

## Abstract

The study provides insights into how rural municipalities approach social innovation as a way of addressing current societal challenges. A survey and interviews among public servants in 14 municipalities in Sweden's northernmost and largest region – Norrbotten – show that they perceive social innovation as pivotal in improving the supply and quality of public services. However, the presence of terminologies, cultures, structures and cooperation for promoting social innovation varies among the municipalities. The increased promotion of social innovation among public authorities at regional and national levels in Sweden, and at international level in Europe and beyond, is thus only reflected to some extent in these municipalities. The findings indicate that this variation might be related to their rural challenges and conditions, which restrict their economic and human resources for promotion of social innovation in relation to declining and ageing populations, limited and decreasing tax bases, and persistent labour shortages.

## Introduction

Current societal challenges of unemployment, ill-health, migration, ageing populations, etc. have increased the demand for improved supply and quality of public services in Scandinavian countries in the areas of education, health, employment, social security, urban planning, etc. (Fuglsang, Rønning, & Enquist, 2018; Rønning & Knutagård, 2015). This incentivises public authorities to find new solutions for public service provision. In this study, such processes and solutions are discussed in terms of social innovation – defined as new configurations of practices and relations to meet societal challenges and enforce social inclusion (cf. Brandsen, Cattacin, Evers, & Zimmer, 2016; Howaldt, Kaletka, Schröder, & Zirngiebl, 2018; Moulaert, MacCallum, Mehmood & Hamdouch, 2013).

Previous studies acknowledge the increased interest in promoting social innovation among local municipalities and national governments in Sweden, Europe and beyond (Brandsen et al., 2016; Howaldt et al., 2018). Thus far, studies have investigated public promotion of social innovation in regard to public policy, public management, urban and rural development, cultural services, social inclusion, elderly and child care, e-health, e-democracy, citizen participation, etc. (Rana, Weerakkody, Dwivedi, & Piercy, 2014). Studies published in the *Scandinavian Journal of Public Administration* have discussed innovation in regard to policy documents, support management, resource allocation, cross-sectorial collaboration, citizen involvement, etc. (cf. Agger & Hedensted Lund, 2017; Hofstad & Torfing, 2015; Lindberg, 2014; Nählinder & Fogelberg Eriksson, 2017; Wihlman, Sandmark, & Hoppe, 2013).

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Keywords:  
innovation,  
municipality,  
public sector,  
rural,  
social innovation

Some studies have specifically investigated innovation among public authorities at the local level in Sweden and other countries, including municipalities (cf. Brandsen et al., 2016; Fred, 2015; Nählinder, 2013; Wihlman, 2014). It is argued that municipalities in rural areas are in particular need of promoting social innovation as their long distances, scarce infrastructure, sparse, declining and ageing populations, limited and decreasing tax bases, labour shortages and dismantled public services constitute additional challenges in the supply and quality of public services (Copus, Perjo, Berlina, Jungsberg, Randall, & Sigurjónsdóttir, 2017; Lindberg, 2017; Martinelli, 2013). However, there is still sparse academic knowledge regarding how rural municipalities are approaching social innovation. The current study addresses this knowledge gap by providing insights from 14 municipalities in Sweden's northernmost and largest region – Norrbotten.

The aim of the study is to advance knowledge of how rural municipalities are approaching social innovation in regard to current societal challenges and organisational conditions. The main research question is how public servants in Norrbotten's municipalities approach social innovation as a conceptual term and an organisational practice. The study is based on findings from two student reports, which are jointly analysed in the light of previous studies of social innovation in the public sector. The article is co-authored by the authors of the student reports and a senior researcher. Municipalities in Norrbotten have been involved practically in the research process through a participatory research approach, as described in more detail in subsequent sections (cf. Aagaard Nielsen & Svensson, 2006).

The article starts with an outline of the theoretical framework, encompassing previous studies of social innovation in the public sector. The research design is subsequently presented, combining qualitative and quantitative methods for data collection and analysis. This is followed by a presentation and analysis of the empirical findings regarding how municipalities in Norrbotten are approaching social innovation. Finally, conclusions are drawn and implications for theory and practice are outlined.

## Social Innovation in the Public Sector

Studies reveal that social innovation – in terms of new configurations of practices and relations to meet societal challenges and enforce social inclusion – often implies complex multi-actor and multi-level processes, where actors from the public, private and civil sectors interact in order to properly understand and change complex social systems (Haxeltine, Pel, Dumitru, Avelino, Kemp, Bauler, Kunze, Dorland, Wittmayer, & Jørgensen, 2017; Howaldt et al., 2018). A survey of over 1,000 social innovations across the world reveals that public sector organisations – including municipalities and governmental agencies – were most frequently involved, in 46 per cent of the cases (Butzin & Terstriep, 2018; Domanski & Kaletka, 2018). Non-profit organisations were involved in 45 per cent of the cases and private companies in 37 per cent. Almost half of the cases involved users or beneficiaries, while few involved researchers and universities.

The prominent role of public sector organisations in social innovation reflects the increasing demands for improved supply and quality of public services due to current societal challenges of ageing populations, unemployment, ill-health, migration, etc. (Fuglsang et al., 2018; Martinelli, 2013; Rønning & Knutagård, 2015; Sirovátka & Greve, 2014). Public authorities at national, regional and local levels generally have the primary responsibility for ensuring such services in the Scandinavian countries. In Sweden, the practical provision may nevertheless be outsourced to private companies or civil society organisations, when allowed by public law.

Studies note that the interest in promoting social innovation has increased during the last decade, among municipalities and governments in Sweden, Europe and beyond (Brandson et al., 2016; Howaldt et al., 2018; Moulaert et al., 2013). Some scholars argue that social innovation in public services is especially crucial in rural areas, due to their specific societal challenges and conditions of long distances, scarce infrastructure, sparse, declining and ageing populations, labour shortages, and limited and decreasing tax bases (Copus et al., 2017; Lindberg, 2017; Martinelli, 2013). However, rural dimensions in municipal promotion of social innovation are still sparsely investigated.

A literature review of social innovation in the public sector concludes that municipalities and governmental agencies may function both as social innovators in themselves, as well as a facilitator of social innovation in the society (Rana et al., 2014). The review identifies studies of social innovation in relation to public policy, public management, urban and rural development, cultural services, social inclusion, elderly and child care, e-health, e-democracy, citizen participation, etc. Another literature review identifies organisational enhancers and barriers for social innovation in the public sector in terms of organisational characteristics, learning and mimicking in diffusion and adoption, allocation of resources, as well as the role of opinion leaders and knowledge intermediaries (Bekkers, Tummers, & Voorberg, 2013). An empirical study of social innovation in European cities concludes that it is enhanced or hampered by the specific policy arrangements, traditions, cultures and ideologies of local welfare regimes (Brandson et al., 2016). Other studies highlight the need to consider collective interests, public value, public ethos, democratic principles and citizenry concerns in the public promotion of innovation (Bekkers et al., 2013; Fuglsang et al., 2018; Sørensen & Torfing, 2015).

Studies of Swedish municipalities distinguish a varying understanding and experience among public servants of how to define and promote innovation in regard to their organisational strategies and practices (Nählinder & Fogelberg Eriksson, 2017; Wihlman, 2014). A study in Denmark finds that elderly care staff in three studied municipalities regard innovation as just another word for budget cuts, where they are expected to do more work with less resources (Wegener & Tanggaard, 2013). Organisational barriers for innovation in Swedish municipalities are identified in terms of rigid organisational structures and established ways of working, as well as lacking time and autonomy among employees (Wihlman, 2014). Another identified barrier is the 'projectification' of municipal innovation, which restricts the promotion to time-limited efforts, separated from ordinary operations (Fred, 2015). The project format seems

nevertheless to be attractive for municipalities, since it provides access to external funding to promote innovation (ibid).

Organisational enhancers of municipal innovation have been identified in the form of shared understandings among managers and employees of *why* innovation is required, *what* should be innovated, *how* it should be realised and supported, and *who* should do it (Nählinder & Fogelberg Eriksson, 2017). Several studies find that a systemic approach seems to enhance municipal innovation, by providing a step-wise guidance through problem identification, idea generation, selection, incubation, prototyping, testing, implementation and scaling (Albury, 2005; Fuglsang et al., 2018; Rønning & Knutagård, 2015). Additional enhancers have been identified in terms of positive attitudes to innovation among municipal managers and an expansive learning environment in the organisation (Nählinder & Fogelberg Eriksson, 2017).

Another organisational enhancer of municipal innovation, distinguished in previous studies, is co-creation with citizens, in terms of joint exploration and solution of societal challenges by citizens, policymakers, experts and other stakeholders (Brandsen et al., 2016; Howaldt et al., 2018). Studies conclude that a co-creative approach enables municipalities to properly identify and effectively address current needs in society (ibid). It may also enhance the transformation of social systems, as these are formed by the interplay between individual agency and societal/organisational structures (Haxeltine et al., 2017). That is, between the individual's capacity to challenge established structures, on the one hand, and the frames set by prevailing regulations, norms, practices and institutions, on the other.

## Research Design

The study's research design is constituted by a combination of quantitative and qualitative methods to collect data and generate new insights regarding municipal approaches to social innovation in rural areas. The study is based on data and findings from two student reports, which in this article are brought together in a joint analysis in the light of previous studies on social innovation in the public sector.

The first student report was initiated by Norrbotten's regional organisation of municipalities (Norrbottens Kommuner), who asked a group of sociology students to conduct a survey among the region's 14 municipalities regarding their approaches to social innovation. The study was carried out in 2017, collecting data through qualitative interviews and a digital survey among public servants. The survey was distributed via e-mail to the top administrative managers in each municipality, who were asked to either complete the survey themselves or forward it to a more well-informed representative. All municipalities answered the survey, resulting in 14 completed reply forms. The survey encompassed eight questions about the informants' perception of social innovation as a concept, the practical efforts carried out by the municipality to promote social innovation, and the informants' perception of the organisational and societal prerequisites for these efforts. The concept of social innovation was thoroughly explained to the informants with definitions and examples. Four semi-structured qualitative interviews were thereto conducted with

representatives from four municipalities of various sizes and locations, including Piteå, Kiruna, Älvsbyn and Pajala. The interview questions encompassed the same aspects as the survey, in order to obtain more detailed insights. The interviews were recorded and transcribed in full.

The other student report was initiated by one of Norrbotten's municipalities – Piteå kommun – who asked another sociology student to identify challenges and success factors in their efforts to promote social innovation, as part of a project funded by Sweden's national innovation agency (VINNOVA). The study was carried out in 2018, collecting data through seven semi-structured qualitative interviews with public servants from three municipal units, a municipal public company and a municipal-related non-profit organisation. These informants were singled out in order to provide multifaceted insights from various parts of the municipality's operations. The interview questions concerned the informants' perception of social innovation as a concept, organisational barriers and potentials of municipal social innovation, and cross-organisational cooperation in municipal social innovation. The interviews were recorded and transcribed in full.

For the purposes of this article, the data and findings from the student reports were brought together and analysed by means of a thematic approach (cf. Guest, MacQueen, & Namey, 2012). The thematic analysis was based on the initial coding made in the student reports, which encompassed two steps. Firstly, an open-ended review of interview transcriptions and survey results was undertaken, where the content was clustered in emerging themes. Secondly, emerged themes were clustered in broader categories, ending up in five final themes in the first student report and four final themes in the second report. The final themes were, in the first report, definitions, operations, strategies, resources and needs. In the second report, the final themes were definitions of social innovation, internal and external cooperation, impediments to social innovations, and opportunities for social innovation. These themes were further elaborated in the joint analysis of the reports, undertaken in the current study. The thematic analysis distinguished shared themes in the reports, ending up in three main aspects of municipal approaches to social innovation:

1. *Understandings of social innovation, based on the informants' views on how the concept may be defined and motivated in relation to the municipal context.*
2. *Cultures and structures for social innovation, based on the informants' views on the attitudes and management of social innovation in the municipalities.*
3. *Cross-boundary collaboration in social innovation, based on the informants' views on the intra- and interorganisational interaction in the municipalities' promotion of social innovation.*

These themes are described in more detail in the subsequent section. The preliminary analysis was presented and discussed at a dialogue seminar in 2019, with representatives from five municipalities in Norrbotten, including Piteå, Kiruna, Luleå, Övertorneå and Haparanda. The purpose was to validate and refine the results from a pragmatic perspective, in line with the participatory

research approach (cf. Aagaard Nielsen & Svensson, 2006). The presentation and discussion were led by the authors, with significant room for the participants to continuously articulate their thoughts. The discussions mainly confirmed the presented findings and provided additional insights into their approaches to social innovation in regard to societal challenges and organisational conditions. The dialogue seminar was documented by the authors in field notes.

## Municipal Social Innovation in Norrbotten

This section outlines how public servants in Norrbotten's municipalities are approaching social innovation as a conceptual term and organisational practice. The findings are structured according to the three main themes identified in the analysis of the empirical data: Understandings of social innovation, Cultures and structures for social innovation, and Cross-boundary collaboration in social innovation. In order to contextualize the findings, the promotion of innovation in the public sector in Norrbotten and Sweden is described initially.

### Public promotion in Norrbotten and Sweden

Norrbotten is Sweden's northernmost and largest region, with the lowest population density and slowest population growth among Swedish regions. Its population has decreased significantly in most of its 14 municipalities since the 1990's. Several of the municipalities have lost more than a quarter of their residents, especially those of working age. This has resulted in labour shortages, reduced tax bases and scarce services supply, while the demands for public services has increased due to the ageing population. In order to find new ways of addressing these challenges, the interest in social innovation has grown among Norrbotten's municipalities during the last few years.

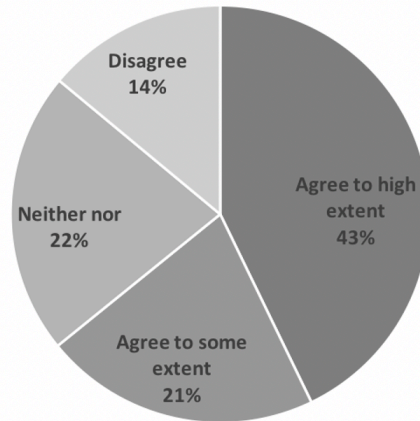
This interest is enforced by Norrbottens Kommuner and The County Council of Norrbotten (Region Norrbotten) at the regional level. Region Norrbotten has promoted social innovation in the public sector since 2011, through policy strategies for sustainable regional growth, which guide the distribution of public funding to development projects. Norrbottens Kommuner initiated its promotion of municipal social innovation in 2017, with knowledge support to municipalities through public seminars and a mapping among Norrbotten's municipalities (described in the previous section).

The municipal interest in social innovation is further enforced at the national level in Sweden, by VINNOVA and the Swedish Association of Local Authorities and Regions (SALAR). Their joint promotion of innovation in the public sector was initiated in 2002, based on a mission from the Swedish government. Since then, they have provided policies, funding, networks, knowledge and tools for innovation in municipalities and governmental agencies. A national knowledge hub for social innovation in Sweden was subsequently established in 2010 and a national strategy for public promotion of social innovation was launched by the Swedish government in 2018.

## Understandings of Social Innovation

The theme of understandings of social innovation refers to the informants' views on how to define and motivate the concept in relation to their municipal context. Informants in the survey and interviews perceived that their municipal operations and organisations need renewal, in order to address current societal challenges. A majority of those completing the survey stated that it is clear to them why their municipality needs to promote social innovation:

*Figure 1. Survey question: It is clear to me why we need to work with social innovation*



The need for municipal renewal was by informants related to Norrbotten's geographical and demographical challenges of long distances and sparse, declining and ageing populations. These challenges imply increased demands on the municipalities' supply and quality of public services, aggravated by persistent labour shortages and decreasing tax bases, which are prerequisites for such services. Interviewees stated that:

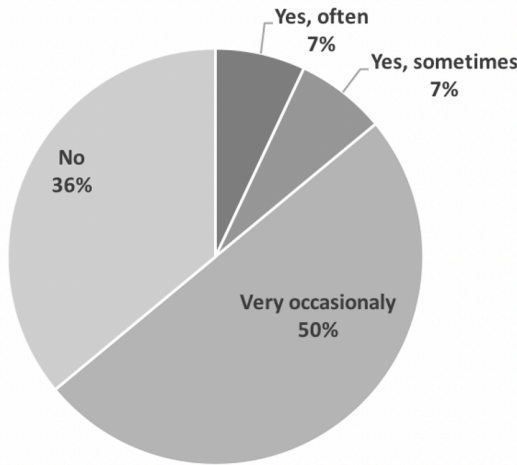
*“One challenge is the size of our municipality (...) We are big geographically, but with a small population (...) The climate is another challenge – it is so cold. One time (...) when the temperature was minus 50 degrees (Celsius), only the home care service was in operation, since they must visit clients regardless of weather.”*

*“Our demographical curve is what it is. We know that we will have a thousand more elderly within six years. And we know that we will have less people of working age. That is our most major challenge. We will not have enough people who are working, which forces us to think in new ways.”*

*“We have a chronic (economic) deficit in our social services. Last year it amounted to 40 million Swedish crowns (...) It is very frustrating that there is never enough money. There is a constant saving and cutting in order to balance the budget.”*

The needed renewal of municipal operations and organisations was however rarely referred to in terms of social innovation among municipality staff, according to informants. Most informants in the survey answered ‘no’ or ‘very occasionally’ when asked to what extent social innovation was used as an explicit term in their municipality.

Figure 2. Survey question: Do you use the term social innovation in your municipality?



One interviewee stated that:

*“We rarely talk about it in terms of social innovation, as we rather tend to talk about how we can improve our operations to meet current demands among citizens and keep up with societal progress.”*

It was perceived as a more common term among politicians and managers than among ordinary staff. Several interviewees in Piteå municipality claimed nevertheless to use social innovation as an explicit term in their everyday work. According to participants at the dialogue seminar, this is likely the result of the strategic efforts to promote social innovation in this specific municipality. Interviewees from various municipalities expressed ambiguity about the value of using the term social innovation in their municipal context. Seminar participants suggested that this may relate to the industrial and commercial connotations of the innovation concept, contrasting with public sector concerns of collective interests and public value. They argued that public servants may feel more familiar with and less intimidated by alternative denominations, such as organisational development and quality management. One interviewee stated that:



*“(Social innovation) is such a modern term that it makes you uncomfortable. Innovation is generally a word that people are tired of.”*

When asked about how they would define social innovation, informants in the survey primarily associated it to new, creative and smarter services and ways of working. Some associated it to learning organisations, quality improvements and new technologies. Definitions suggested by interviewees emphasized societal challenges and social inclusion, for example:

*“It is about solving future societal challenges in a smarter way than we do today.”*

*“It is about including perspectives and knowledge from diverse persons, in order to develop solutions to challenges that affect many.”*

*“...an innovative solution that (...) improves for (municipal) staff, by freeing their hands in a way that improves the quality (of social services) for users.”*

*“It is a new service, product or process that (...) involves vulnerable and marginalised groups of people.”*

More cost-effective solutions were also mentioned by informants as a way of defining social innovation. Participants at the dialogue seminar argued, however, that innovation with social purposes may function as a counterweight to the policy trend of new public management, where profitability and efficacy are prioritised over social sustainability. Social innovation may, in their view, challenge this economic primacy by acknowledging the needs among Norrbotten’s citizens of accessible and affordable public services, despite the region’s geographical and demographical challenges of scarce infrastructure and sparse population. One interviewee argued that:

*“The idea is that it costs money (initially), but that we will get that back in the other end when it works. So, you have to think that it costs now, but becomes profitable when up and running.”*

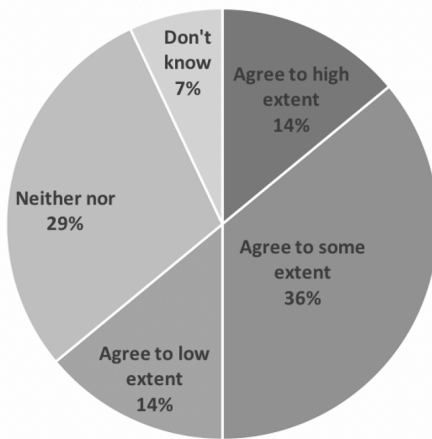
### Cultures and Structures for Social Innovation

The theme of cultures and structures refers to the informants’ views on the attitudes and management of social innovation in the municipalities. In Piteå municipality, interviewees underlined that their promotion of social innovation explicitly addresses these two dimensions simultaneously. Interviewees in various municipalities talked about innovation-promoting cultures in terms of creative and daring employees, supported by demanding and enabling leadership from politicians and public servants. This was by them perceived to ensure their room for manoeuvre to try out – and also fail with – new ideas. One interviewee stated that:

*“It requires a positive energy that conveys that nothing is wrong, that it is open and that you dare to express your opinions. There has to be a safe climate, where you feel comfortable to contribute and that you are important. There is also need for a distinct leadership, that points out the direction for the innovation discussions and pays attention to everyone.”*

Half of the informants in the survey assessed that the organisational culture in their municipality encourages innovation:

Figure 3. Survey question: *We have a municipal culture that encourages ideas and innovation to high extent*

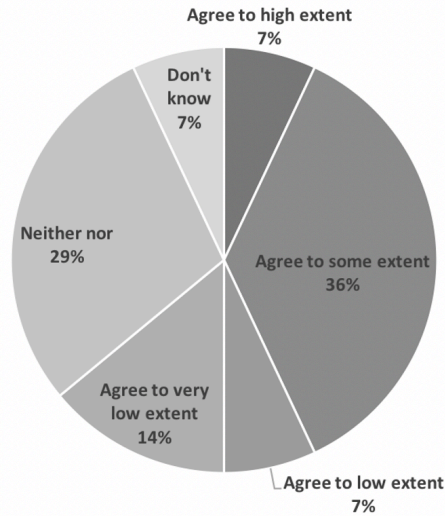


There was however a perception among the seminar participants that political and ideological interests sometimes hamper social innovation, due to conflicts of interests regarding e.g. its speed, scope and purpose. One interviewee described that:

*“We are currently transforming our social services (...) where the digital development makes it possible to partly replace people with technology. It is however difficult to pursue, due to conflicting interests in politics and ideologies. The labour unions also have opinions and (they) are unlikely to support further digitalisation.”*

The informants talked about innovation-promoting structures in terms of routines, processes and meeting places for formulating, discussing, testing and implementing new ideas. Less than half of the informants in the survey assessed that their organisational structures enhanced implementation of innovations:

Figure 4. Survey question: *We have a good ability to implement promising and innovative ideas*



Interviewees stated that:

*“We lack a system for collecting ideas (from staff). It is rather up to each manager to do that individually.”*

*“There is a need for a forum where someone listens to your ideas or thoughts.”*

*“There has to be possibilities to test ideas on a smaller scale and courage to try them out.”*

In Piteå, interviewees conveyed that routines and tools for generating and implementing ideas were strived after in the municipal promotion of social innovation. Some reported having access to such routines and tools in their everyday work, while others lacked that and consequently found it difficult to identify and exploit innovative opportunities. Interviewees stated that:

*“(In my role as manager), I talk a lot with the staff and encourage them to contact me (with innovative ideas).”*

*“We arrange workshops (where) a significant leap is made to the next phase of concrete synergies, through collective brainstorming of ideas that might be applicable if they are good and creative enough.”*

The interviewees in Piteå noted a distinct separation between ordinary management positions and innovation promoting positions. This was perceived to alienate strategic renewal from regular operations, which was further confirmed by the seminar participants. Interviewees perceive that the municipalities, especially the smaller ones, often are dependent on innovative initiatives by engaged individuals. In Piteå, interviewees perceived it as difficult to gather employees to discuss and engender social innovation, due to tight

work-schedules with numerous meetings and spatially scattered workplaces. One interviewee articulated that:

*“It is a tremendous challenge to gather people at the same time and place for workshops or other joint activities. The staff is separated in different working areas and units, with their own tasks and meetings to attend to.”*

Communication of ongoing and completed processes of social innovation were considered by informants to play an essential role in the municipal promotion of social innovation. It was perceived to function as an inspiration for further innovative ideas and initiatives to address current societal challenges. Seminar participants highlighted that some municipalities continuously communicate such examples through social media and printed material. Piteå municipality has, for example, a designated website for communicating their social innovation processes and results. They have also produced several brochures with practical examples of social innovations in their organisation and community.

Allocation of resources – i.e. time and money – to generate and implement new ideas and solutions was by the informants perceived to play a significant role in the promotion of municipal social innovation. Some interviewees articulated that:

*“For me, it is about creating room for more people to think. You should not be dependent on a few engaged individuals, since most people are creative when they have time to think.”*

*“I think that the possibilities and impediments (for innovation) are the same – and that is lacking resources. That forces you to think in new and creative ways, and try to use existing resources. But it also hinders some ideas from being realized.”*

Some interviewees mentioned that a few municipalities provide ear-marked funding to innovative projects. External funding from public authorities at the regional, national and sometimes international levels was esteemed by the informants to be crucial in such projects. Some considered small municipalities to be disadvantaged in regard to such funding, due to their limited ability to provide the co-funding and working-time required to write applications. One interviewee perceived that:

*“...small and poor municipalities would benefit greatly from (external funding). We are sometimes granted such funding, but it is mostly the larger municipalities that benefit from applying for such funding as it requires a work effort from the start. If you lack human resources and time, it is just pointless.”*

### Cross-Boundary Collaboration in Social Innovation

The theme of cross-boundary collaboration refers to the informants' views on the intra- and interorganisational interaction in the municipalities' promotion of

social innovation. Collaboration across divisional, municipal and sectorial boundaries was perceived by the informants as pivotal in municipal social innovation, in order to effectively address complex societal challenges. An interviewee stated that:

*“We (the municipality) has part of the solution, but there are also many others that have that. So, we need to meet and share ideas.”*

In Piteå, interviewees experienced that organisational and spatial boundaries hampered cross-boundary collaboration. They especially mentioned that the municipal units are organised in separated drain-pipes, with little or no insight in each other’s operations. They also mentioned that the units often are located in different places, which was perceived to hamper spontaneous and informal meetings. An interviewee perceived that:

*“Our organisation is very separated in drain-pipes. We are mainly restricted to our separate work units, even if we do have a few joint forums where we work together in other groupings.”*

Joint meeting places and reflection sessions were considered crucial by informants to bridge such gaps, by improving the ability to tackle current societal challenges in an efficient and encompassing manner. As several of these challenges transcend geographical boundaries, e.g. in regard to labour supply and rising social costs, some informants called for extended collaboration between municipalities to pool their resources. Seminar participants pointed out that such collaboration is increasingly common among Norrbotten’s municipalities. An interviewee stated that:

*“To do things together (with other municipalities) is a more rational and better way of working.”*

Interviewees argued that all levels in the municipal organisations – as well as the local community – need to be mobilised in order to enable social innovation. This included employees, politicians, citizens, companies, researchers, etc. The existence of established routines for harnessing ideas from these groups varied considerably between the municipalities, however, according to informants. A general ambition to cooperate with societal stakeholders was expressed by interviewees in Piteå municipality. This was however rarely put into practice, according to them. An interviewee stated that:

*“Our ambition is to cooperate more with other societal actors. We are not used to doing that, especially when it comes to volunteers on a non-profit basis.”*

Some examples of practical involvement were nevertheless mentioned by informants, in the form of idea boxes at municipal workplaces, co-creative workshops with staff and citizens, citizen dialogues, seminar series on societally relevant topics, etc. Interviewees from Piteå municipality described that:

*“We cooperate with local companies and voluntary associations, through a joint arena for common issues (...) Current topics are integration, diversity and others. We arrange seminars in order to discuss important themes.”*

*“We use various methods for citizen dialogues, that are recurrently arranged year round (...) We have a citizen panel, citizen suggestions, youth opinions, etc.”*

A need was expressed by seminar participants to complement citizen dialogues with measures to realise the ideas generated through such engagement. Some interviewees argued that social innovation requires a shift from the accustomed role of municipalities from main supplier of public services to enabler of innovative solutions among multiple societal actors. They perceived that such a shift would require municipalities to abandon their traditional position of unilateral control, in favour of managing uncertain and complex processes. An interviewee conveyed that:

*“Our municipality has traditionally taken the role as executor. We are managing almost everything by ourselves (...) We have however started to talk about shifting our role from executor to enabler of external initiatives. But it is challenging, since we are accustomed to being the executor and expert in various areas.”*

Seminar participants perceived this as especially crucial in rural municipalities, where human and economic resources are scarce. In Piteå, interviewees perceived that the municipality usually took the role of main manager and expert in processes of local development. They further conveyed that municipalities need to balance responsible use of public funds with risk-taking in social innovation. Seminar participants suggested that the legitimacy of this balance act in the eyes of citizens and employees could be ensured through transparent and well-motivated processes. An interviewee underlined that:

*“It is important with transparency within an innovative culture, regarding why some areas and issues are singled out and not others.”*

## Discussion

The study reveals that public servants in Norrbotten’s municipalities are approaching social innovation as a conceptual term and an organisational practice in varying manners. Informants acknowledge the need to renew municipal operations and organisations in regard to current societal challenges, in line with the rising interest in social innovation among public authorities in Sweden and Europe (cf. Brandsen et al., 2016; Howaldt et al., 2018; Moulaert et al., 2013). The findings expose a rural dimension in this interest, since informants relate the need for innovativeness to Norrbotten’s demographical challenges of declining and ageing populations, and related economic and social challenges of decreasing tax bases and labour shortages. These challenges are characterising for several rural areas in Scandinavia and other parts of Europe, as

noted in previous studies, and aggravated by geographical challenges of long distances, scarce infrastructure and sparse populations (cf. Copus et al., 2017; Lindberg, 2017; Martinelli, 2013).

The informants' understandings of social innovation in terms of new, creative and smarter services and ways of working in order to improve quality, learning and social inclusion, resonate well with established definitions of social innovation as new configurations of practices and relations to meet societal challenges and enforce social inclusion (cf. Brandsen et al., 2016; Howaldt et al., 2018; Moulaert et al., 2013). Their view on social innovation as a way of prioritising social sustainability over profitability and efficacy, reflects the need to ensure the supply and quality of public services, despite rural challenges of declining and ageing populations, limited and decreasing tax bases, labour shortages, etc. (cf. Copus et al., 2017; Lindberg, 2017; Martinelli, 2013). Their simultaneous conception of social innovation in terms of cost effectiveness, may be interpreted as the other side of this coin, i.e. the need to meet these rural challenges through effective use of their limited and declining public resources. This line of reasoning has a more positive connotation than the previously reported understanding of municipal innovation as equal to budget cuts and increased workload (cf. Wegener & Tanggaard, 2013).

Despite the increasing use of social innovation as a specific term by public authorities at the regional, national and international levels, the study finds that this is less common among public servants at the local level in Norrbotten (cf. Brandsen et al., 2016; Howaldt et al., 2018; Moulaert et al., 2013). This hesitancy towards the concept of social innovation may partly be explained by the industrial and commercial connotations of the innovation concept, as suggested by seminar participants. As noted in previous studies, such connotations contrast with public sector concerns of collective interests and public value (cf. Bekkers et al., 2013; Fuglsang et al., 2018; Sørensen & Torfing, 2015). Their hesitancy may be further explained by the municipalities' peripheral location in northernmost Sweden, at a distance from the public agendas at the regional, national and international levels where social innovation is increasingly mentioned.

Due to rural challenges of declining and ageing populations, limited and decreasing tax bases, and labour shortages, the municipalities in Norrbotten have restricted economic and human resources to promote innovation in addition to managing their ordinary operations. As a consequence, external project funding to innovation promotion seems attractive to some of Norrbotten's municipalities (cf. Fred, 2015). A rural dimension is perceivable in the disadvantage that small municipalities are considered to have in regard to such funding, due to their limited economic and human resources for applications and co-funding. This rural disadvantage may also explain the varying knowledge and efforts to practically promote social innovation among Norrbotten's municipalities, which is similar to the variance detected among Swedish municipalities in previous studies (cf. Nählinder & Fogelberg Eriksson, 2017; Wihlman, 2014).

The noted increase in public promotion of social innovation at the regional, national and international levels is thus only perceivable in Norrbotten's municipalities to some extent (cf. Brandsen et al., 2016; Howaldt et al., 2018; Moulaert et al., 2013). The most elaborate efforts are pursued by Piteå

municipality, which may have been enhanced by its position as the second largest municipality in Norrbotten population-wise, with preserved infrastructure in its regional city centre. This indicates intra-regional discrepancies in the municipalities' approaches to social innovation, due to their rural-urban dispositions. The informants specifically pinpoint discrepancies in the municipalities' varying cultures and structures for social innovation, which can be related to previous conclusions regarding the impact of organisational enhancers and barriers for public sector renewal (cf. Bekkers et al., 2013; Nählinder & Fogelberg Eriksson, 2017; Wihlman, 2014).

The innovation-promoting cultures perceived by informants in the form of creative employees and supporting managers reflect, for example, the previously noted impact of management attitudes, learning and mimicking on social innovation in the public sector (cf. Bekkers et al., 2013; Nählinder & Fogelberg Eriksson, 2017; Wihlman, 2014). The innovation-promoting structures perceived by informants in the form of routines, processes and meeting places for formulating, discussing, testing and implementing new ideas reflect, in turn, the previously noted impact of systemic enhancement and resource allocation on social innovation in the public sector (cf. Albury, 2005; Bekkers et al., 2013; Fuglsang et al., 2018; Nählinder & Fogelberg Eriksson, 2017; Rønning & Knutagård, 2015).

The varying presence of routines and tools for social innovation in the municipal workplaces, reported by informants, reflects previously identified barriers to social innovation in the public sector in terms of limited understanding and experience of how to manage, support and scale innovation (cf. Nählinder & Fogelberg Eriksson, 2017; Wihlman, 2014). The noted separation of municipal units in different drain-pipes and locations, as well as the separation of ordinary management positions and innovation promoting positions, reflect, in turn, previously identified barriers of rigid organisational structures and established ways of working (cf. *ibid.*). The additional perception that diverging political and ideological interests may hamper the municipal promotion of social innovation, reflects previous findings that local welfare regimes impact the trajectories of public sector renewal (cf. Brandsen et al., 2016).

The dual role of public authorities as social innovators in themselves and as facilitators of social innovations in the society, noted in previous research, is addressed in the informants' call for a shift from the accustomed municipal role as main supplier of public services to enabler of innovative solutions among multiple societal actors (cf. Rana et al., 2014). The conveyed perception that organisational and spatial boundaries in Norrbotten's municipalities may be bridged through co-creation with citizens and other stakeholders, as well as by extended collaboration between municipalities to pool their resources, concords with the previously acknowledged importance of multi-actor and multi-level interaction in social innovation (cf. Haxeltine et al., 2017; Howaldt et al., 2018). It also concords with previous conclusions regarding the need to consider collective interests, citizenry concerns and democratic principles in public sector innovation (cf. Bekkers et al., 2013; Fuglsang et al., 2018; Sørensen & Torfing, 2015). The study indicates that co-creation and collaboration may be especially



crucial in rural municipalities, as a way of compensating for their limited economic and human resources due to rural challenges and conditions.

## Conclusions and Implications

By investigating how municipalities in Sweden's northernmost and largest region – Norrbotten – are approaching social innovation as a conceptual term and an organisational practice, the study provides insights into rural dimensions of municipal promotion in this area. The study reveals that societal challenges and organisational conditions impact the promotion of social innovation in these rural municipalities, in line with findings in previous studies of Swedish municipalities (cf. Brandsen et al., 2016; Fred, 2015; Nählinder, 2013; Nählinder & Fogelberg Eriksson, 2017; Wihlman, 2014). The study thereto pinpoints rural dimensions of this impact, in regard to Norrbotten's demographical, social and economic challenges and conditions.

The rural dimension is, for example, perceivable in the articulated need for municipal promotion of social innovation in order to ensure the supply and quality of public services, despite their demographical challenge of sparse, declining and ageing populations, social challenge of persistent labour shortages, and economic challenge of limited and decreasing tax bases. This is further reflected in the informants' understanding of social innovation as a way of prioritising social sustainability over profitability and efficacy, at the same time as achieving cost effectiveness through effective use of their limited public resources. The perceived hesitancy towards the concept of social innovation may also have a rural dimension, due to the municipalities' peripheral location in relation to the increasing advocacy of social innovation at the regional, national and international levels.

The findings further indicate that the restricted economic and human resources among Norrbotten's municipalities, due to their rural challenges, may explain their varying knowledge and efforts to practically promote social innovation. This is, for example, perceived as a disadvantage in regard to external project funding to innovation promotion. The findings thereto indicate that co-creation and collaboration may be especially crucial in rural municipalities, as a way of compensating for their limited economic and human resources due to rural challenges and conditions.

The theoretical implications of the study encompass improved insights into rural challenges and conditions, in regard to previous studies of municipal promotion of social innovation (cf. Brandsen et al., 2016; Fred, 2015; Nählinder, 2013; Nählinder & Fogelberg Eriksson, 2017; Wihlman, 2014). The study thereby meets the need to advance the knowledge on rural dimensions in social innovation management and support, articulated in previous studies (cf. Copus et al., 2017; Lindberg, 2017; Martinelli, 2013). Further advancements are nevertheless needed, in order to validate the findings in regard to other rural contexts. The practical implications of the study encompass improved insights into how rural challenges and conditions impact municipal promotion of social innovation. This may guide the strategic and practical management of current and future efforts in rural municipalities, in Sweden and beyond.

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