Basic Patterns of Sustainability

Reports from the Superbs project
8. Strategies for managing economic decline

Hällefors - A municipality undergoing transformation

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8.1 TRADITIONAL MUNICIPAL POLICY

8.1.1 The economic and industrial history of Hällefors

Hällefors is a municipality in the region of Bergslagen, located in the north-western corner of Örebro County in the middle of Sweden. It consists of three parishes: Hällefors, Grythyttan and Hjulsjö. The municipality of Hällefors, has an area of 996 square kilometres borders on Nora, Ljusnarsberg, Karlskoga, and Filipstad.

There are a number of well known hotels and conference centres in the municipality such as Grythyttan’s Gästgivaregård, Loka Brunn and Samverkansprojektet Hyttornas Rike. The municipality contains a wealth of natural resources with more than 400 lakes and 117 rivers and streams. The east-west demarcating Scandinavian Divide runs through the municipality.

Hällefors is an old foundry town. It acquired its first blast-furnace in 1631. The industrial sector has been dominated since then by mining and steel manufacturing. The lumber industry has also played a major role in the industrial life of the community.

Hällefors had its heyday from 1945 - 1970 with a stable increase in population concurrent with the expansion of the steel industry. In 1957, SKF enterprises acquired Hellefors Ironworks, investing several million SEK in much needed improvements. SKF made large investments in the metal and steel industries as well as in the technique for refining the steel used in ball bearing manufacture.

The lumber and steel industries were doing well and companies and citizens alike believed a shining future promised increases in population and trade. The municipality experienced a dramatic expansion in the latter years of the 1950s on into the 1960s. Providing housing for labourers moving to Hällefors became one of the municipality’s most important tasks. The labour force was recruited by SKF from other parts of Sweden as well as from the Nordic countries bordering Sweden. Even the downtown area experienced renewal. Toward the end of the 1960s the municipality was hard hit by large and wide-reaching streamlining efforts in the lumber industry. As the use of machinery for making lumber was introduced, a large percentage of lumber workers became unemployed. Nonetheless, good times continued for the municipality until SKF announced lay-offs for the first time in 1977.

During the 1960s and 1970s the municipality’s public sector experienced great expansion. Women entered the labour force with ‘hubby at the foundry and wifey working with the elderly’. While production increased, it did so with fewer employees. As recently as about 1990 and for a short period, Hällefors had a shortage of apartments.
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8.1.2 The population changes in Hälefors

In 1971, there was a wide-spread belief in a large increase in the municipal population, but reality turned out to be totally different than, for example, the overall municipal prognosis for 1990. In studying this prognosis, we find that Hälefors had, at that time, set a goal for reaching a population of 10,000 by the year 2000 - an increase of somewhat more than 600 from 9,365. Realising those goals meant creating more housing (the building of 2 new housing areas would commence in 1990), creating more employment opportunities and establishing more childcare facilities. At that time, and for approximately six months, all housing was rented out. Lennart Ljungberg, the first and so far only managing director for Hälefors Bostads AB (Hälefors Housing, Inc.) since its establishment, describes the situation in the following way:

“It was a big, bloody rush. I remember they brought people here from Norway. They brought all the social service cases over here from Oslo and gave them jobs at the foundry.”

The municipality saw the skewed age distribution as a problem and looked for ways to keep the municipality’s youth in the municipality at the same time as there was a desire for an influx of new municipal residents. The municipality is described, under the title “Municipal Development For the Next 10 Years”, as having had a single major industry which imprinted the municipality’s educational resources. It can also be seen from the municipal overview plan that as a result of “a constantly diminishing population and warnings of cut-backs from the largest company in the municipality, the municipality has not been involved in housing construction since 1976”. In the municipal overview there are also goal directives for development as an eco-municipality as well as plans for the Grythytte Akademi (Grythytte Academy).

8.1.3 The foundry mentality

Hälefors is seen as typical of the many foundry areas that developed in Sweden during the era of industrialization. The concept “foundry mentality” has been studied by several researchers. In the book “Bruksanda hinder eller möjlighet” (“Foundry Mentality - Obstacle or Opportunity”) by Bergdahl, E., et al., 1977, Mats Isacson discusses the concept and endeavours to describe it in the following summary:

“Foundry mentality is a type of culture found in single industry localities dominated by large industrial companies within traditional branches: iron and steel, pulp and paper. Location is important and foundry mentality ought in part to be interpreted as consciousness of location. Location gives people ‘existential depth’. Residents identify with the area’s dominating company and its leaders, with the collective norms and values, their own organisations, the constructed environment and the shared history. But location, which becomes obvious when foundry localities fill up with new people, is not the same for everyone. Different interpretations of location and its character are set against one another and conflict about interpretations arise. Location, as with region, is a social construction and changes with time.”

Foundry communities have other characteristics focused on by researchers: few points of contact with the

Figure 8.1 Mästarnas Park (Park of the masters), a renovated residential area in Hälefors, where we now find a number of sculptures of several well-known Swedish artists. (photo: Aulis Syväjärvi, Multimediafabriken Grythyttan AB.)
outer world for individuals (although not for companies or company leadership), strong sense of location, a very hierarchically structured class society of the country squire model, which has been replaced today by anonymous owners of capital and managing directors. There was a clear social stratification which loosened up in the 70s clearly expressed in the physical environment, and active community organisations not the least of which were sports organisations, etc.

To leave foundry mentality behind has, therefore, from the sustainability perspective, several dimensions. Does it mean leaving behind a hierarchical system but retaining collective principles and principles of solidarity, as Gunnel Forsberg expresses in the same piece of writing? Isacsson continues:

“What is negative about foundry mentality? Qualities belonging to the negative side are considered to be lack of initiative and entrepreneurship, not being accustomed to change or using other than traditional resources, distaste for academia and hostility toward education, the introverted culture, the closedness, the present-by-proxy mentality, the patriarchal structure, the attitude that heavy industrial work is ‘real work’, the social control, suspicion toward those who are different and deviate from the norm, the envy and obsequiousness, the planned and regulated life.

On the positive side, qualities that are often mentioned are the sense of togetherness, the loyalty, technical competence, professional pride, job enjoyment, the security, the desire to help develop both society and the company as well, the widely spread community organisations especially sports clubs with their nurturing role, as well as the physical environment.”

Several of these points are not self-evident. Objections could be raised against industrial towns being, for example, closed-in. Both the company(ies) and organisations have had a wide-reaching exchange with the world around them. The Swedish labour movement is one example where a somewhat extensive exchange has occurred with the national labour movement through, for example, union and political collaboration. Periodic influxes of population into the area such as the influx to Hällefors in the 1950s and 60s have contributed new ideas. To speak of a monolithic culture can also be dubious when we see, for example, that the culture of women differs from that of men. This makes for a very interesting discussion in terms of the role women have in the transformation process when they are not affected in the same way as men are by industrial labour and the foundry.

Despite these objections we view the concept of foundry mentality as being a viable concept in a discussion of developments in Hällefors albeit keeping in mind that in doing so there is the risk of contributing to the maintenance of some myths.

Many aspects of the old foundry mentality certainly remain but something has happened in Hällefors during recent years.

8.2 THE NEW ECONOMIC DEVELOPMENTS

8.2.1 The recent history – economic decline

The decline of Hällefors started in the 1990s. Both the steel mill and sawmills closed down at the beginning of the 1990s. A part of the steel mill was sold to China and Chinese workers came to dismantle the factory piece by piece and send it back home. Many Hällefors residents still talk about this event, which has been vividly described in a documentary film made by Swedish Television (K. G. Jonson 1994).

The past few decades have seen a gradual decrease of employment opportunities resulting in negative population development with many people moving away from the municipality. From a population peak in 1965 of close to 12,500 residents the municipality presently, in the year 2000, has a population of approximately 8,000. During the past few years the population has decreased at the rate of 150 people per year. The municipality presently foresees a continuing population decrease in the future. Our interviews show that when a Hällefors resident is asked how many people she or he believes will be living in Hällefors in the future, the answer is that the decrease in population will continue until it steadies at a population of somewhere between 6 - 8000.

“Over a period of 30 years, we have lost 25% of the population. Over a comparable period of time, the biggest industry which is dependant on the iron-works here has cut its staff by half and tripled production.” (Interview with a representative of the municipality).

8.2.2 The municipality’s new directions – the main economic activities

At the end of the 1980s the municipality still had a very traditional municipal structure and organisation. At that time the municipality took on a goal-oriented structure which gave the municipal organisation a more modern approach. After a consultative survey of the organisation in 1992 an organisational change was carried out where six new municipal companies were established of which Hällefors Bostads AB (Hällefors Housing, Inc.) was one. Of the six companies established at that time, only the housing corporation remains.

Political issues concerning children, schools, recreation and culture were combined under one committee that aimed to make culture a part of municipal activities. Political leadership saw the inclusion of culture as an important part of all activity. The municipality established a school for culture and subjects such as dance, art, theatre and music became compulsory subjects from grades 1 - 5. This effort met with some criticism but was explained in terms of how important culture is when structures are being changed.

The municipality has been forced to go from being dependant on one source of income to finding other solutions to the problem. The municipality today has a skewed age distribution and approximately 7% of the population is over 80 years of age. Approximately 46% of residents housed by the municipal housing corporation are over 60 years of age and approximately 13% are over the age of 80. Approximately 50-200 residents per year have moved away. It is primarily young people who are moving away. The steel industry still employs many people in
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the municipality and because of Ovako, which presently employs 750 people, it is still the biggest employer in the area. Ovako is a company with specialized competence in precision cutting and processing via Hellefors Education AB and SKF/TDC. The second largest employer is the municipality with approximately 550 employees.

8.2.3 Housing policy

A very noticeable change in connection with the population decrease and value changes can be seen in the dimensions of and types of municipal housing. Despite increased spacing between homes and an increase in housing standards, many residences are both superfluous and undesirable. A large part of Hällefors’s housing is a product of the post-war housing boom where the point was to erect housing as quickly as possible for newly arrived industrial labourers. Much of the housing therefore consisted of apartment blocks with leasing contracts and a traditional environmental design, which arose during the Million Programme years.

8.2.4 Grythyttan and the new food-related industry

Grythyttan, which is the second largest population centre in the municipality of Hällefors is presently enjoying expansion. It is located in the southern part of the municipality and has approximately 2,000 inhabitants.

Small-scale food industry companies have started up in Grythyttan during the 1990s. These have appeared in Grythyttan in the wake of investments in the Restauranghögskola (Restaurant University) and Måltidens Hus (Centre for the Culinary Arts). The municipality has even invested in design and culture.

Culture and design education have been established and the municipality is working on obtaining other national lines of education which has led, among other things, to the agreement in the fall of 1999 to establish a school for adults. Hällefors municipality participates in a number of projects with other municipalities where the object is to offer more entrepreneurial opportunities to the municipality.

Hällefors is included in Support Area 2 in the Goal 2 Bergslagen Area, one of the localities for which the European Union has set aside resources for special supportive measures. The municipality participates in a Goal 2 Project called “Miljödalen” (Valley of Environmental Protection) which is a co-operative project with Degerfors and Karlskoga. The aim of Valley Environment is to see these municipalities as a district where development leads to the creation of “a green Valley of Environmental protection for people and where trade and industry are environmentally sensitive”. Since 1997, the municipality has been known as an “eco-municipality”. As such, some hard work is being done to establish the municipality’s environmental profile with, among other aims, the aim to become the first Factor-10 municipality in the country.