

NORDREGIO REPORT 2024:5

Remote Work in Smaller Towns

Possibilities and uncertainties



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Summary (in English)

This study set out to investigate if remote work opportunities post-pandemic has enlarged the area around the Nordic capitals that profit from their labour markets. However, case studies on five smaller towns located an hour and a half away from the capitals found little proof that remote work opportunities have made these towns more attractive. Although remote work is perceived as the new normal, municipalities reported that there are no formal strategies related to remote work and that they are uncertain as to what remote work opportunities will bring long term. A better understanding of who remote workers are and what specific needs they may have would help shape local strategies and policies. All in all, more time is needed to capture which remote work patterns will prevail long term and how these patterns might affect smaller towns near capital cities.

This study points to the centrality of urban attractiveness. Although municipalities did not have specific strategies for remote workers, remote workers were seen as part of a larger population of potential inhabitants. Interestingly, all the five towns seem to apply the same recipe to improve urban attractiveness although they have different points of departure. It is noted that features deemed to be central to attractivity do not differ dramatically between remote workers and other types of inhabitants. However, physical and digital infrastructure and housing potentially bear more weight in remote workers' relocation decisions. Co-working spaces were, however, not deemed to have greater importance to remote workers in the five towns. This might be related to the wide-spread practice of hybrid work and preferences for working from home. The potential dominance of hybrid work, rather than pure remote work, also indicates that the zone around larger towns that has the potential to attract hybrid workers will have its limits and be strongly linked to time and ease of travel.

One potentially important result of the study is that in these five towns, remote or hybrid work is seen as a two-way exchange: it can attract new permanent or seasonal populations, but it can also be an opportunity to recruit highly qualified personnel not living in the town. Although, such arrangements do not lead to population increase, they assist in maintaining important functions and services that benefit the permanent population and hence make towns more attractive.

Research on remote work and its effects after the pandemic has only recently started and is very much a work in progress. It would be useful to follow the development in different locations over time in order to better understand its potential and limitations. More knowledge on the extent and characteristics of remote work in the local context can give input to what policy and planning

measures are important to attract new populations and visitors. The report ends with some suggestions of future research.

Sammanfattning (in Swedish)

Den här studien undersöker om möjligheter till distansarbete efter pandemin har utvidgat området kring de nordiska huvudstäderna som drar nytta av deras arbetsmarknader. Fallstudier av fem mindre städer som ligger en och en halv timme från huvudstäderna fann dock få bevis för att möjligheter till distansarbete har gjort dessa städer mer attraktiva. Även om distansarbete uppfattas som det nya normala, rapporterade kommunerna att det inte finns några formella strategier relaterade till distansarbete och att de är osäkra på vad distansarbete kommer att medföra på lång sikt. En bättre förståelse för vilka distansarbetarna är och vilka specifika behov de kan ha skulle underlätta utformningen av lokala strategier och policyer. Sammantaget behövs mer tid för att fånga upp vilka distansarbetsmönster som kommer att råda på lång sikt och hur dessa mönster kan påverka mindre städer i närheten av huvudstäder.

Studien visar på den centrala betydelsen av urban attraktivitet. Även om kommunerna inte har några specifika strategier för distansarbetare, sågs distansarbetare som en del av en större population av potentiella invånare. Intressant nog verkar alla de fem städerna tillämpa samma recept för att förbättra städernas attraktionskraft, även om de har olika utgångspunkter. Det noteras att egenskaper som anses vara centrala för attraktionskraften inte skiljer sig dramatiskt mellan distansarbetare och andra typer av invånare. Fysisk och digital infrastruktur och bostäder kan dock ha större betydelse för var distansarbetare bestämmer sig för att bo. Co-working hubar bedömdes dock inte ha större betydelse för distansarbetare i de fem städerna. Detta kan vara relaterat till hybridarbetets omfattning och preferenser för att arbeta hemifrån. Hybridarbetets troliga utbredning indikerar också att zonen runt större städer som har potential att locka till sig hybridarbetare kommer att ha sina begränsningar och vara starkt kopplad till pendlingsförutsättningarna.

Ett potentiellt viktigt resultat av studien är att i dessa fem städer ses distans- eller hybridarbete som ett tvåvägsutbyte: det kan locka nya permanenta eller temporära invånare, men det kan också vara en möjlighet att rekrytera högkvalificerad personal som inte bor i staden. Även om sådana arrangemang inte leder till befolkningsökning, bidrar de till att upprätthålla viktiga funktioner och service som gynnar den permanenta befolkningen och därmed gör städerna mer attraktiva.

Forskningen om distansarbete och dess effekter efter pandemin har nyligen startat och är i hög grad ett pågående arbete. Det skulle vara värdefullt att följa utvecklingen på olika platser över tid för att bättre förstå distansarbetets potential och begränsningar. Mer kunskap om distansarbetets omfattning och karaktär i den lokala kontexten kan ge input till vilka policy- och planeringsåtgärder som är viktiga för att attrahera nya invånare och besökare. Rapporten avslutas med några förslag på framtida forskning.



Attractive housing in Kalundborg. (Source: Anna Granath Hansson)

Introduction

The COVID-19 pandemic dramatically shifted people's spatial relationships between home and work. Remote work in the Nordic Region has been normalised, and daily commuting patterns to workplaces, schools, and universities have been affected as people opt—at least to some degree—to work and study from their home or second home. Many businesses have already implemented new work-from-home policies that seek to improve the quality of life for staff and minimise costs associated with large office locations. This is having immediate impacts on the home-work relationship and is expected to increasingly impact the daily commuting and settlement preferences of a growing share of the Nordic population (for example Andersson & Wolf 2022; HBS Economics & Hanne Shapiro Futures, 2023).

While the pandemic negatively affected many lives, it also provided a window of opportunity for resolving technological and administrative barriers to remote work, and remote work practices have accelerated since 2020. This emerging pattern has challenged the idea that the production of knowledge is a social process requiring physical face-to-face proximity. Effective online interactions, collaborations, and activities have challenged the previous stronghold of arguments for the geographical clustering of businesses and educational institutions driving digital innovation and regional development. However, the long-term implications, opportunities, and knock-on effects of remote work on Nordic regions and municipalities remain uncertain.

To address this gap of knowledge, the research project "Remote work and multilocality post-pandemic" aims to support a better understanding of the spatial consequences and emerging trends of remote work and multilocality to better prepare local and regional planners for responding to these consequences. Key issues include the impacts of these trends on 1) different types of *people* and the changes in their daily life due to remote work practices, 2) the different types of *places* along the urban-rural continuum, and 3) the efficient *planning processes* on how to meet these impacts through the identification of challenges and opportunities.

The first phase of the project included a literature review and statistical analysis. A summary of these findings is found under "Summary of previous project results from Remote work and multilocality post-pandemic". The present phase of the project focuses on how remote work trends play out in urban, rural, and regional contexts. To better understand the impact on various geographies, case studies were carried out in 2023. This report addresses the urban context in a study of five smaller Nordic towns. A parallel study of rural and regional contexts has been published simultaneously.[1]

Research framework and method

This report investigates possibilities and challenges created by remote work opportunities in five Nordic towns: Kalundborg (Denmark), Ekenäs (Finland), Hvolsvöllur (Iceland), Kongsvinger (Norway), and Oxelösund (Sweden). The research focuses on factors that influence attraction and retention of small-town populations based on remote work opportunities and the planning implications these factors might have. The three themes—people, places, and planning—were taken as a point of departure to explore the impact of remote work opportunities. The **people** aspect refers to concrete changes to daily life caused by remote work, including work practices, lifestyles, and routines. The **places** aspect investigates the territorial effects of such changes, and the **planning** aspect refers to the implications of these changes for Nordic planners and policymakers.

Map 1 shows the location of the towns included in the study. The definition of remote work and a note on urban attractiveness is found below.

The first phase of the project showed that the largest changes in population during the COVID-19 pandemic occurred in the capital regions, with people moving out of the cities to the surrounding areas. Further, it was hypothesized that smaller towns in proximity to larger urban centres would be attractive due to the lifestyles they offer in combination with labour market opportunities reflecting the proximity to larger urban centres (OECD, 2021). Therefore, this research investigates the impacts of remote work on smaller towns outside of, but in proximity to, capital cities in the five Nordic countries. To allow for comparison, the selection criteria were chosen to generate a certain degree of similarity between the cases. However, as all the five Nordic countries were included, comparison had its natural limits. The selection criteria included geographical location, population growth, and development prospects. Each of the five towns are within daily commuting distance to capital regions, but they are distant enough not to be the pre-pandemic first choice (more than 100 km from the capital city centre, commuting time by car of around 1.5 hours). Moreover, towns that previously had not experienced a fast population increase, but in most cases experienced population growth in the years of the pandemic, were shortlisted. Additionally, towns that did not see clear advantages or a lot of growth related to their location in the vicinity of the capitals before the pandemic were deemed interesting to study. The aim of the selection criteria was to investigate if and how these smaller towns might retain and attract populations based on remote work opportunities, thus widening the areas that may benefit from the labour markets of capital regions.

After defining the selection criteria, researchers used national and municipal

statistics and the Nordic urban-rural typology[2] (developed in an earlier stage of the remote work project), as well as municipal websites, to identify one case study town per Nordic country. Researchers then studied municipal websites and policy documents, as well as media articles, to understand the local context of remote work in each case town. Thereafter, researchers conducted interviews with civil servants working in planning, business counselling and marketing in each of the municipalities. To complement the picture, additional interviews were made with the local business council in Denmark (Erhvervsrådet Kalundborg) and the Association of Municipalities in South Iceland (SASS). A mail correspondence with the human resources department of Statistics Norway added data to the Norwegian case. In the Finnish and Icelandic cases, co-working hub owners were also interviewed. In total, 13 interviews with 17 informants were made, which included mail correspondence on follow-up topics after some of the interviews. Interviews were made and other case study data collected between October 2022 and May 2023. Because the topic of remote work is continually unfolding, researchers reviewed additional policy reports, academic papers, and media articles beyond that which was considered in the project literature review (see summary in coming chapter, Randall et al., 2022a). Some of this material was valuable for a common understanding of remote work post-pandemic, other materials were directly relevant for the limited scope of this report and were therefore referenced in the report. A renewed systematic literature review will be made in connection with the project's concluding report.

The project is funded by the Nordic Council of Ministers through a joint effort between the three thematic groups established under the Nordic Co-operation Programme for Regional Development and Planning 2021–2024. The research activities conducted for this report were funded by Thematic Group A "Green and Including Urban Development in the Nordics (2021–2024)".



Map 1. The study includes one town in each Nordic country.

Report outline

After this introduction, the findings of the five case studies are presented in three sections. The first two chapters address the people aspect and refer to concrete changes to daily life caused by remote work, including work practices, lifestyles, and routines. First, we focus on attraction of new inhabitants and retention of present populations. Here, we discuss the composition of multilocal populations and how civil servants of these towns perceive the potential for remote work opportunities. Second, we contrast remote work with on-site work in these towns and relate these distinctions to remote work policy and distance learning. Third, we investigate the aspects of places and planning in relation to factors that influence attraction and retention of populations based on remote work opportunities. Here, the focus is small town attractiveness, physical and digital infrastructure, housing, and co-working spaces. The report concludes with a discussion on the results of the study, a summary of the main conclusions and suggestions for future research based on the remaining complexities and uncertainties of remote work. Short portraits of the case towns are found in Case 1-5. Their locations are shown in Map 1.

[1] <https://pub.nordregio.org/r-2022-4-local-and-regional-experiences-of-remote-work-and-multilocality/>

[2] <https://nordictypology.ubihub.io/>

Key terms and definitions

Remote and hybrid work

In the Nordic countries, a variety of words are used to describe the phenomenon of working wholly or partly from a place other than the main workplace. Words used can be translated into *remote work*, *working from home*, and *work without specified location* (Randall et al., 2022a). In this report, we use the term *remote work* in the meaning presented by Statistics Finland:

"Remote work refers to gainful employment that, in line with an agreement with the employer, is carried out outside the actual workplace (e.g. at home or at a summer cottage, or on a train), often with the use of information technology equipment. Remote work is work that could also be carried out at the workplace [...]. A characteristic feature of remote work is that work arrangements are not tied to a specific time or place. [...]" (Statistics Finland, n.d.)

However, as will become evident in the report, the term *hybrid work* also has a central place. Hybrid work refers to the situation when an employee works part-time at his or her permanent workplace and part-time remotely. As hybrid solutions are the most common, compared to full-time remote positions, and hybrid arrangements have different implications for spatial patterns than full-time remote work, it is deemed important to distinguish between these two different phenomena.

Urban attractiveness

Furthermore, the report uses the terms *retention* and *attraction* of populations to describe the various factors that encourage people to either remain in or relocate to these geographical areas. These terms are not straightforward—critically, geographers have challenged the notion of attractiveness in urban planning discourse by highlighting its subjectivity and its tendency to characterize cities predominantly as entities competing for capital in the form of its citizenry (Hidman, 2018). However, the term can also provide planners and policymakers with a better understanding of the macro flows of migration as they seek to identify the many complex push and pull factors that may contribute to individuals' decisions and/or

capacities to move or remain in place.

The concept of urban attractiveness in smaller Nordic towns is also the theme of a related research project at Nordregio which evaluates characteristics of attraction and retention, specifically public space, housing, and connectivity.[3]

Summary of previous project results from Remote work and multilocality post-pandemic

The results of this report are based on and related to the findings of previous studies in the Remote work project. A short summary of these studies is given below. A comprehensive summary of the project, as well as all published reports and policy briefs, can be found at [project website](#). [4]

In 2022, the project published two reports: *Remote work: Effects on Nordic people, places and planning* (Randall et al., 2022a) and *Local and regional experiences of remote work and multilocality* (Randall et al., 2022b). The findings support the clear potential for Nordic cooperation in developing and planning strategies to embrace remote work opportunities for Nordic municipalities and address the challenges associated with temporary and permanent population changes.

The first report, *Remote work: Effects on Nordic people, places and planning*, gives an overview of remote work patterns in the Nordic counties at the time of publication (May 2022). Prior to the pandemic, the Nordic Region was already unique in terms of its remote work patterns. From 2002 to 2019, more people worked from home in the Nordic countries than in any other part of Europe. As discussed in the report, there are a few possible explanations for this trend. They include the flexible work-life balance in the Nordic countries, the high levels of digitalisation and digital competencies among the general population, and the large share of workers in sectors where distance work is more commonly found, such as knowledge- and IT-intensive sectors. Furthermore, the high levels of trust reported in the Nordic countries play an important role in making remote work possible.

According to studies carried out in the Nordic countries, 50–65% of people who worked remotely during the pandemic expressed a desire to continue remote working after the pandemic, but not all the time. Most expressed a favourable situation of 2–3 days per week, suggesting the importance of hybrid workplaces and geographical flexibility.

The second report *Local and regional experiences of remote work and multilocality* makes a statistical analysis of migration and multilocality in two case studies conducted in Denmark and Finland. It also presents the results of a survey targeting the regional and municipal actors. The first case study on migration patterns out of Copenhagen, Denmark, found no significant change in migration distance pre- and post-pandemic. Both before and after the pandemic, more than half of the migrants moved less than 25 km from Copenhagen, and only 20% moved to a municipality further than 100 km away. The study found no notable differences between genders. The second case study investigated whether people spent more time in a region with a larger number of second homes during the COVID-19 pandemic. Google Mobility Data was used to investigate weekly and seasonal changes to the essential activity categories "Grocery & Pharmacy" and "Retail & Recreation" in the Etelä-Savo region in Finland. The study indicated that these activities were indeed affected by the pandemic.

Moreover, one-third of the respondents in the aforementioned survey considered increased opportunities for remote work to be an *important* factor for both permanent and temporary population developments in their region or municipality, and 46% considered it *one of many* factors.

The policy brief *Strengthening Nordic cooperation on remote work and multilocality* (Ormstrup Vestergård, 2022) summarises the findings of the first two reports and can be found here.[5]

In addition to the research above, a new Nordic urban-rural typology has been developed. This territorial typology is a tool that can be used to analyze settlement patterns and trends as well as other phenomena in different areas, ranging from the sparsest rural areas to the densest urban areas across the Nordic countries. This territorial typology is free to use and can be accessed here. [6]

[3] <https://nordregio.org/research/small-town-attractiveness/>

[4] <https://nordregio.org/research/remote-work-and-multilocality-post-covid-19/>

[5] <https://nordregio.org/publications/strengthening-nordic-cooperation-on-remote-work-and-multilocality/>

[6] <https://nordictypology.ubihub.io/>



Retaining present population and attracting new inhabitants

To retain current populations and attract new inhabitants was described as a given goal by municipal representatives in all five towns in this study. A positive population trend is considered important for the development of the towns, maintaining town life, securing a certain level of services, making housing construction viable, potentially creating company spinoffs, and so on. Remote work opportunities could lessen constraints of local job markets and widen the choice of jobs and workplaces of both present and future populations, thus making life in a small town more attractive. When work is decoupled from the workplace to a certain extent, there is also a chance to attract populations that add to the attractiveness of the town although they do not live there permanently.

There are several ways in which people may use remote work opportunities that could have implications for small towns. On the one hand, people may move to small towns whilst maintaining their jobs in larger cities. In this instance, they may predominantly work remotely or in a hybrid format. On the other hand, people may continue to live in larger cities but expand their job search and willingness to be employed by companies or institutions located in smaller towns. Still, others may participate in multilocality through their role as second homeowners or by temporarily living in another town for studies or job training. The five towns included here highlight a range of these alternatives (for example, second homeowners in Ekenäs, a specialized work force in Kalundborg and Oxelösund and students in Kongsvinger and Kalundborg).

When people living in a town do not commute every day but work remotely or multilocally, they are more likely to use local services and public spaces. As they save time, their chance to engage in the local community also increases. Workers and students living elsewhere but who regularly visit the town for work or to study also contribute to maintaining certain services and may be persuaded to move to the town after getting to know it and its inhabitants. This group might also support vital functions in the town when they take up local jobs that are difficult to recruit for. However, there are both positive and negative aspects of multilocality.

Multilocal populations, such as second-home owners, might contribute to sustaining local services and investing—both monetarily and socially—in the area, but they may also increase the burden on municipal services while simultaneously paying income tax elsewhere (and thus not contributing taxes locally). Further, they might influence local prices of goods and services, including housing prices, which might have both positive and negative effects for permanent local populations. Below, multilocal populations in the five towns are described, followed by the perceived potentials of remote work.

Multilocal populations

Although an influx of populations that work remotely has been observed in the studied towns, it is difficult to statistically distinguish between the population increase credited to remote work-related opportunities and general population increase from other factors. This also goes for the potential use of second homes for remote work. This lack of knowledge on the hard facts of multilocality leads to uncertainty about how to use potential remote work opportunities, and the five municipalities do not plan explicitly for multilocal populations. This uncertainty is echoed in a study by the Swedish regional cooperation ÖMS, where many municipalities described remote work opportunities as interesting with potential future work implications, but that it does not have larger significance for planning at present. Respondents either reported that it is too early to make conclusions on developments related to remote work or that it is a phenomenon with relevance only to a smaller proportion of inhabitants and workers and, therefore, it must take a backseat among more urgent matters. It was also pointed out that remote work trends may change quickly depending on decisions by larger employers. (ÖMS, 2023)

However, regional and national studies on the impact of remote work provide indications that are useful for understanding the bigger picture. A study on migration patterns made by the Stockholm Region showed that 33% of those moving out of Stockholm County to another county stated that remote work opportunities had influenced their decision to move (Andersson & Wolf 2022). In this group, self-employed and highly educated persons were overrepresented. Among those that could work remotely half of their time or more, a larger share kept their jobs in Stockholm County after moving. The two factors deemed most important for moving out were housing as well as nature and outdoor activities. All in all, 45% of the Swedish working population worked remotely in 2022 (Taskinen, 2023). According to a Danish study, 35% of the work force regularly work from home at least one day per week. Among those working remotely, workers in traditional office jobs and in digital or knowledge-based sectors are overrepresented. Although remote work might not be the sole explanation, it is noted that distances to workplaces have increased for those that can work

remotely, while the same pattern has not emerged for groups that cannot work remotely. The trend is especially pronounced in larger Danish cities (HBS Economics & Hanne Shapiro Futures, 2023). In Norway, 44% of the work force works remotely, but a majority of this group works less than half of the time from home. Office workers were more likely to work from home. The age group with the highest percentage of remote workers was 40-49-year-olds. (Sæternes & Aamodt 2023). According to the Icelandic labour market survey, about 47% of the labour force worked remotely to some degree in 2023, compared to approximately 30% before the pandemic (Statistics Iceland, 2024). In Finland, about 40% of the working population worked remotely in 2022. Finland also had one of the highest levels in Europe of people working more than half of the time from home (24%; Taskinen, 2023). These reports indicate a need to follow the development and learn more about what opportunities remote work can (and cannot) afford to smaller towns.

In the towns in this study, the type of multilocal populations that are observed are partly different depending on the character of the towns, but also partly shared. One group that these towns all have in common is people that have their permanent residence in the town but work fully or partly remotely in the town or from somewhere else. However, as mentioned above, this group is difficult to map. All towns have a certain proportion of commuters, but how many of them also work remotely some of the time is unknown, as is their share of remote work. It is also evident that remote or hybrid work is seen as a two-way exchange: it can attract new permanent or seasonal populations, but it can also be an opportunity to recruit highly qualified personnel not living in the town. In some of the municipalities, part-time remote work was an accepted working mode for key personnel living in other towns or regions already before the pandemic.

A slightly more visible group is multilocal individuals employed by the larger industries and their suppliers in the industrial towns Kalundborg and Oxelösund. These employees are partly in the towns on limited-term assignments and, although they stay for some time (from a few weeks to months and even years), they are not expected to settle permanently. A certain proportion of these are multinational specialized workers that only work in the town but spend their free time elsewhere (so-called fly-in-fly-out populations). Many of these multilocal employees are expected to have on-site jobs, but on-site and remote work might also be combined.

Seasonal inhabitants, mainly tourists and second-home owners, constitute a major group in Ekenäs and Hvolsvöllur, while they are expected to be a marginal group in the other towns. In Ekenäs, tourists and second-home owners are perceived as potential new inhabitants, and marketing is often directed towards these groups (see next chapter for an example of this). It has been observed that, lately, when there is larger acceptance of remote work, multilocal populations tend to extend their stays, especially in the warmer season. As a contrast, municipalities in South

of Iceland with a high number of second homes, have experienced an increased demand for basic services like snow removal and garbage collection all year round. Most of these municipalities have a very small permanent population, and it is difficult for them to justify spending resources on the second-home populations since dual residence is not permitted (yet), and the municipalities receive very limited income from these populations.

Kalundborg, Kongsvinger, and Oxelösund also have higher education facilities that offer mainly on-site but also distance learning, therefore attracting students is a high priority. Municipal representatives express wishes for students to live in the town permanently as they are seen as an opportunity to vitalize the town and to become future permanent residents. Moreover, the interviewees believed that students do not wish to study remotely, but that experiences from the pandemic showed that on-campus education is preferred. However, offering distance courses may be an opportunity for smaller educational facilities to keep up the number of students and maintain the curriculum. The use of distance learning opportunities by inhabitants as a way to continue to live in a small town (while studying at a distance at institutions in other cities) is not a topic discussed by municipalities. Hence, remote opportunities are said to mainly refer to work rather than studies in these towns.

Commuting and remote work in Southern Iceland

According to a survey carried out in 2017, 60% of commuters in Southern Iceland commuted by car (The Icelandic Regional Development Institute, 2018). In Iceland, road safety during winter is a challenge regarding hybrid work opportunities as the national highway is closed from time to time due to extreme weather conditions. The national highway runs through Hvalsövellur and is the major link to other urban areas. A survey on the effects of remote work on the national road system was conducted for the Icelandic Road Administration in 2023. The survey showed that, in the South of Iceland, only 35% of the responders travel five days per week to the capital region for work, indicating that people in South of Iceland are more likely to be able to work partly remotely. Furthermore, 30% of the responders in South of Iceland said they could do their job from home most of the week or always, and 41% of those said their number of trips to the Reykjavík area had decreased since the covid pandemic. When asked what most affects their opportunities to commute to the capital region for work, 92% said weather (referring to the closure of the national highway; Rannsóknarmiðstöð Háskólans á Akureyri, 2024).

Perceived potentials of remote work trends

The municipalities in this study all identify remote work as an opportunity to retain current population and attract new inhabitants as well as seasonal populations. "Returnees", or people who grew up in the town but moved away, are especially targeted. Furthermore, remote work is seen as an opportunity to recruit highly qualified or specialized personnel in both the private and public sectors. Two interviewees also pointed to facilitated recruitment processes when the future employee's spouse was offered remote or hybrid work arrangements. That way, the move to a new town was facilitated by the possibility for one's partner to keep his or her current job position or by widening the possibilities to find new employment. Further, remote work was said to enable transfer of smaller businesses to new, cheaper locations with a better work-life balance.

When it comes to keeping present inhabitants in the town, the Norwegian interviewees in Kongsvinger considered remote work especially important in relation to the younger population and people working in the private sector, but to some extent also the public sector. Although it was emphasized that there are no statistics, the municipal representatives reported that young people who grew up in Kongsvinger moved back during and after the pandemic. Some who worked from home in the Oslo region during the pandemic learned that it works well and saw the opportunity to move back based on hybrid work. A larger share of them seem to work in private businesses in the Oslo region or at least one of the partners in the family does. However, there are also experiences of people currently living in Kongsvinger who seek new job opportunities in the capital based on hybrid work opportunities.

Hvolsvöllur, which used to be a small, tightly knit community based on family ties, has also seen the advantage of a new multilocal population that enlarges and diversifies the community. In the South of Iceland, most municipalities rely on agriculture and tourism as their main industries. Here, the city sees remote work, as well as remote working hubs and facilities, as a way to provide opportunities for creating new jobs. This is particularly important for the green transition, when the phasing out of certain industries may influence employment patterns over time. Moreover, in Iceland, the endeavour to spread development and job opportunities outside the capital region has induced the state to introduce a policy that encourages jobs without a specified physical location. The goal is that all civil service jobs should be without a specified location, unless the job specifically requires physical presence, such that residence does not affect the hiring process (Alpingi, 2022). To support this development, a series of remote work hubs have been established around the country. However, an evaluation showed that a majority of managers found it unlikely that they would advertise a job without

specified location in the near future (Ministry of Finance and Economic Affairs, 2021).

The case study towns are dependent on manufacturing industries or larger public employers where most work opportunities are geographically fixed. In these towns, a more diversified population and business sector could improve employment opportunities and liveability. When it comes to the towns dominated by certain industries, such as Oxelösund and Kalundborg, these industries now demand more highly skilled or specialised labour. This creates a pressure to improve town attractiveness as the towns do not wish to experience scenarios where skilled labour only work in the towns but do not wish to live in them. The most obvious case is in Oxelösund, Sweden, where the ongoing transition to carbon-free steel production demands a highly skilled work force. Remote work from other municipalities is seen as an opportunity to attract people with different competencies and profiles than those of the current population. It is hoped that (with time) these employees might choose to move to Oxelösund and bring their families. One interviewee also mentioned the possibility that spouses may bring or found new businesses. Ekenäs mainly relies on public employers and businesses whose operations need to be carried out on-site. However, remote work is seen as an opportunity to attract new sorts of businesses and inhabitants with different competencies than the present population.

Although some municipalities expressed concerns that employees that do not move to the town in which they work might not stay long term, one municipality discussed the advantage of being able to attract staff with experiences from other municipalities when remote work is allowed. Workers with experiences from other settings can, for example, create learning opportunities that would be especially valuable for small municipalities with limited resources. This is seen as a way to maintain high quality in both business and public services (including planning) which can be achieved even if the employee does not permanently relocate to the smaller town. Municipal representatives from other towns confirmed that it is easier to recruit when remote work is offered.



Working remotely or on site

The study of remote working trends is a moving target. As working restrictions from the pandemic fade into memory, there has also been a stepwise change in attitudes towards remote work. Already in the first project report from 2022, research showed that a majority of employees with a potential to work remotely would not want to do so all the time. Therefore, different forms of hybrid work have been screened in the case studies of Ekenäs, Hvolsvöllur, Kalundborg, Kongsvinger, and Oxelösund. We can see both a normalisation of hybrid work and a certain remote work fatigue accompanied by a search for more social work forms. In parallel, the case studies have also revealed a great uncertainty among interviewees on what the new work forms will mean for smaller towns in the future, especially related to urban planning.

Those that can and those that cannot

As previously outlined, 35-47% of the workforce in the Nordic countries worked remotely in 2022/2023. However, this also means that a majority needs to be present in the workplace. Moreover, parts of the workforce that theoretically could work from home might choose not to do so due to personal circumstances and taste, as well as a lack of suitable space, either in the home or in a space closer to home other than the workplace (e.g. a co-working facility or public setting).

In all five case study towns, there are large private and public workplaces where most of the employees need to be on site (for example, in hospitals or manufacturing facilities). The municipalities are also large employers in all the studied towns. White collar employees are, in many cases, able to work remotely and often allowed to do so part-time. Often, it is the highly qualified staff that has both the opportunity and permission to work in a hybrid format. However, an increasing supply of online services, for example in the healthcare sector, was reported to increase remote work opportunities also in sectors that traditionally had only on-site operations. Related to settings where the majority of personnel needs to come to work every day, interviewees reported on discussions regarding who is allowed to work from home, who is not, and to what extent. Several of the

interviewed civil servants raised the question of fairness. Perceptions of fairness and reactions of employers are, of course, highly subjective and based on a multitude of factors. Interviewees reported very different approaches related to variations in managerial style, type of industry, town size, and also national culture.

In smaller towns with shorter distances, planners suggested that travelling to the workplace requires less effort compared to in larger towns or cities for those who live in the town or its vicinity. Therefore, employers and colleagues may have higher expectations that the personnel come to the workplace instead of working remotely from home or some other location. Employers were reported to wish their staff to work fully or mainly in the office. The inconvenience of travelling is weighted against the benefit of working together, and in a small town with short distances, the benefit of seeing each other often takes precedence. However, staff with longer distances to work often get special treatment with larger work-from-home opportunities. One interviewee also suggested that in traditional lines of industry, such as small-scale manufacturing, new modes of working could be less acceptable. Moreover, many smaller companies were said not to have the capacity to develop new ways of working.

It was reported that managers' ability to explain remote work policy was often a deciding factor when it came to the extent of remote and hybrid work. When discussions on fairness emerged between employees that were and were not allowed to work in a hybrid format, some interviewees reported that managers might solve this by limiting or abandoning remote work opportunities to avoid conflicts in the workplace. Employees' willingness to work only partly in the workplace was also said to be influenced by perceived acceptance of managers and colleagues as well as feelings related to group inclusion. It was also pointed out that not all are comfortable with working from home, that some prefer to come to the workplace. When there is doubt about whether hybrid work is accepted or not, employees might choose the easy way out and be present in the workplace every day, although they might have wanted to work in a hybrid format if perceived acceptance had been higher.

Remote work policy

When it comes to remote work policy, the municipal employers in this study tend to follow general trends in the Nordics: In all the municipalities included in the study, hybrid work is accepted as a new standard way of working, but only for certain categories of employees. When hybrid work is agreed to, the standard is one (but often two) to three days a week. In general, there are no official remote work policies; instead, each manager is responsible for tailoring a model to his or her working group. This might result in different policies for similar work tasks depending on the manager's and employees' perceptions of hybrid work. In some

cases, employees are expected to spend the same days in the office to make social interaction possible. However, some issues that are of a certain importance to smaller towns were brought up in interviews.

Several interviewees reported that remote work opportunities can be an important factor in recruitment and retainment of highly qualified staff, which is of special significance for smaller towns with large turn-over of personnel and/or recruitment difficulties. Often, hybrid work arrangements are tailored to the personal wishes and needs of the employee. IT staff is especially mentioned as a category that is often offered hybrid arrangements. Statistics Norway in Kongsvinger is an interesting example when it comes to remote work policy: On top of standard hybrid work arrangements, which are expected to make a difference for employees living in other parts of the Oslo region, some employees are allowed to work mainly from home during certain periods. For employees in IT that are difficult to recruit, it is now being tested to let employees have their main workplace at home irrespective of where in Norway they live. However, it is emphasized that this is only a trial which will be further evaluated. Further, the Norwegian state wishes to facilitate work from a multitude of locations throughout the country. To decrease commuting times, state employees are hence allowed to work at all state workplaces. This means that the offices of Statistics Norway in Kongsvinger opens its doors to state employees not employed by them. This is an interesting parallel to the co-working hubs established for state employees in Iceland (see example in next chapter).

However, interviewees pointed out that interaction between colleagues is different in a hybrid environment, and this is something managers need to be aware of. Hybrid work is often considered to demand a new management style such that social ties and recognition are maintained although work takes place in different locations part of the time. In media articles and the literature, lower levels of control are often brought up as a main theme for managers related to remote work (for example Pianese et al. 2022). Somewhat surprisingly, most interviewees in this study did not highlight lack of control. Instead, it was pointed out that hybrid solutions were accepted and had proven to work well. Possibly, managers had developed new methods to control work outcome. Future research could investigate this further, for example, in relation to trust in smaller organisations and communities.

Another aspect that might be interesting to smaller municipalities with lesser resources is the potential cost savings remote work might bring. However, smaller offices and saving on amenities was only brought up by one interviewee in this study. This aspect of remote work might be explored further in future research. Regulations related to the protection of employees, tax deductions, and insurance that influence the time and conditions of remote work were also brought up in interviews and could be further explored.

"Win a remote work stay in a beautiful old house in Ekenäs!"

To test the potential of remote work opportunities, the municipality of Raseborg, in which Ekenäs is located, launched a competition with the possibility of winning a longer remote work stay in picturesque houses in various locations in the municipality. The campaign was named "office landscapes" comedically referring to the Finnish and Swedish words for open-plan offices (*maisemakonttori* in Finnish, *kontorslandskap* in Swedish) and illustrated by desks in beautiful landscapes.

The offer contained both a nice place to stay and work and an introduction to town life by local hosts. The competition resulted in a large number of applications from a varied group of professionals working in different sectors. Three winners were chosen, one of them culture journalist Tina Cavén, who spent a week in an 18th-century baker's house in Ekenäs (Image 1). The first campaign received positive feedback, and a second one has been launched. The municipality hopes that the initiative will raise curiosity about the municipality and result in some people choosing to live there at least part time.



Image 1. Tina Cavén, culture journalist and one of the winners of the office landscapes campaign, on the porch of the old baker's house in Ekenäs. (Source: Ramona Lindberg)

Distance learning

All municipalities in this study wish to attract younger populations as well as increase education levels in the total population. However, distance learning is not a large issue in any of the municipalities. Most of respondents say that young people need social interaction in physical meetings, and distance learning is not seen as an attractive option by many students. Forced distance learning during the pandemic was said to have had a generally negative impact on perceptions of distance education. Distance learning in relation to further education and supplementary training of the more mature parts of the population, where social interaction might be less important to students, was flagged as interesting but had not been much discussed.

The university college in Kongsvinger provides distance education. The planning department notes that the balance between onsite and distance education impacts how many students choose to live in Kongsvinger and has effects on demand for housing, services, and town life. In Kalundborg, it was also pointed out that a large supply of distance learning opportunities would counter efforts to build out physical educational facilities in the town and persuade students to live in the town and possibly also stay after their studies. The higher education facilities in Oxelösund and Ekenäs have mainly onsite courses, with some distance vocational education in Ekenäs. In Iceland, many university level courses are offered as distance learning. In the south of Iceland, there are several knowledge centres serving as hybrid universities where students who study the same remote course can meet up and take part in the distance lectures together. The Selfoss co-working hub is also used by students during exam periods. At present, there is no such facility in Hvolsvöllur, but residents have the opportunity to use such centres in their area. However, interviewees all mentioned the lack of distance vocational training and technical courses as such skills are in demand in Hvolsvöllur and other towns outside of Reykjavík.



Factors of attraction and urban planning

This study set out to investigate potential planning implications of remote work in smaller towns, which however, proved difficult. In none of the five towns included in the study were there any evident planning responses directly related to remote or hybrid workers. Instead, measures taken to improve town attractiveness were said to include also multilocal populations. In Kongsvinger, remote work trends also inspired a more proactive approach to housing development. Looking ahead, several respondents pointed to the importance of infrastructure that facilitates a multilocal life, especially high-quality public transport and digital connectivity. Further, housing that fits the needs and tastes of new inhabitants, including potential multilocal populations, was considered. Discussions on the potential of co-working spaces were present in all towns, and there were already established co-working spaces in four of them. Below, we outline factors that were mentioned as important for attracting new workers and residents. Thereafter, we cover in more detail the three areas which were pointed out as particularly relevant to remote workers—physical and digital infrastructure, housing, and co-working spaces.

Small town attractiveness

When people decide to relocate to a new town, the attractiveness of the town can play a significant role in relocation decisions. Whereas the term urban attractiveness is subjective and the literature points to a multifaceted concept (chapter "Key terms and definitions"; Hidman, 2018), there seems to be agreement on what constitutes an attractive small town in the five case towns in this study, as more or less the same town features were brought up as important for urban attractiveness.

Measures to maintain attractive features of **town centres** and to improve them, creating more lively urban cores, have been taken in all towns. Here, Hvolsvöllur

stands out with the construction of a completely new town centre (Image 2). The historical centres of Ekenäs and Kalundborg greatly add to the attractiveness in these towns, although Kalundborg works towards improving the supply of services in the core in competition with nearby box stores and a mall along the major thoroughfare (Image 3). Oxelösund has chosen to build out its modernist centre by adding both commercial spaces and housing (Image 5). The dispersed centre of Kongsvinger with a mix of old and new, small and large buildings was also discussed as an area of potential improvement (Image 4).



Image 2. The town centre of Hvalsöyllur.
(Source: Hvalsöyllur municipality)



Image 3. The main shopping street in Kalundborg features buildings of historical importance. (Source: Anna Granath Hansson)



Image 4. The town centre of Kongsvinger is a mix of styles and concepts. (Source: Anna Granath Hansson)



Image 5. The modernist town centre of Oxelösund. (Source: Anna Granath Hansson)

Interviewees agreed that the more time people spend in the town, the more likely they are to use local services, which has direct impact on service supply. These services may also be affected by the presence of remote workers and other multilocal populations. Moreover, density is associated with positive impacts on urban life and service supply. Therefore, **housing** construction is partially steered towards more central parts of towns, although single-family housing also has its given place. The attractiveness and price of housing is deemed to be a key factor in

retaining and attracting individuals. Interviewees in all towns described efforts to plan for and construct types of housing that were deemed to be missing in the towns at present. New, higher standard multi-family housing has recently been built or is under construction in central parts of Kongsvinger, Kalundborg, and Oxelösund (Image 10), and there are plans for new single-family homes in all five towns.

Planners and marketing officers identified proximity to **nature**, such as the sea, lakes, and forests, and recreational activities associated with nature, as key attractions in all towns (Image 6 and 7). Access to nature and leisure activities is actively promoted in planning as these are seen as competitive advantages compared to larger towns and cities. However, several of the respondents pointed to competition from other smaller towns and do not perceive their specific town as better equipped in this respect than many other towns. Urban greenery, often in the form of a private garden, is also seen as a major attraction. Further, parks, green squares, and public space on waterfronts were part of active town planning in all towns but Hvalsövellur. Further, the planners and marketing officers stated that a diverse supply of leisure activities and culture was important, especially in the industrial towns of Oxelösund and Kalundborg where such supply was not taken for granted. One interviewee pointed to the importance of leisure activities for the integration of newcomers into the existing society.



Image 6. Closeness to nature and recreation opportunities are part of small town attractiveness, here displayed in the view from the fortress in Kongsvinger. (Source: Anna Granath Hansson)

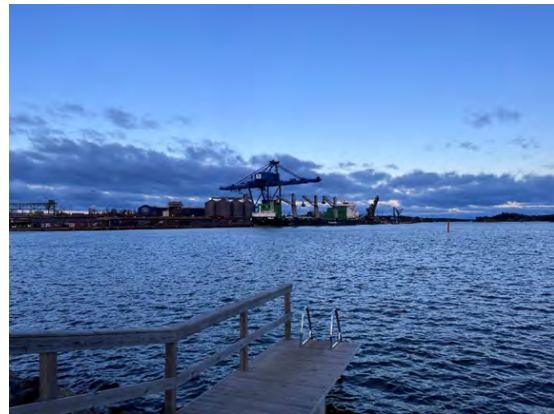


Image 7. In Oxelösund, the industrial harbour and recreation exist side by side. (Source: Anna Granath Hansson)

The presence of **schools** at various levels and school quality is also pivotal for attracting new populations, according to the interviewees. Larger investments in educational facilities have recently been made in most towns. In Kongsvinger, the most attractive part of the town along the river has been reserved for schools and sports facilities (Image 8). Further, a higher education centre is currently being

built. Hvolsvöllur wishes to attract families; therefore, the city has built a new playground school and has planned the enlargement of the primary school. In Kalundborg, both the municipality and one larger employer have invested in educational facilities.



Image 8. Newly built school by the river in Kongsvinger. (Source: Anna Granath Hansson)



Image 9. Kongsvinger is divided by the river Glomma, the main road, and the railway. (Source: Anna Granath Hansson)

Physical and digital infrastructure

All of the studied towns have multiple connections to surrounding towns and the capitals through highways (car and bus links) and, in some cases, trains. Although public transport was highlighted as important in relation to hybrid work, car use also plays a significant role. Municipal plans include analyses of where people live and how they commute.

Non-stop commuter possibilities that allow for work during travel was pointed out as important by several of the interviewed planners. Kalundborg, Ekenäs, and Kongsvinger have train connections to their nearby capitals (Copenhagen, Helsinki, and Oslo) (Image 9). Here, price, access to fast and stable internet, and travel comfort were emphasized as factors that would influence commuting patterns. Train connections between Kongsvinger and Oslo are operated by Vy, which offers "smart tickets" that are price-tailored to the uneven travel patterns of hybrid workers and students who travel regularly between two specific stations. In contrast to Kalundborg and Kongsvinger which both have direct connections to the capital, comfortable travelling was especially mentioned by interviewees in Ekenäs where the need to change trains in Karis is considered a hindrance. To support commuters, the municipality subsidizes 10% of the price of season tickets when inhabitants commute to locations outside of the municipality. The distance between Ekenäs and the large city of Turku is 120 km, but commuting possibilities are limited due to travel time by car and public transport.

Public transport in Oxelösund and Hvolsvöllur is limited to bus transport. Bus connections were not deemed central to hybrid workers in Oxelösund where commuters tend to choose the car more often. Reasons given were the less strategic location of bus stops, frequencies of departures, and travel times. This also affects trips to other larger towns at commuting distance such as Nyköping, Norrköping, and Linköping. The car is also a common way of commuting between Ekenäs and Helsinki. Here, road safety during winter has been improved through lights along parts of the highway. Also in Iceland, commuting by car was the preferred mode of transport. Here weather conditions cause various road safety concerns, and the majority of commuters work part-time remotely (see example "Commuting and remote work in Southern Iceland").

Digital infrastructure has been a high priority in the Nordic countries since before the pandemic (Randall & Berlina, 2019). Ekenäs, Hvolsvöllur, Kongsvinger, and Oxelösund reported that fibre networks were functioning well in the towns. In Kalundborg, certain limitations of the system were highlighted at the outbreak of the pandemic, but these have now mainly been taken care of. The need to secure well-functioning digital infrastructure outside of the main agglomerations was pointed out as a priority in a report on the future of remote work in Denmark (HBS Economics & Hanne Shapiro Futures, 2023). In Iceland, digital infrastructure is not only considered key to remote work, but it is also part of the basic safety infrastructure. Rangárþing Municipality, in which Hvolsvöllur is located, has laid fibre cable internet across the entire municipality, offering the possibility to connect to high-speed internet from every house and vacation home. This enables remote work and distance studies from anywhere in the municipality, including the remote areas. The interviewees all specifically mentioned the internet connection quality as a major advantage of remote work in the municipality. Reliable connection is also important because of the high risk of natural disasters in the area. It is important that people located anywhere within the municipality can be reached immediately in case of emergency, such as volcanic eruption or flooding.

Housing

The attractiveness and relatively low price of housing is deemed essential to retain and attract populations in all the towns. Although prices have increased in recent years, price levels are still considerably lower in these smaller towns than in areas closer to or in the capitals. Interviewees suggest that the possibility to buy a house, or at least to have a larger apartment for the money spent, is one of the most important reasons for people to choose to live in a smaller town.

In Oxelösund, Sweden, focus of town development policy is to find and develop sites for smaller scale multi- and single-family housing mainly along the coastline. There is also a larger mixed commercial and housing development on the main square

(Image 10). In Kongsvinger, 50-100 apartments have been built yearly in recent years, for example new multi-family housing by the river close to the city centre and by the railway station. The interviewed planners state that remote work trends have accelerated planning for housing. In Kalundborg, planners have decided to focus on housing by both increasing the quantity and also considering the variety of types needed to accommodate the population (Image 11). There is a large demand for small dwellings sought by one- or two-person households. Single-family housing by the sea, to an affordable price compared to locations closer to Copenhagen, is also considered. Also in Ekenäs and Hvolsvöllur new housing has been constructed (Image 12). Interviewees in all towns report that developers have been interested in building both multi- and single-family housing in the towns, but that the general down-turn in the market, rising interest rates, and price developments on input goods have drastically impacted interest in new developments.



Image 10. In Oxelösund the city centre is transformed through the construction of a new retail building and 48 new apartments. (Source: Anna Granath Hansson)



Image 11. New housing being developed in a central location in Kalundborg. (Source: Anna Granath Hansson)

Both in Oxelösund and Ekenäs there is an ongoing trend that second homes are converted to the standard of permanent homes. The municipalities have a constant stream of such applications, but do not know how many households live permanently in the houses after conversion or if they just upgraded their second homes. In Ekenäs, the municipality struggles to develop attractive sites close to water but has limited success as most land is privately owned and owners are often not willing to sell land for development (Image 13). Single-family housing is developed elsewhere.



Image 12. Hvolsvöllur housing. (Source: Hvolsvöllur municipality)



Image 13. Ekenäs from above. (Source: Johan Ljungqvist/Ekenäs municipality)

The efficient use of the existing housing stock is also something civil servants are considering, especially in relation to older generations that might wish to move out of larger units if there are attractive alternatives. When it comes to the attractiveness of the present housing supply, some respondents are of the opinion that remote or hybrid workers, who presumably have high education levels, create demand for more expensive and higher standards of housing quality.

Scarcity of suitable building land and competing interests was brought up by interviewees in Ekenäs, Oxelösund, and Hvolsvöllur (Image 14). In Ekenäs and Oxelösund, construction was limited mainly due to resistance by the existing population. In Hvolsvöllur, one of the major challenges is keeping a balance between land for housing, holiday homes, and other construction versus agricultural land for food production. However, such decisions must be made in accordance with the National Planning Agency and its policies.



Image 14. Old Oxelösund, the former sea pilot village. (Source: Anna Granath Hansson)

Co-working spaces

Co-working spaces have been a topic of discussion in all the five towns before, during, and after the pandemic. In the Danish, Finnish, Icelandic, and Norwegian towns, co-working spaces have been established in the last few years. In Kalundborg, Denmark, such a space was set up by the business council to facilitate for start-ups already before the pandemic. However, during the pandemic it was not possible to use it, and as people have returned to offices, this space has been used not just by start-ups, but a variety of self-employed individuals and employees. There is also a discussion to set up a somewhat larger co-working space, possibly in a community house near the railway station. Moreover, co-working initiatives have been discussed in the villages surrounding the town, and the municipality supports these projects, although none of them have been implemented as of yet. In Ekenäs, Finland, two young academics that returned to their hometown after living in the capital for a while established a private co-working space in the town centre. Although the establishment has been well received, the economic rationale of the enterprise remains a question mark.

The municipality of Raseborg states on its website that many inhabitants have remote or hybrid work arrangements and market five co-working facilities in the municipality. In Hvolsvöllur, Iceland, the municipality has dedicated space for remote workers, which is used by a variety of people. There are possibilities to interact socially with others working on the premises and in the municipal offices in the joint cafeteria and through social events. In nearby Selfoss, there is a larger co-working hub (see below). The co-working facility in Kongsvinger, Norway, was created for and is mainly used by smaller companies and start-ups that explicitly wish to work in the same premises. The municipality considered establishing a remote work hub, but there was not enough interest to implement the plans. Also in Oxelösund, Sweden, the municipality evaluated the demand for such spaces and proposed a location in connection to a centrally located café. However, interest was too small to motivate establishment. The reason given for the disinterest in both towns was that it is attractive to have the exchange with colleagues on office days, but that the advantages of being able to work partly from home is the flexibility it gives and its positive impact on work-life balance. Therefore, being tied to an office also on remote working days is not considered attractive.

Public and centrally located libraries provide the possibility to study or work, including some basic services like internet connection, printing, etc. However, interviewees did not perceive these as options for remote or hybrid workers, but rather as appropriate for students.

Remote work hub in Selfoss, Iceland

Selfoss is the largest town in South of Iceland and in the past twenty years, the population of the town has doubled to 9700 (Statistics Iceland, 2023). Approximately 15% of the workforce in Selfoss commutes daily to the capital region for work. Most commuters make the 45-minute drive in their private car, resulting in heavy traffic flows between Selfoss and Reykjavík every morning and late afternoon. In April 2022, a co-working hub Bankinn opened in Selfoss. The co-working hub is a joint pilot-project between the Icelandic government, the municipality of Selfoss (Árborg) and the Icelandic Association of Enterprises (SA), financed for two years to support remote work and jobs without specified location. The initial vision was to offer facilities for governmental and municipal employees but since opening, the co-working space is also used by entrepreneurs and those working for private companies, such as lawyers and architects. Bankinn is located right in the centre of Selfoss, and has office space for up to 120 people, 10 meeting rooms of various sizes, and a café/bar with space for events (Image 15).

The promotion of the co-working facility has been a greater challenge than originally anticipated. The public financing of the facility included the purchasing of a certain number of subscriptions intended for the residents of Selfoss area who work for public institutions located in Reykjavík to conduct their work partly or fully remotely from Selfoss. However, remote work policies in public institutions have not been coordinated for hybrid or remote work format for the employees who were not hired under the governmental *Jobs without specified location* initiative, resulting in lesser use of the facilities from the governmental employees residing in South of Iceland.



Image 15: The Selfoss co-working hub. (Source: Hjördís Guðmundsdóttir)



Image 16. Traditional Danish housing in the centre. (Source: Anna Granath Hansson)

Case study towns

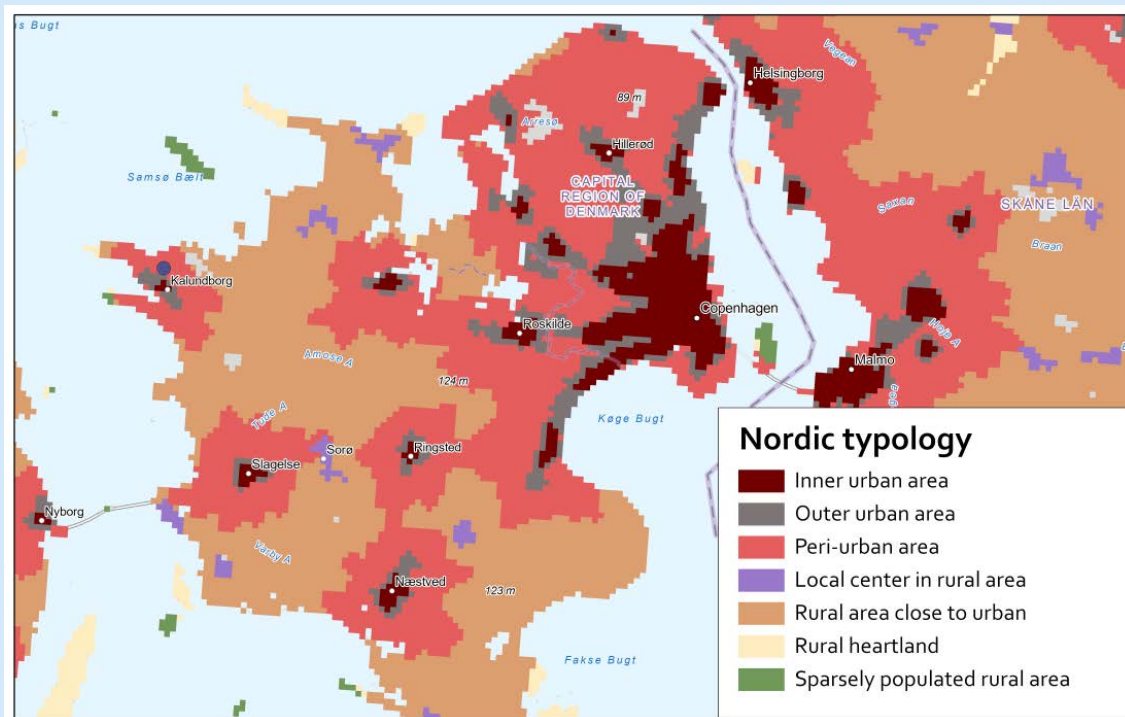
Case 1: Kalundborg, Denmark: Industrial and historic on the coast

Kalundborg is situated in western Zealand and was established in the 12th century around its natural harbour (Map 2). From the mid-1800s, it grew into an industrial cluster. Today, 16,486 people reside in the town. The industrial harbour is still the core of the town, and the industry is dominated by large pharmaceutical companies and their sub-suppliers. The industry both has employees of Danish origin, but also notable shares of international workers, parts of which work on a fly-in, fly-out basis. Higher educational facilities are both connected to the industry and the general education system. There is a direct train link to Copenhagen.

As the town grew fast in the mid-1900s, the existing town structure and housing supply is influenced by the town planning and architectural ideals of the time. Although there is multi-family housing in the town centre and its vicinity, single-family housing is the prominent housing form mere blocks away from the main shopping street. A distinct share of older districts and buildings have been preserved, which adds to the town's attractiveness (Image 16). The historical

upper-town area around the church contains a charming set of older buildings and cultural institutions. The town centre, with its historical small-scale buildings and traditional main shopping street, competes with box stores and smaller malls along the main throughfare. In recent years, new housing has been constructed to cater to a growing number of students and new inhabitants.

The town is located on the coast with multiple recreational offers connected to the water. A new park has been constructed to better connect the town with the waterfront. At present, Kalundborg is in a transitional stage, where its former identity as a mill town is contested by new populations connected to the larger industries and higher education facilities.



Map 2. Kalundborg and its surroundings (blue dot). (Source: Nordic urban-rural typology)



Image 17. Ekenäs residential area (Source: Johan Ljungqvist/Ekenäs municipality)

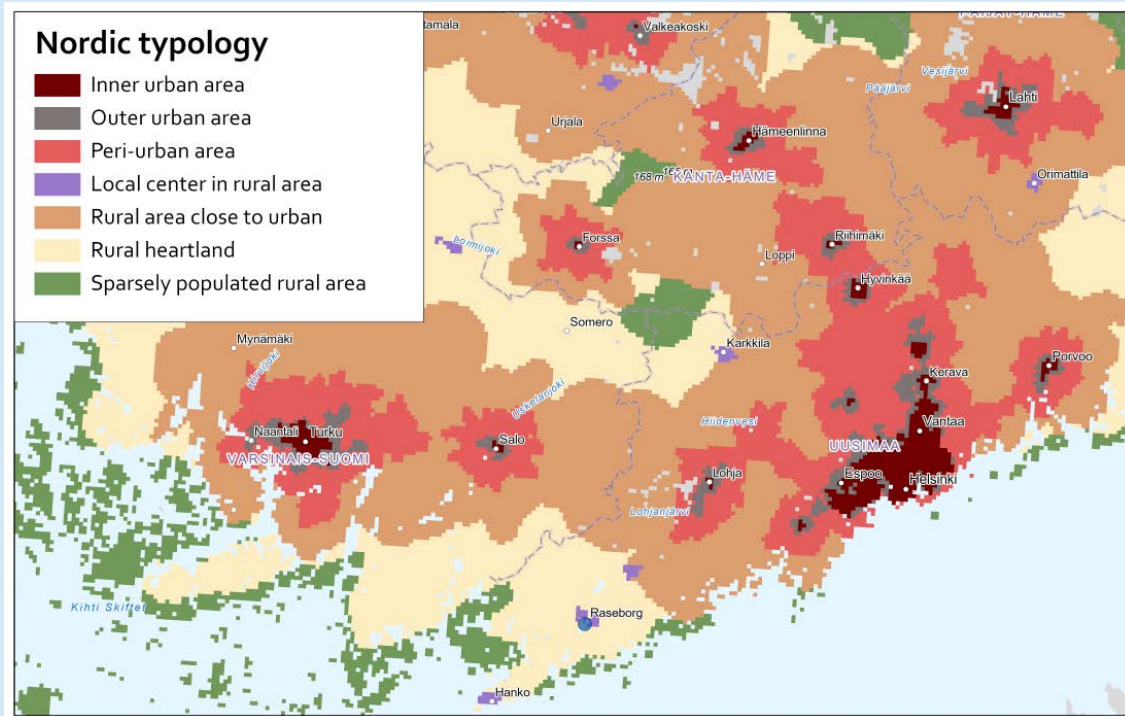
Case 2: Ekenäs, Finland: Attractive and small-scale service centre by the sea

Ekenäs (or *Tammisaari* in Finnish) is situated on the inlet of the Pojo river in the south of the Finnish archipelago between Helsinki and Turku (Image 17, Map 3). The town is the main urban centre in the municipality of Raseborg, beside its neighbouring town Karis. The majority of the 8,500 inhabitants are Swedish speaking. Raseborg Municipality was created in 2009 when the municipalities of Pojo, Karis, and Ekenäs merged. Built on the sea in a strategic location, the town has a long and dramatic history dating back to the Middle Ages. Ekenäs received town rights in 1546.

Today, the town attracts tourists and second-home owners with its beautiful setting, historic small-scale wooden architecture, restaurants, green areas, and marinas. The town centre is located in the old part of the town and boasts the very first shopping street in Finland. Housing supply is characterised by single-family housing, also in the centre, and, to a lesser degree, small scale, modernist, multi-family housing. Student housing is also available.

An industrial area stretches out along the major throughfare and the sea. The business sector mainly consists of small- and medium-sized companies. Major employers are the hospital, the municipality, and the armed forces. Education is

offered up to upper secondary school level. There is also a higher vocational education facility teaching agriculture, forestry, construction, and coastal management. The military educates 1,500 recruits each year on the campus located at the entrance to the town. Ekenäs is connected to Helsinki through the road and train networks via Karis. In the last decade, Ekenäs has experienced a slight decrease in population and strives to attract new inhabitants. The municipality markets itself as ideal for remote work.



Map 3. Ekenäs and its surroundings (blue dot). (Source: Nordic urban-rural typology)



Image 18. Hvals­völlur from above. (Source: Hvals­völlur municipality)

Case 3: Hvals­völlur, Iceland: Sprung out of service and tourism

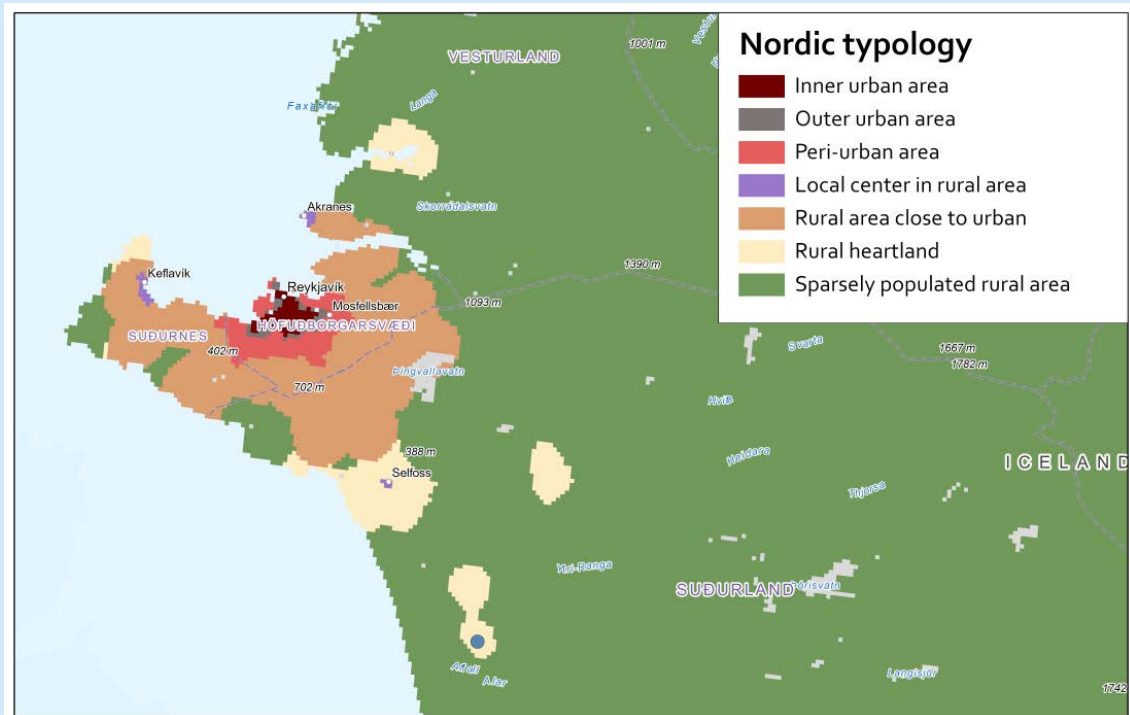
Hvals­völlur is the biggest settlement of the municipality Rangárþing eystra, located in South Iceland between two rivers—Ytri-Rangá to the west and the glacial river Jökulsá á Sólheimasandi to the south (Map 4). The main highway in Iceland, Þjóðvegur 1, runs through the centre of Hvals­völlur, approximately 100 km from Reykjavík. The eastern borders of the municipality run through the glacier Mýrdalsjökull. The area is rich in natural wonders and magnificent landscapes. The municipality is home to the infamous glacier Eyjafjallajökull, whose eruption massively disrupted global air traffic in 2010.

Today, the population of Hvals­völlur is 1,108. The municipality as a whole is experiencing continuous population growth, demonstrating a 20% increase in the past two decades, and data suggests that the population increase is driven by people moving to the municipality from outside of Iceland. The municipality was formed in 2002 by a union of 6 smaller municipalities. The municipal administration offices and all the main service points of the municipality are located in Hvals­völlur.

Hvals­völlur is one of the very few towns in Iceland that did not evolve from fishing activities; rather, the town developed to serve the agricultural community, and service is still the key industrial driver. The main employer in town is Sláturfélag

Suðurlands, a producers' co-operative owned by farmers and shareholders. The company's main processing plant, which is also the largest meat processing plant in Iceland, is located in Hvalsöllur. In 2023, Hvalsöllur celebrated 90 years as an urban area.

Since the region is home to some of Iceland's most popular tourist attractions, Hvalsöllur is developing into a service hub for tourists with several guesthouses, restaurants, gift shops, and tour operators. The population prediction for Hvalsöllur paints a positive picture, and a new town centre is currently under development with new lots allocated for shops, services, and residential buildings.



Map 4. Hvalsöllur and its surroundings (blue dot). (Source: Nordic urban-rural typology)



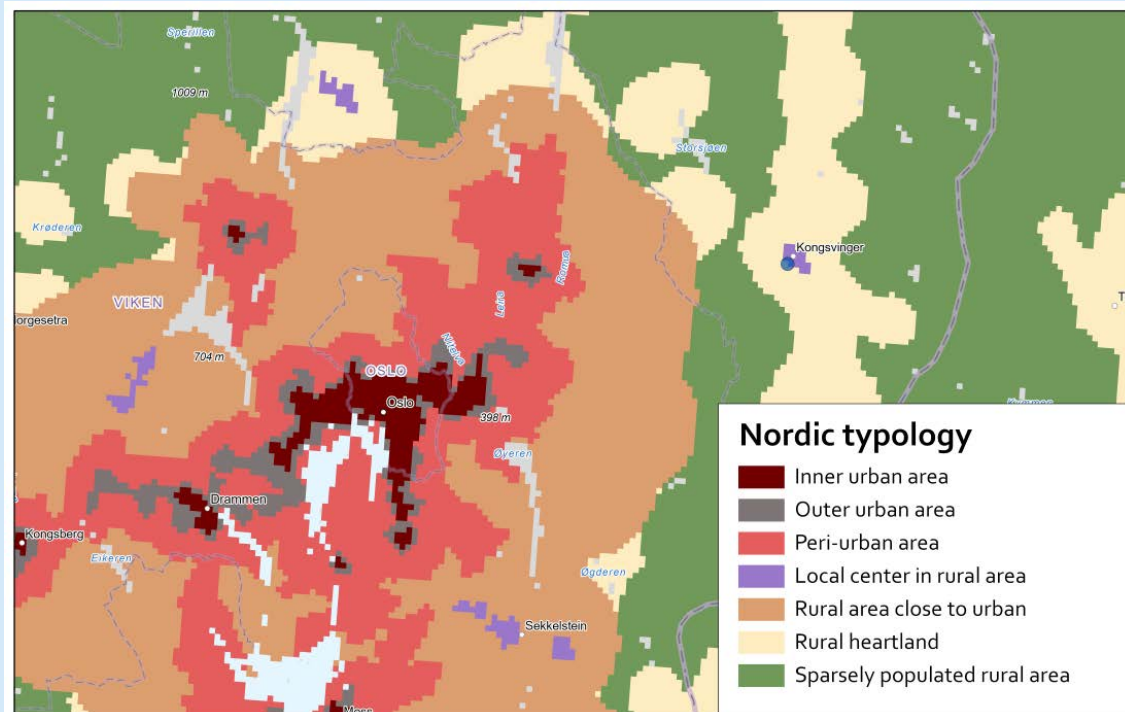
Image 19. Central Kongsvinger with the fortress on the top of the hill. (Source: Anna Granath Hansson)

Case 4: Kongsvinger, Norway: Frontier town on the river

Kongsvinger has approximately 13,000 inhabitants and is located 150 km north of Oslo (Map 5). Located near the Norwegian-Swedish border, the town grew around the fortress constructed to protect Norway, but its significance diminished after the union between Norway and Sweden in the 19th century. However, the town started to grow again as the importance of trade increased, and the town was able to capitalise on its strategic location.

The old town just below the fortress is characterised by historic wooden houses and single-family housing. The town centre is largely modern and dispersed, separating shopping and public services (Image 19). The most attractive part of the town, along the river, is dedicated to education with both elementary schools and a higher education institution under construction, as well as sports facilities. The train station, as well as larger amounts of modern single- and multi-family housing, are situated on the opposite side of the River Glomma. Today, the hospital, the municipality, and Statistics Norway are the largest employers. Kongsvinger is considered the central urban agglomeration in a region of 45,000-50,000 inhabitants, which has implications for the demand for private and public services, including shopping, restaurants, cinema, theatres, etc. Its location along the river, and proximity to lakes and woodland areas, creates opportunities for sports and

recreation. Connections to other urban areas are provided through the road network as well as the railway line between Stockholm and Oslo. Between 20 and 25% of the working population commute in the direction of the capital.



Map 5. Kongsvinger and its surroundings (blue dot). (Source: Nordic urban-rural typology)



*Image 20: View from the former sea pilot village Old Oxelösund towards the industrial harbour.
(Source: Anna Granath Hansson)*

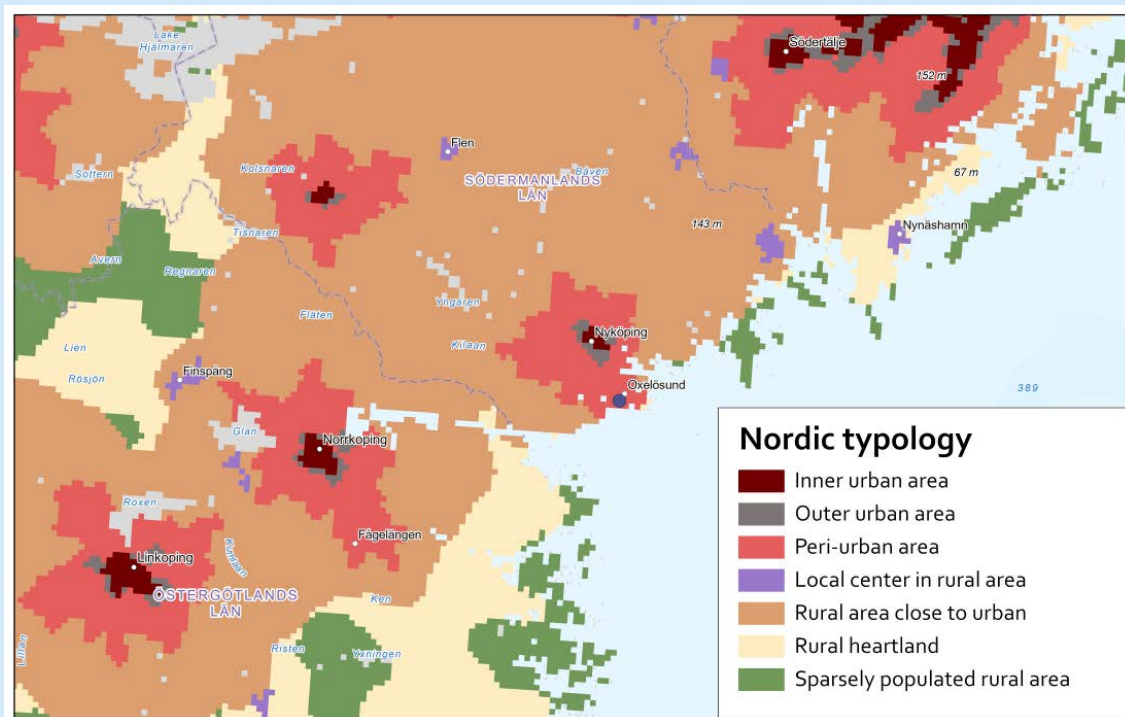
Case 5: Oxelösund, Sweden: Heavy industry and serene coast

Oxelösund is located on the coast, 15 km from the town of Nyköping and 115 km south of Stockholm. The larger towns of Norrköping and Linköping are also located within 73 and 110 km respectively (Map 6). Oxelösund has a history as a fisherman and sea pilot village. However, in 1915, a steelworks and industrial harbour were established. Since then, the town has two faces: one characterised by serene coastline bordered by a series of islands, and one characterised by heavy industry and infrastructure, including a motorway and railway corridor that create the entrance to the town (Image 20). The industrial expansion in the mid-1900s brought with it large housing investments and a modern reconstruction of the small city centre with a mix of shopping and public services. Efforts to improve the city centre with new construction are currently carried out.

The town is dominated by the steelworks industry, its sub-suppliers, and related spinoff companies. Employees live locally and commute nationally and internationally. The municipality is also a large employer. Apart from compulsory education, the town has created a small campus with higher education institutions partly related to its industry. Oxelösund exists in a constant exchange of population and business with the neighbouring, larger town of Nyköping. Although the

steelworks company is a major employer in Nyköping as well, Nyköping offers work opportunities and public and private services that partly challenge the development of Oxelösund.

As the steelworks industry is now being converted to carbon-free production, Oxelösund is likely to face a time of change. New “clean” technology leads to new demands on highly qualified employees and challenges the town’s reputation as a mill town. Further, Oxelösund may now have an opportunity to change perceptions of its being a polluted “black town” and to emphasise its attractiveness. However, these prospects also need to be balanced with sustainable solutions for the present population, including those that do not have a direct relation to the industry.



Map 6. Oxelösund and its surroundings (blue dot). (Source: Nordic urban-rural typology)



Source: Kjell Svenskberg/Ekenäs municipality

Discussion

This study set out to investigate if remote and hybrid work has enlarged the areas around capitals that profit from their labour markets by looking at potential impacts on five smaller towns. These smaller towns were chosen as they were not the first-hand choice for commuting to and from the capitals before the pandemic and, in that sense, were perceived as a stress test regarding the boundaries of influence from capitals. However, the study found little proof that remote and hybrid work trends have changed the attractiveness patterns of these towns. Municipalities reported that there were no formal strategies related to remote work and that there was great uncertainty as to what the trend of remote work might signify going forward. It was also clear that municipalities did not have access to statistics or other formal information related to remote and hybrid workers in their jurisdiction; therefore, they did not have evidence upon which to build potential remote work strategies. To be able to form efficient strategies, more knowledge on who remote workers are, how they travel, and what services they use (among other things) would be valuable. More time may also be required before planners can capture developments related to remote work post-pandemic. Additionally, it is possible that only a small portion of populations in small towns are affected by remote work, and that there may be less incentive or need for municipalities to actively pursue remote work policies or planning developments.

The study found no immediate impact of remote work trends on urban planning, but remote work has, at least partly, influenced the larger work of making small towns more attractive. This seems to confirm the findings in Randall et al. (2022b), where 46% of the regional and municipal respondents in a survey considered increased opportunities for remote work to be one of many factors for both permanent and temporary population developments in their region or municipality, and one-third considered it an important factor. Interestingly, all the five towns seem to apply the same recipe to improve urban attractiveness although they have different points of departure.

The way remote work plays out in a town, for example whether it is done only remotely or in a hybrid format, influences potential effects on urban and regional

planning. According to Randall et al. (2022a), most expressed a wish to work remotely 2-3 days per week, suggesting the importance of hybrid workplaces and geographical flexibility. This applies also to the context of this study and is confirmed by regional reports (HBS Economics & Hanne Shapiro Futures, 2023; ÖMS, 2023). The observations that many work in a hybrid format, mixing days in the office with days working remotely, have implications for local and regional travel patterns, as well as housing markets and the use of digital infrastructure and co-working spaces. The need to travel regularly to a workplace further from home also indicates that the zone around larger towns that has the potential to attract hybrid workers will have its limits and be strongly linked to time and ease of travel.

Like full-time commuters, hybrid workers are potentially more concerned with local transportation and commuting times within and from the town, as they need to be able to access the workplace more often (usually every week). It might be assumed that they also use transportation and the town in a way that is similar to both on-site workers and full-time commuters which might be hard to predict for planners as use will depend on which days hybrid workers commute and what goods and services they get locally or at the place where their workplace is situated. Housing demand is more likely to be geared towards areas that have easy access to transportation nodes, but less so compared to population groups that commute every day. When people work part-time from home, the need for a separate office room or space might also be perceived as less important (compared to those who always work remotely). This may help to decrease demand for space. Commuting patterns will also decide demand for digital infrastructure. When it comes to co-working facilities, the interviewees from the small towns hypothesized that hybrid workers might have less interest in co-working facilities as they have access to a fully equipped workplace and social contact with colleagues and work partners some days a week. Therefore, compared to those who always work remotely, hybrid workers may not have the same interest to co-work with others on days they work remotely. All in all, planners might regard hybrid workers as part of the commuting population, but with a greater local presence in the town, which might increase demand for local goods and services. Though this is a simplified summary of the situation, it may assist in getting a clearer picture of what town features are favourable to hybrid workers.

Towns that have large shares of tourists and second-home owners face additional uncertainties. It is difficult to measure the impact of remote work opportunities on the frequency of visits by tourists and second-home owners. It is also a challenge to measure the ways tourists and second-home owners engage in a town or use its services. Despite this uncertainty, Ekenäs, the only town in this study with a distinct touristic character, is proactive and already investigate potentials and brand the town as ideal for remote work.

Although remote and hybrid work seems to be accepted as a new normal in all five

towns in this study, there is ongoing discussion about the future of full-time on-site work, remote work, and hybrid work. Compared to larger towns and cities, small towns are considering how shorter distances between homes and workplaces, as well as lower shares of potential remote jobs, might play a role in decisions for remote work practices. Fairness is another important dimension that has emerged in such discussions, which might have unique implications in the context of small towns, for example in relation to control and trust in smaller communities.

Regional reports (HBS Economics & Hanne Shapiro Futures; ÖMS 2023) indicate that there are high proportions of self-employed and higher educated people that work remotely, which might make them especially interesting to smaller towns wishing to attract these categories. Interviewees in this study also report that remote or hybrid work opportunities play a role in recruitment of higher qualified staff that are often difficult to attract to smaller towns. Remote or hybrid forms of work allow for employees living in other towns or rural areas to take employment in these towns without having to move there. Although, such arrangements do not lead to population increase, they are mentioned as valuable to smaller towns as they assist in maintaining important functions and services that benefit the permanent population and in that way add to the attractiveness of the town.

More time is needed to capture which remote and hybrid work patterns will prevail long term and how these patterns will affect smaller towns near capital cities. More knowledge on the extent and characteristics of remote and hybrid work patterns in the local context can give input to what policy and planning measures are important to attract new populations and visitors.

Conclusions and future research

This study shows that there is considerable uncertainty as to what remote work opportunities will bring long term, especially related to urban and regional planning. A better understanding of who remote workers are and what specific needs they may have would help shape local strategies and policies directly related to them. However, as hybrid work seems to develop into the main form of remote work, encompassing the larger share of the remote work population, planners might use their similarities to both full-time on-site and commuting populations to understand their use of the town and transport facilities. This study has also pointed to the centrality of urban attractiveness and shown that features deemed to be central to attractiveness do not differ dramatically between remote and hybrid workers and other types of inhabitants. However, physical and digital infrastructure and housing potentially bear more weight in relocation decisions for remote and hybrid workers as these services and needs might be used somewhat differently compared to full-time, on-site workers.

Research on remote work and its effects after the pandemic has only recently started and is very much a work in progress. It would be useful to monitor and follow the development in different locations and types of urban areas over time in order to better understand its potential and limitations. Future research related to smaller towns could study pre- and post-pandemic use of public transport to investigate how travel patterns might have changed and what might be discerned about remote and hybrid workers' habits. Further, local surveys related to remote work habits and incentives for migration could add layers of understanding at the local level. Apart from present town populations, other groups that might be targeted in such surveys are people who have recently chosen to move to the town, commuters, and second-home owners. This study has also indicated that remote work policies applied in smaller towns may be interesting to explore further as the small-town setting might have special dimensions (e.g., studies that analyse aspects of control and trust in smaller communities). Other studies of relevance may include looking into potential cost-savings when offices are used less regularly or studies on regulations influencing the time and conditions of remote work.

To conclude, our findings further support the following statement by [Pertti Taskinen](#) of Statistics Finland: After the coronavirus pandemic, Europe "returned to the office", but hybrid work is likely to remain a megatrend in working life. The knowledge base for understanding the "new normal" should therefore be strengthened. (Taskinen, 2023).

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