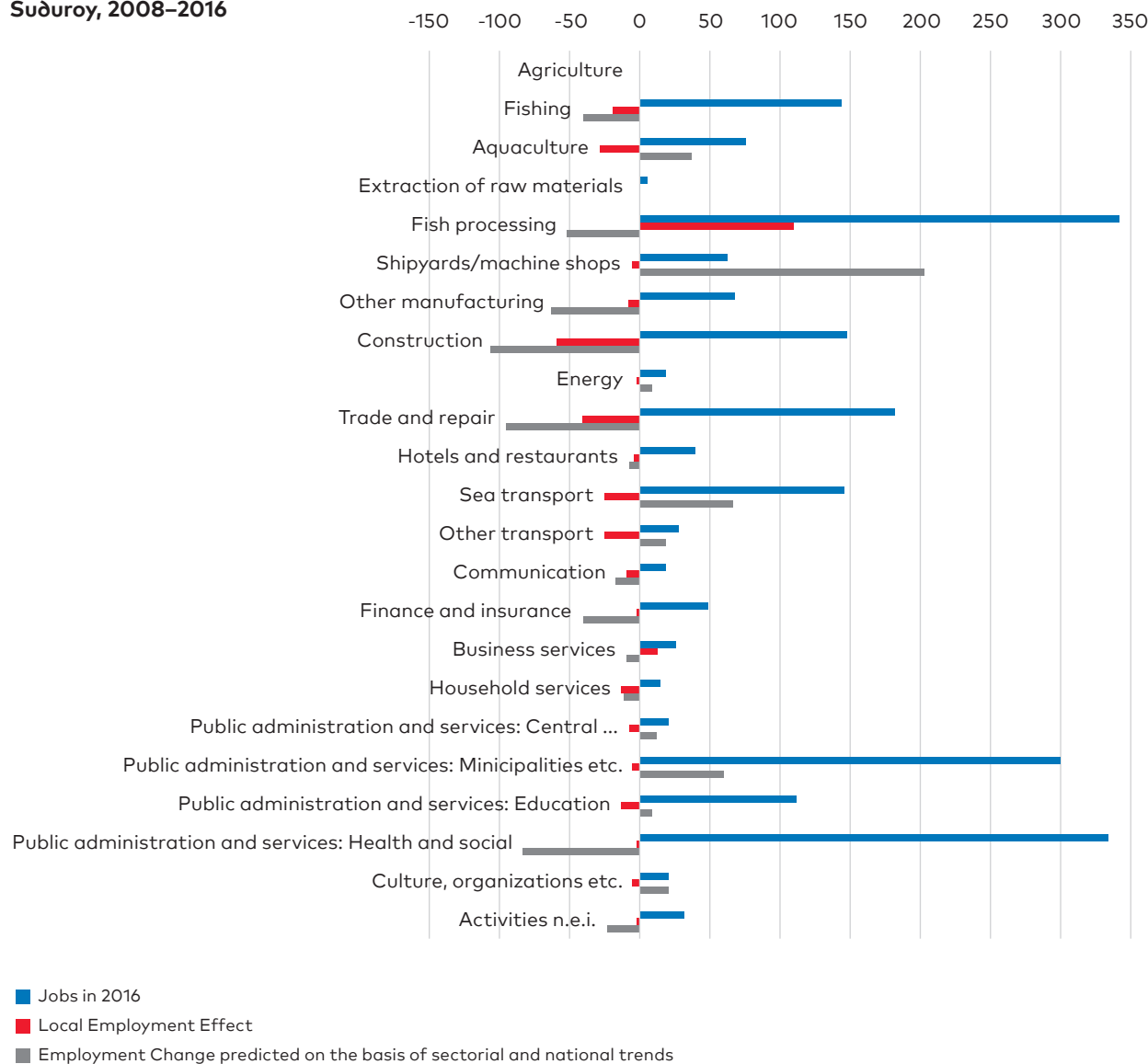


Figure V.14.2. Employment and the local employment effect in Suðuroy. The blue bar shows the number of jobs in the area in 2016. The grey bar shows the employment change as predicted on the basis of sectorial and national trends. The red bar shows the local employment effect. Where it is positive, local development in that particular industry is better than would have been predicted based on national and sector trends. This means that industry in the area is stronger, or that specific policies are in place. Qualitative methods of data collection (e.g. interviews) helped us to understand the underlying issues behind these figures.

Table V.14.2. Job development in Suðuroy

	2007	2008	2009	2010	2011	2012	2013	2014	2015	Jobs in 2016
Agriculture	1	1	8	3	3	3	4	2	2	2
Fishing	315	204	222	214	212	188	156	176	178	143
Aquaculture	51	62	64	64	68	83	81	86	82	76
Extraction of raw materials	3	3	-	4	1	4	5	10	7	5
Fish processing	286	247	245	232	185	307	345	367	336	341
Shipyards/machine shops	62	58	57	61	52	50	55	59	60	63
Other manufacturing	90	87	86	81	73	64	60	70	74	67
Construction	244	227	150	144	134	123	119	120	137	147
Energy	18	17	21	19	18	16	18	18	16	18
Trade and repair	232	232	213	194	179	178	179	177	179	181
Hotels and restaurants	34	37	26	17	24	34	33	26	30	39
Sea transport	106	139	122	133	146	158	151	158	152	145
Other transport	38	48	27	30	25	22	22	22	20	27
Communication	50	45	30	39	28	21	18	19	19	18
Finance and insurance	73	67	63	55	52	52	48	42	43	48
Business services	20	13	20	13	17	17	18	16	20	25
Household services	26	25	23	23	19	16	20	12	15	14
Public administration and services: Central administration	28	30	31	25	37	29	28	21	28	21
Public administration and services: Municipalities etc.	214	257	259	259	278	274	283	286	282	299
Public administration and services: Education	117	116	121	123	115	111	110	110	105	111
Public administration and services: Health & social work	372	356	321	319	322	324	297	311	329	334
Culture, organizations etc	29	27	37	37	27	30	35	26	34	21
Activities n.e.i.	30	40	42	43	-	30	27	36	34	31
SUM	2439	2338	2188	2132	2015	2134	2112	2170	2182	2176

Improving attractiveness through a change of image

Holm's research background in community building also inspired him when he took up office as mayor. *"It is important to create good memories"*, he explains. This can happen through community activities – such as public breakfasts, joint cleaning days, local bonfires and so on. Importantly, the renewal of the place should also be based on the common sense of locals, and ideally on people who are convinced that *"our town looks good"*.

In this situation, it is also important to come to a shared understanding of the direction you are heading in, and how to (re)build a sense of community. Holm did this through the involvement of the municipal council and administration, which also worked on rebuilding the image and pride of the place. In 2013, a number of positive press releases were put out, and good stories about change appeared in the media as a result. It was all about going out and telling positive news stories to the media, systematically, every two weeks at the beginning. *"Now we do this once a month. And I think we have succeeded in switching from a poor image to a good one,"* Mayor Holm explains.

Holm also sees a transformation in the people themselves. *"They are happier and prouder,"* he says. *"We have successfully transformed from a fishing community to something new. Fresh companies started up, people can get an education here, and even people living abroad now have Vágur on their radar."*

In very concrete terms, as will be discussed below, a number of new businesses began operating in different sectors, including the new sports high school, which will be looked at in more detail.

Part of changing the image of the place was a 'face-lift' for the town. This included the renewal of the town centre and other places in the municipality. These transformations also contributed to a growing local sense that *"our town looks good!"*. Several infrastructure investments contributed to this changed image, too.

Public policy, infrastructure development and adaptive planning – for and with the people

Municipalities on Suðuroy are fairly small and, in comparison to other Nordic countries, have fewer areas of responsibility. Schools, for instance, come under the responsibility of the Ministry of Culture, while the municipality only takes care of the buildings. However, as part of a lighthouse project, new services were able to be offered in kindergartens and schools. For instance, while schools are a national responsibility, coaches with a degree in sports could be hired locally. Afternoon services to support pupils with homework are provided by the municipality, as well. There is also a department for pupils with special needs, which means they do not have to leave for Tórshavn anymore but can get their education in Vágur. *"We try to focus on there being room for everybody here,"* Mayor Holm explains.

Attractive Vágur. Photos courtesy of D. Holm.





School children in the new youth centre in Vágur. Photos courtesy of D. Holm.

Some of the students interviewed suggested that people move to Hvalba on Suðuroy because they have established new kindergartens, and other places are doing the same in order to attract people.

A newly established distance learning centre enables the provision of higher education in Vágur. For instance, kindergarten student teachers are able to follow lectures provided at Danish universities. At the same time, locals can stay for selected courses. Even people from other parts of the Faroe Islands travel here for that opportunity. *"The provision of the building and a student guiding system was Important",* Holm explains. He adds that *"students can become part of a community here, and now there are about 30 of them."*

A number of other infrastructure investments and projects helped to foster change. One example is the indoor swimming pool, Páls Höll – the first 50-metre pool in the Faroe Islands and one of the community projects part-financed through a combination of crowdfunding, the government and municipal funds. However, interviewees critical of this argued that there will be no direct benefit in terms of a 'surplus' coming from the operation of the swimming pool. Mayor Holm, in contrast, says that there will be a surplus in relation to the *"feel good factor"* (trivsel). This, according to him, is an extremely important surplus. *"People today choose their future home, their future 'place to stay', based on the possibility to thrive (trivsel) in the community. They are willing to commute to jobs in neighbouring communities",* he explains. The municipality is focusing on this 'thriving experience'/trivsel as an important element of its attractiveness.

A new sports hall opened in January 2018, featuring a half-size football pitch (60 x 40 metres), the first indoor facility for athletics in the Faroe Islands, and a large climbing wall (also the first of its kind in the Faroe Islands).

Public infrastructure also received sponsorships from Klaksvík-based CIG⁶⁸ and other local donors. Among the additional amenities that will be created through the input of local residents and funding from a variety of different sources is a new adventure and obstacle course. This creates inviting opportunities for an active walk through the town.

A new service centre features both a library and a tourist office. *"Public well-being and business development in one new exciting building,"* Mayor Holm argues. Moreover, a new youth centre has been established in a closed office building purchased by the municipality. This offers a place to spend time together after school, and it is open four or five days a week. *"The youngsters have helped with decoration",* Holm notes.

Elderly care is seen as an opportunity in Vágur. It used to be a state responsibility until 2015, when the municipalities became responsible, and it is now organised jointly by the seven municipalities on the island.

The overall housing situation on Suðuroy is, according to some interviewees,⁶⁹ a problem. New apartment buildings have been constructed to

⁶⁸ For more information about CIG, see the Klaksvík case study.

⁶⁹ The interviewee was from Vágur High School.

respond to the demand for new types of housing. There is also a high demand for housing in Vágur, according to Holm. *“Most of the ‘good’ houses that were available two to three years ago have now been sold – and an additional 10 to 12 houses were sold during the last five to six weeks (during the summer of 2019).”* In response to demand, the municipality is now planning to build apartments in collaboration with a local company and with local people who want to buy such apartments.

Transport

Roads between towns are a national responsibility, while the municipality is responsible for roads within each town and village. Bus connections to and from the high school are available, but students interviewed for this case study still consider owning a car to be important. Ferries between the islands connect to national roads. Some interviewees consider a sub-sea tunnel connecting Suðuroy with the main island as a game-changing development. They are convinced that new jobs can be created as a result of this tunnel, which made commuting to the capital easier and therefore motivated highly qualified people to live in Suðuroy and to work in Tórshavn. On the other hand, a tunnel might also lead to a situation where public services like the hospital could be moved north, and *“we do want these services to stay here,”* says one student. Right now there is a difficulty for pregnant women, as they need to go to Tórshavn two weeks before birth, and with their family. This means that the father will likely be without a salary for that period. Overall, the potential tunnel has its pros and cons, and this reality was well reflected in the interviewees’ opinions.⁷⁰

Business development and the structural transformation of the labour market – questions and answers from Vágur

The labour market – structure and transformation

Looking at the Faroe Islands as a whole, most jobs are provided by the public sector (Offentlige). The number of jobs almost doubled from 5,636 in 1985 to 10,191 in 2017. Compared with this trend, the

growth in the service sector (Tjenster) was fairly moderate – from 5,447 jobs in 1985 to 6,858 jobs in 2017. However, interviewees stressed that during the past two to three years the tourist industry has created new jobs within the service sector, mainly in Tórshavn.

Fisheries and fish processing combined were still important job providers in the Faroe Islands in 2015 (Figure V.14.4, next page). As a single sector, most jobs are found in commerce, if you exclude the public sector.

Figure V.14.5. (next page) shows the number of jobs in fishing, aquaculture and fish processing, 1985–2018. While fisheries and fish processing have more than halved over the past 30 years, fish farming has increased fourfold, meaning that the three sectors employed between 1,170 and 1,446 jobs each in the Faroe Islands in 2018.

However, as shown in Figure V.14.4., jobs provided in the fish processing sector in Suðuroy have remained high, and the local employment effect is stronger than average on the Faroe Islands. This is because of recent investments in fish processing factories, such as in one of the largest and most advanced pelagic plants in the world based in Tvøroyri and owned by Varðin P/F and Delta Seafood P/F (<https://vardin.fo/production-capacity/>; <https://www.faroeislands.fo/the-big-picture/news/rebuilt-fish-factory-brings-new-optimism-to-tvoeroyri/>). Fish processing also provides an opportunity for students to work while at school.

Fishing and the fishing industry contribute approximately 20% of the gross added value to the Faroese economy (Visit Faroe Islands).

Women are mainly employed in the public sector, in areas such as education and health. Medical scientists are, according to Marita Rasmussen from the Faroese House of Industry,⁷¹ mostly *“older men and younger women”*. Fisheries has traditionally been a men’s business, but also engages women. Transformations are ongoing in this sector. According to interviewees from the Rasmussen family and owners of CIG, there is no problem for women wanting to find jobs in the fishing in-

⁷⁰ Students also pointed at the rather politicised and controversial debate about moving the international airport to Streymoy, and the construction of the tunnel between Streymoy and Eysteroy.

⁷¹ The House of Industry is the community of business associations in the Faroe Islands and is managed by the Faroese Employers Association (FEA). The FEA is the main representative body for Faroese employers, with a current membership of over 550 companies. These range from small family-owned businesses to multinational companies. The House of Industry brings together five employers’ associations and eight sectoral organisations (See <https://www.industry.fo/international-edition>).

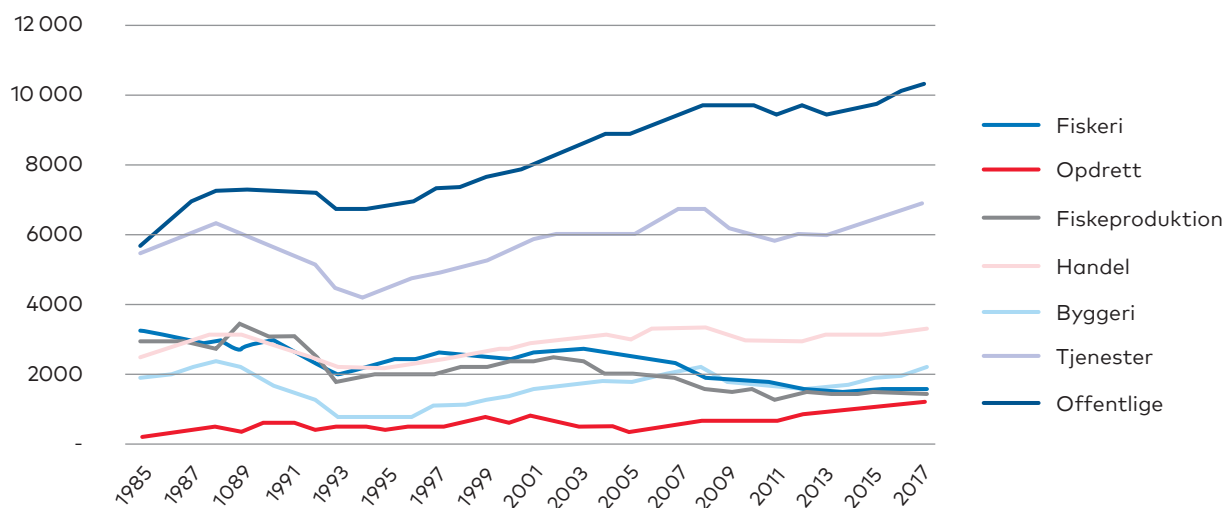


Figure V.14.3. Development of jobs per sector, 1985–2017. Source: Faroese House of Industry

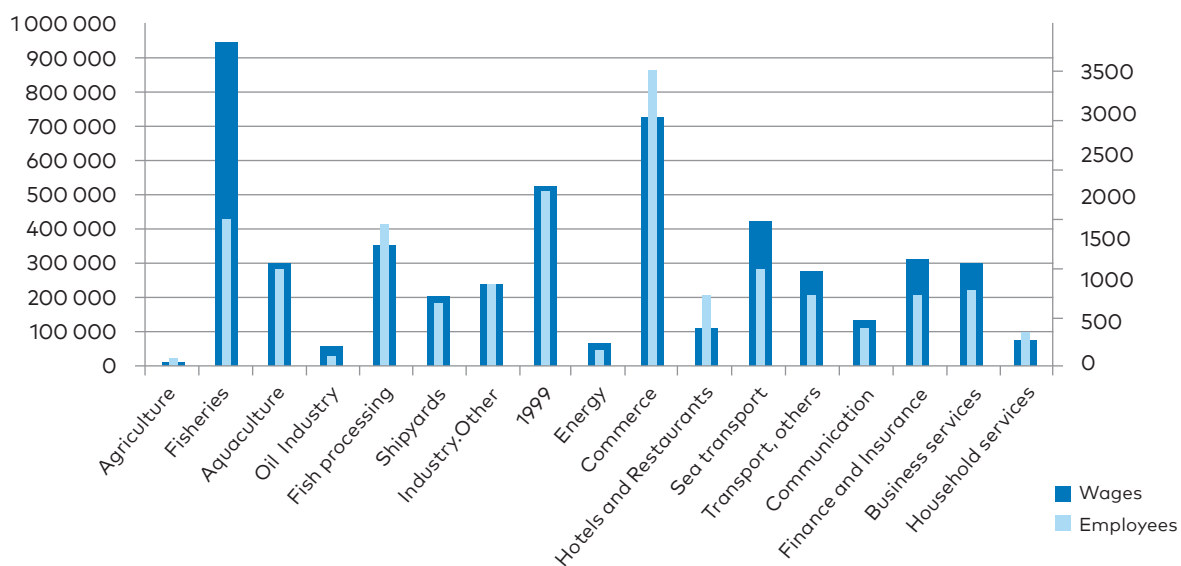


Figure V.14.4.. Number of employees and wages (in DKK 1,000) in the Faroe Islands, 2015
Source: Faroese House of Industry

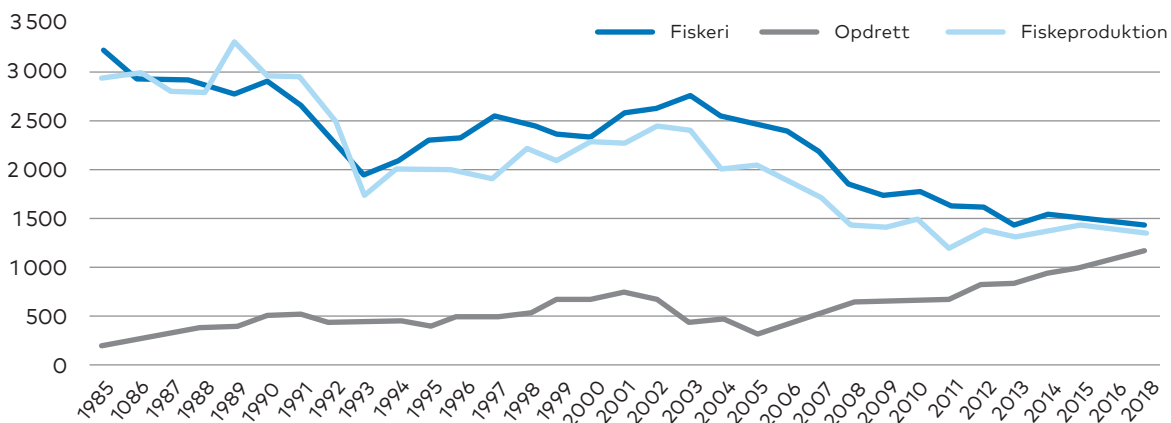


Figure 5. Number of jobs in fishing, aquaculture and fish processing, 1985–2018
Source: Faroese House of Industry

dustry. *"Everyone who wants to find a job will get one. While there are not that many women employed yet, there is a growing place for them in the maritime industries."* There are now about 15 to 20 students enrolled annually in the maritime college, including female students. In aquaculture, especially in relation to research, employment is *"predominantly women, and overall it is much more equal than fishing"*, Tróndur Leivsson from the Agricultural Agency of the Faroe Islands reflects.

In practice, men are often away from home for prolonged periods. This is true in the fishing, oil and transport sectors, and also relates to working in other countries. Rasmussen reminds us that the Faroe Islands have the highest levels of labour mobility in Europe. She points out that there is high demand for Faroese labour in other countries, especially in the maritime sector, because *"Faroese people are flexible and are used to working in companies that require multiple skills. They are very informal and flexible"*.

The oil industry and the supply sector for the oil industry operate in different parts of the globe. There is also a business cluster in the maritime sector and a service hub for floating equipment.

Employment development in the faroe islands

Unemployment in the Faroe Islands has gone down drastically from the 12.9% rate of the mid-1990s, with some fluctuations over time. During the global financial crisis, the unemployment rate rose from 1.3% in 2008 to 7% in 2010, and then fell again to 2.1% in 2018.

In 2018, just 610 people were unemployed, and 436 were in a scheme for unemployed people. So there was very little unemployment overall. At the same time, there were 150 job openings, many of which were in the tourism sector. For EU residents, if unemployment is below 3.5%, a fast track system is in place to integrate them into the labour market. More than 80% of people are actively working (figures for men are slightly higher than for women). The proportion of part-time work is the third highest globally.

A place for business development in Vágur – setting up a new sports high school

In the 1970s, Vágur used to be one of the largest fishing communities in the Faroe Islands, and it was home to the most modern fish factory there. In 2016, in Suðuroy as a whole, most jobs outside the public sector were still provided by fish processing (Figure 3 above). New business activities have been started by the Bakkafrøst company. However, fish processing is seasonal, and while in 2005–06, there were around five or six fish companies, now only one (small employer) is left. There used to be some 250 to 300 jobs within fisheries in Vágur, but those numbers have declined to between 25 and 30 today. Moreover, in the Faroe Islands as a whole, more than half of all jobs in fish processing disappeared between 1985 and 2018, going down from 2,937 to 1,354 (source: Faroese House of Industry). Among the group of people who left Suðuroy due to structural changes in the labour

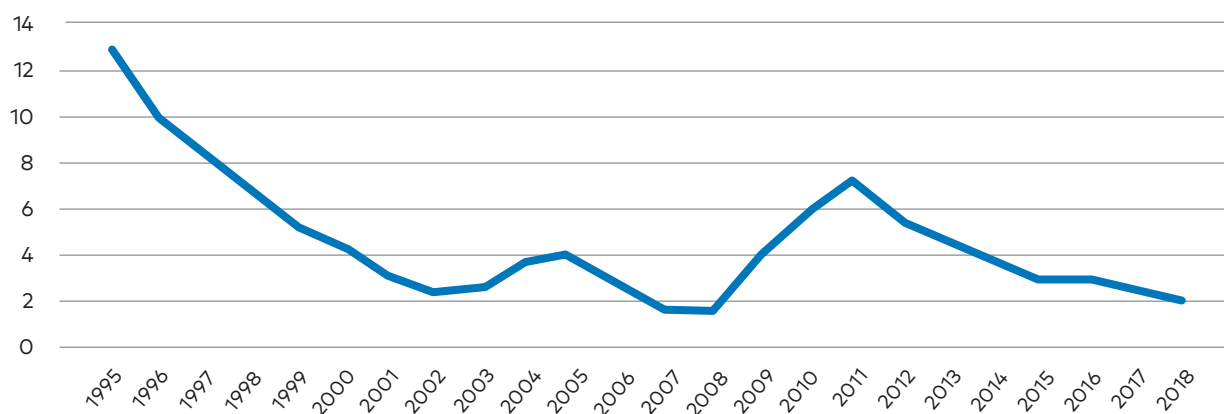


Figure V.14.6. Unemployment rate in the Faroe Islands, 1995–2018.
Source: Faroese House of Industry.



Students at the sports high school in action. Photos: Jóni Brandsson Christiansen

market,⁷² the greatest impact was on unskilled workers. They did not return during the economic upturn, or as a result of the positive transformations in the past few years. Many students have also found jobs in the fisheries sectors, but consider it a fairly short-term employment opportunity.

Vágur has seen pretty vibrant times in terms of business development over the past few years. Five new restaurants and cafes have opened, and three new tourism companies set up. Two of those deal with accommodation for tourists (13 new holiday homes so far) and one on trips and adventures. A new company will open a new hotel/bed and breakfast facility in 2019. The owners are people who have moved back. A new electrical company employs five or six electricians – it is also run by people who have moved back. Returnees have started a new building company as well. Another new company sells various items for home care. Last but not least, Bakkafróst has expanded its business by increasing the number of employees – and it will start to build a large smolt station in 2019/2020.

One of the undoubted success stories in terms of starting a new enterprise is the sports high school. It was founded in 2016 and offers a range of activities, including football, handball and swimming – in addition to a large menu of outdoor adventure pursuits. The former vice-chief of a swimming pool became its first headmaster, and was supported by a former Navy SEAL. The very first task to be tackled was scoping opportunities to mobilise and receive students. Hardly any money

was available for this scoping phase. Government support was conditional upon getting enough students enrolled. For the first course, which lasted 15 weeks, 18 students were enrolled. The infrastructure included cabins for living accommodation and a house for eating together and "having fun", as well as a lecture room. Bicycles were made available, too. Students were instructed in outdoor activities such as kayaking, snorkelling and abseiling and "got hooked".

At first, some people, including politicians, were rather sceptical about the financial implications of running the school. According to the organisers of the school project, these politicians now ask about the school's requirements and how they can support it. As the school was unable to provide enough money for all the instructors it needed, one of them started a company running outdoor activities.

The founders of the school stress that they were in the right place, with the right people at the perfect time. *"All the guys had similar interests"*, the required qualifications to teach, and tourism on the Faroe Islands started to boom. In addition, their own family situations were suitable to starting up the operation. At the beginning, the students were mainly Faroese. The teachers believe that a particular video attracted students from Sweden, Denmark and Iceland for the second course. For this course, new ways of teaching and operating were required. A suitable house was found, and students and teachers refurbished it together. An advertisement resulted in 32 students signing up for 2017, and also fully booked semesters for 2018. Demand is now much higher than the supply of places. There has been some reflection about in-

⁷² For a more in-depth reflection of transformations of the first sector including fisheries, see the Klaksvík case study.



New buildings for the sports high school. Image courtesy of the municipality of Vágur.

roducing quotas. In 2018, course fees were DKK 850 per week, all-inclusive, and there have been plans to raise the price. The government provides some funding as well.

A company known simply as Outdoor was started up by one of the instructors, because the school did not offer a sufficient income base for him. The company offers outdoor activities and a café providing food and drink, and it is therefore a place to go to after these pursuits. This has proved a welcome addition in the Suðuroy and Faroese setting overall. Customers are mainly foreigners arriving during the summer. The business will now be further developed, and an old building has been bought to be refurbished for this purpose. However, the founder emphasises that the school comes first. Advertising it is important, the operator says, mainly due to the remoteness of the island and the perception that the larger advertiser, Visit Faroe Islands, *"does not sell Suðuroy so much."*

Mayor Holm emphasises that setting up this school was one significant element in increasing the attractiveness of the place overall. It is, in his view, a huge success. The demand is higher than the current available space, which is for 40 pupils. As a result, in April 2019, the national housing company Bústaðir started to build a new dormitory to be rented by the sports high school and provide room for 72 students. This dorm will open in 2020.

This new building, says Holm, will be a *"new landmark, and it is architecturally exciting."* According to the Mayor, the new facilities will also contribute to the building of community.

With a view to the sports high school, and vis-à-vis more traditional economic activities, Holm says that if you compare education versus working in the fish factories, it is "some of the older generation who are not so happy with the transformation of our image." According to Leivsson, the sports school offers a good option for young people to move to Suðuroy, and he reminds us that the pelagic fish factory also provides jobs and motivates people to move. Moreover, a number of support schemes are available for people willing to establish a company themselves (Info Box V.14.1).

INFO BOX V.14.1. Support schemes for establishing companies

There are a number of public support schemes for establishing a company. These include venture capital, Vaekst-fonden (the Danish Growth Fund), the state investment fund and private investment. More information is available under <https://vf.dk/en/>. There are also six venture funds and crowdfunding is also an option, too.

Overall, according to Rasmussen, *"it is fairly easy to establish companies. You need 1 króna to establish a company and to receive support and advice."*

Tourism

The tourism sector is growing in all parts of the Faroe Islands (Table V.14.3). While in the capital area the number of overnight stays increased from 88,000 to 121,000 in the period 2013 to 2018, in areas outside the capital the numbers went up from almost 4,000 to 62,800.

To respond to the increasing demand from tourists, and an insufficient supply of beds, a new cottage area was built in Vágur. This enables tourists to stay longer than one night and therefore to spend additional money in the municipality. In addition to accommodation, new services are also being offered. Holm explains that, *“as a basis for our focus on the experience economy, you need places to stay. But new business ventures have started as well, including restaurants, cafés, outdoor activities, and so on.”* He expects more growth within the field of the experience economy and more new companies starting activities. A proportion of these activities will be seasonal, from June to September. There is a joint project involving all of the municipalities to market tourism on Suðuroy island.⁷³ The slogan reminds people that you really need to have been on Suðuroy to be able to say you were on the Faroe Islands. It is typically Faroese tourists so far, especially to attend the New Year's festival. Although there are not many foreigners yet, the numbers are growing year by year. More places to stay are

therefore needed. In discussion, high school students pointed to the potential development of tourism and at the need to do this in a sustainable manner.

Responding to increased demand for quality and traditional foods in rural areas – the Heimablídni concept

In 2004, the New Nordic Food Manifesto was signed and adopted by some Faroese chefs and gourmets. Three or four influential people (e.g. Leif Sørensen and Gutti Winther [chefs], Johannes Jensen [hotel director] and Johan Mortensen [food enthusiast]) embarked down this avenue and began to foster modern ideas around local food production and traditions, as well as fighting against the loss of local food identity. Furthermore, it was found that tourists wanted to experience local food. Finally, in 2011, the law changed. Prior to that it was not permitted for private individuals to serve meals and sell traditional foods, including fermented specialties.⁷⁴ The new law allowed and effectively encouraged 'Heimablídni' (dining with a Faroese family) and 'Heimaframleiðsla' (home butchering). Preparing local and traditional foods for tourists now became possible. According to Leivsson, the food authority was opposed to the change, but politicians decided in favour of it. In the meantime, says Leivsson, agencies from Greenland, Norway and Iceland became interested in the concept.

Conflicts between residents and tourism companies

Leivsson emphasises that until recently, and prior to the influx of tourists, there were no significant tensions between the needs of tourism and those of residents. But he is critical about recent developments, raising some serious points, especially

Table V.14.3. Overnight stays in the Faroe Islands (2013–2018)

	2013	2014	2015	2016	2017	2018
Capital area	88,432	93,147	102,537	101,988	117,239	121,288
Outside capital area	43,833	46,103	57,214	59,236	59,407	62,824

Source: Statistics Faroe Islands https://statbank.hagstova.fo/pxweb/en/H2/H2_TB/.

⁷³ Concerning the Faroe Islands overall, the Visit Faroe Islands company is the main marketing channel. Among the innovative ideas to showcase the islands is the Sheepview project (<https://visitfaroeislands.com/sheepview360/>). One of the needs of the sector is broadening the season, at least in some parts of the Islands. This is thought to be achievable through conference tourism, for example. Currently, a new strategy is being developed by Visit Faroe Islands for local service and infrastructure development.

⁷⁴ The fermenting traditions of the Faroe Islands have recently expanded to also include, for example, Danish ham fermentation (Danish Crown) and Danish cheese fermentation (Arla Unika).

concerning cruise tourism. One of the problems, he claims, is *"invading local spots and then moving on."* He adds that *"we used to have tourist authorities, which would act to ensure free access to land. But this is not the case now. Roads, and paths between roads, are public. But access beyond these paths requires permission from the land owner"*. Leivsson says that the money available for financing infrastructure is not sufficient. He adds that foreign companies now organise trips to the Faroe Islands, and people hike both on public roads and across private land, without the owners getting a share of income from this activity.

In 2017 and 2018, discussions about allmen-srett (the right to roam) were about these access problems – with a focus on allowing landowners to forbid people to access land, and eventually to charge money if they crossed it. One case in point is on the island of Mykenes, the most western isle in the Faroes. There are seven or eight people living there (a significant decrease from the 160 people in the 1930s). It has old houses and holiday homes, but it is hard to make a living on the island. Many tourists visit the place and islanders are now allowed to charge them, and can also require them to have a guide.

Overall, Leivsson argues, income from tourism should not go into the pockets of landowners alone, but should be re-invested into infrastructure. This would help to increase tourism without overburdening the Islands.

The tourist industry, Leivsson explains, is mainly based on the Smyrill Line, Atlantic Airways, hotels, incoming companies and the re-established tourist agency, Visit Faroe Islands. VFI is operated as a private company, with the government as a shareholder. Its earlier focus was on getting people to the islands, not so much on accompanying infrastructural development, Leivsson argues. He adds that *"now this is changing, but fears remain."*

An attractive place to live: attracting young people and students, including moving back to Vágur

A disadvantage for high school graduates is the lack of jobs that require higher education – especially on the more remote parts of the Faroe Islands, such as Suðuroy. However, Mayor Holm perceives a change in this trend, particularly owing to an increase in activities related to the experience economy. The sports high school and the related company for adventure tourism are two examples.

New jobs related to wellbeing are also being created, such as physiotherapy and a variety of other job opportunities that emphasise people rather than products.

According to Marita Rasmussen from the House of Industry, around 50% of young Faroese are currently studying abroad, and roughly half of those will not return. Keeping young people for two to three years after their graduation increases the probability that they will return home again. This contrasts to the scenario where they left right after high school, for example, Leivsson adds., More students tend to return now than in the past. Among the reasons for this is higher unemployment in Denmark and good job opportunities on the Faroe Islands. Another important factor was better marketing of job and life opportunities on the Faroe Islands.

Tróndur Leivsson (CEO at the Búnaðarstovan Agricultural Agency) stresses the importance of cooperation between different levels of government and related institutions in this endeavour. As a response to the decline in population, and in order to motivate students to return, the House of Industry, together with representatives from various Faroese municipalities, went to Faroese students studying abroad with the purpose of trying to convince them to return home after studying. The focus was on Danish towns and beyond. *"During Christmas holidays when students were back,"* Leivsson explains, *"they arranged different events for them here as well."* Information was provided about job opportunities, childcare, health, building or buying houses, and the training opportunities offered by local companies. To facilitate a higher rate of returnees, the Faroe House of Industry also set up a 'dating page' for students and companies, for example on apprenticeships. They also began marketing campaigns, including 'Choose FO', highlighting other attractive features of life on the Faroes, such as a sense of security and the childcare facilities.

In order to make the Faroe Islands more attractive for young people to come back to, and to inform them about employment opportunities, a government consultative committee was set up. It developed 30 recommendations. Some of them were implemented, some were not. An important aspect of this was raising awareness. Another was to improve housing policy, focusing on the availability of rental apartments. *"Young people do not want to buy expensive houses. There is a need for*

rental houses to enable students to return," Marita Rasmussen explains.

Leivsson reckons that there is still some work to be done to develop equal job opportunities for all.⁷⁵ Overall, he believes that these combined activities involving different institutions have had a positive impact, and a positive new trend is discernible, with a net influx to the Faroe Islands and more job opportunities for better educated people.

Students from the Miðnámsskúlin í Suðuroy high school serving all Suðuroy, including Vágur, argued that it is quite normal these days to move back to the Faroe Islands after studying abroad. The place is especially attractive for a family with children. It is a safe environment, with no criminality. New jobs have also been created, as discussed above. The high school has both a natural science and a humanities branch, with a 50/50 split. Pupils are from Suðuroy only.

Distance learning is seen as an opportunity in higher education, and some subjects are taught in Tórshavn, at least at Bachelor of Arts (BA) level. The distance learning centre is an option now chosen by 30 students. One of the girls, who is in the natural science stream at Miðnámsskúlin, has considered studying medical science in Denmark. Whether she will move back depends upon whether she gets a job. There is a shortage of medics in many rural areas, she says, and there are many seasonal Danish medics to fill these gaps. It also needs young people like her to occupy vacancies in certain sectors, such as in health. Another female student tells a similar story. As with many other young people, she has attended boarding school in Denmark. The students say that it is a tradition to go to Denmark or Tórshavn, and that the network there is strong among the Faroes. As an example, the Øresund student home in Copenhagen is considered as "*almost a Faroese ghetto*", Leivsson suggests.

The four students say that kindergartens are used extensively as an attraction for the small municipalities in Suðuroy to attract families to the Island.

75 The greater issue now, in developing equal job opportunities, involves focusing more on the challenge of being able to present interesting employment opportunities for both spouses in a relationship. For some years there was a very polarised debate about improving civil rights for homosexuals, with some extreme religious people opposing this. As a result, gay people left the islands. According to Leivsson this debate is much more settled on the side of equality now.

Rector Lauridsen of the high school, who is Danish, explains that earlier there were many Danish teachers at the high school, but that is not the case anymore. He has been there since 1980. For him, it was an attractive place on account of the natural environment, the low crime rate, and the friendly inhabitants. He says that the school is very important in providing a sense and place of being for young people. The general trend, though, is that the girls leave while the boys stay. Until now it has been possible to attract sufficient qualified labour.

One possible option discussed by the interviewees is that of a sub-sea tunnel connecting Suðuroy to Tórshavn, enabling people to live in Vágur but to work in the capital, Tórshavn. For Rector Lauridsen this would lead to increases in local house prices.

Conclusion – working together for a bright future

The highly positive demographic trend in recent years can be put down to a number of different factors. Planning has adapted to structural changes based on a commonly implemented plan. This plan was put to work in an inclusive manner, by engaging locals, by taking them on board and creating a high level of ownership of the changes in infrastructure and 'face', or image, of the town.

“Working together is a very important aspect of Faroese life and the economy and public-private partnerships are strong.” **MARITA RASMUSSEN**

There is competition on the islands and "*it is much to do with personalities*", Holm explains. "*Some have had negative opinions on the way we are going, but this is improving*". Attitudes are shifting over time, in fact. "*People now tend to say that they are from Suðuroy and not necessarily from a specific place anymore*", Holm adds. At political level, he sees closer collaboration by younger mayors and politicians, who have a more holistic viewpoint and see the island as a whole. In this regard, Mayor Holm also sees amalgamation with neighbours as a possible solution for the future.⁷⁶ One interviewee stressed, in connection with this possibility, that

76 There was a referendum in 2012 on decreasing the number of municipalities, which failed.

Holm himself had introduced a positively collaborative culture, but also said that there are debates (sometimes tensions and even fights/disputes too), particularly between those in the centre and those at the periphery.

Looking at the experience of co-creation and the challenge of changing the municipal image, Mayor Holm believes that it is important to see that everybody can, and has been, able to “make a difference”. People lend money without charging any interest. They make financial donations or offer their knowledge (for example, as engineers) for the good of the local community, thereby reducing costs and making their home area a more attractive one. In Vágur, a combination of municipal projects and private ones, public funding combined with crowdsourcing and crowdfunding, plus the in-kind contribution of residents, has led to a successful transformation and has increased the perceived attractiveness of the place.

It also takes youngsters with great ideas and the energy to see the potential of the place, and

to bring creative “crazy ideas” with them. Mayor Holm is supportive of this. Visitors’s viewpoints can also be wise and helpful, he adds. His conclusion is that “the future looks bright”.

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Table V.14.4. Attractiveness of Vágur and obstacles/challenges to overcome.

Good practices and reasons underlying attractiveness	Obstacles and challenges
<p>Access to public services Availability and creation of public services, including distance learning and multi-purpose service centres.</p> <p>Adaptive/participatory planning Attempt to bring everyone “on board” when changing the image of the place, making it more aesthetically pleasing and attractive. Changing the image of the place through co-creation and joint planning. Engaged citizens, local companies as sponsors and individuals working pro bono to increase attractiveness through buildings and cultural/sports events. Closer collaboration among the younger mayors and politicians in Suðuroy. They have a holistic view of development on the island, and not a preoccupation with their own municipalities.</p> <p>Culture, sport, recreation Sports high school – new infrastructure also benefits locals.</p> <p>Employment and jobs Setting up and developing the sports high school – new jobs, new infrastructure also benefits locals. Positive trend in tourism, in terms of both numbers and jobs.</p> <p>Quality of life and local community A feeling of safety/no crime.</p>	<p>Access to public services Some health services are only available in Tórshavn; e.g. pregnant women have to move there prior to giving birth.</p> <p>Adaptive/participatory planning While planning in Vágur is inclusive and participatory, there are perceived disputes between the central and peripheral parts of the islands. There are diverging interests as to the development pathway to address the need for structural transformation in the economy.</p> <p>Housing Availability of rental housing is somewhat challenging, but not as much as ‘up north’. There are houses available for rent on Suðuroy – but more and more houses are also being rebuilt for the tourist industry (owned both by locals and people from Tórshavn, for example).</p>