

The Future in Design



Country Report: THE SWEDISH DESIGN INDUSTRY

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EXECUTIVE SUMMARY

- This report is just one of a set of 5 statistical reports on the Nordic design industries from the research project *the Future in Design: the competitiveness of the Nordic Design Industry* (<http://www.step.no/design/>).
- In 2002, there were a total of 11199 firms in the Swedish design industry. Out of these there were 5631 graphic design firms, 2740 architecture firms, and 2828 design firms.
- In the period 1993-2002 the total number of firms in the design industry rose by 272%.
- In 2003 the design industry had a turnover of 7549 million SEK (838 million euros).
- The design industry is dominated by small to medium sized firms. The vast majority of firms involve less than 4 people and have been founded only very recently.
- 78% of design industry firms are located in one of the regions around Stockholm, Göteborg and Malmö. Slightly over 50% of all firms are located in the Stockholm region.
- There has been a rapid expansion of design in third level institutions: between 1993 and 2003 the total number of full-time students rose 330%.

Introduction

The picture presented below is one of a dynamic and growing industry. It is clear from our analysis that design as an industry has been characterized by strong growth in terms of firm numbers, employment, and turnover. It is also true to say that the industry's foundations are consolidating: with a series of government initiatives and industry organizations providing support; and a dramatic increase in students and graduates supplying an ample base for future expansion.

Swedish design professionals tend to be well educated and the workforce is well balanced between men and women. The report also presents figures showing that both firms and design professionals are heavily concentrated in the regions of Sweden's largest cities: principally Stockholm. Despite this focus on the largest metropolitan areas the industry has extremely low rates of ethnic diversity. Similarly the ownership of design firms is almost entirely Swedish and few firms are international in ownership or group structure. It is also an industry dominated by small firms with relatively low turnovers. This mixed picture suggests to us that although the industry has enjoyed impressive growth in recent years it faces serious challenges as it matures. We suggest that industry actors should encourage greater levels of ethnic diversity and internationalization as a key strategy to expanding the range of skills design firms can offer to domestic and international clients and customers. We also see that though the dominance of SMEs lends the industry creativity and flexibility it means that firms and entrepreneurs are often very vulnerable due to their relative lack of resources, venture capital, and business skills. It is vital then that government and industry actors make available such resources, and that SMEs build on their geographical proximity to build networks and clusters that could help them pool resources and work more effectively together.

A note on the figures presented

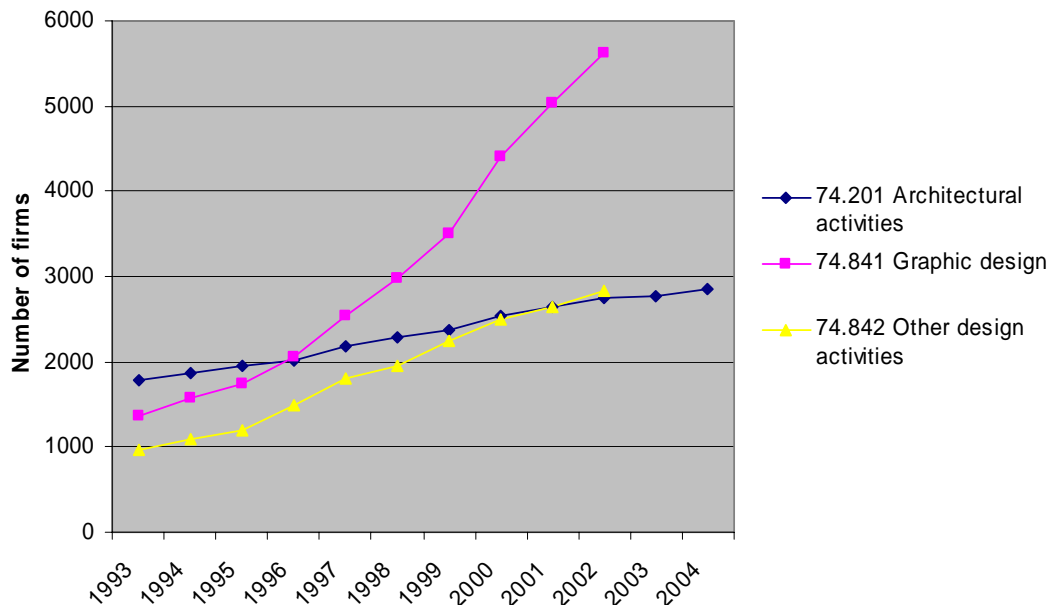
It is worth noting that there are significant problems with the statistical data available on design activities. The Standard Industrial Classification categories agencies such as Statistics Sweden use are not, as yet, very carefully attuned to accurately describing the industry and tend to lump together or misclassify design related activities. For instance, many design firms get categorized under advertising. There is indeed a great need for more detailed statistical information on design. The figures used below should therefore be seen as indicative descriptions. Nonetheless they give the most accurate picture of the design industry currently available. Statistics used in this report were supplied by Statistics Sweden and by databases based on company registration and tax records (e.g. the database Affärsdata).

The Swedish Design Industry

In 2002 there were a total of 11199 firms active in the design industries in Sweden. Out of these there were 5631 graphic design firms, 2740 architecture firms, and 2828 other design firms.

It is very difficult to draw definite boundaries between actors in the 'design' industry since design competence is often supplied by architects just as it is by 'pure' designers. An increasing trend, both in the Nordic countries and internationally, is that there is a tendency for architects, industrial designers, illustrators, etc. to work on a broad range of products. Rather than specializing in one specific area of design, there is a distinct tendency towards firms supplying all-round design services. In short, the traditional boundaries between what architecture, graphic, interior, and industrial design firms work on are increasingly fluid.

Figure 1: Number of firms (all firms) 1993 - 2004

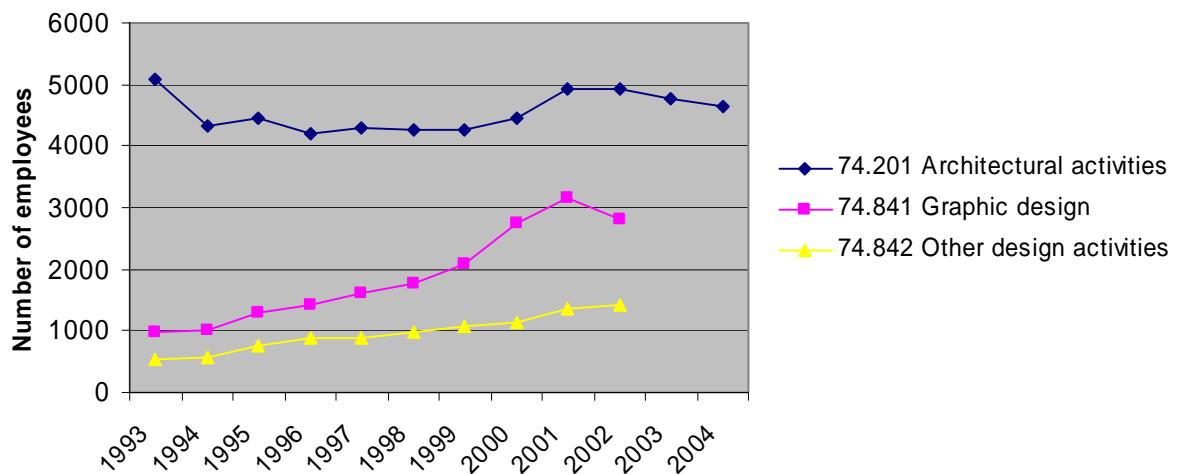


Note: Changes to statistical codes means that comparable figures for 'Graphic design' and 'Other design activities' are no longer available.

Source: Statistics Sweden

It is clear to see from the statistics presented below that there have been dramatic increases in both the number of firms and employees active in all the various design activities. In the period 1993 to 2002 the total number of all firms in the design industry rose by 272%. Graphic design enjoyed a dramatic boom in the number of active firms (particularly one-person firms with no employees): which increased by 410% during 1993-02.

Figure 2: Number of employees (all firms) 1993 - 2004



Note: Changes to statistical codes means that comparable figures for 'Graphic design' and 'Other design activities' are no longer available.

Source: Statistics Sweden

In terms of employment the period 1993-02 showed generally high growth for the number of employees. Although in recent years employment figures for architectural services and graphic design dropped slightly. Graphic design and other design services, however, more than made up for the small drop in architectural employment. As can be seen in Table 1, the majority of firms involved in design are small to medium sized firms (SMEs). In fact the vast majority of firms are sole traders (the 0 employee category). It is also worth noting that firms within architecture tend to be, on average, larger.

Table 1: Size of firms (all firms) 2002 (number of employees)

Number of employees	0	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500+
74201 Architectural activities	1828	665	140	76	24	4	1	2	0
74841 Graphic design	4896	600	87	31	13	2	1	1	0
74842 Other design activities	2427	325	45	19	12	0	0	0	0
Total	4255	990	185	95	36	4	1	2	0

Source: Statistics Sweden.

If we take limited companies only (and not holding companies or private limited companies), in 2003 there were 2701 firms which employed 7494 people. These firms had a total turnover of 7,549,662,000 SEK (around 838 million euro). Most of these firms have a relatively small turnover and have very few employees. In 2003, only 1144 design firms had a turnover of over 1 million SEK (around 110,000 euro).

Table 2: The 20 largest design firms (limited companies) in terms of turnover year 2003

Company	City	Employed	Turnover ('000 SEK)	Change in turnover (%)	Established (year)
White arkitekter	Göteborg	313	301 959	7,6	1970
SWECO FFNS Arkitekter	Stockholm	303	282 277	-21,0	1972
K.G.F. Konfektion	Falköping	45	169 382	-2,7	1970
Temagruppen Sverige	Stockholm	119	88 929	-7,6	1966
Hotel & Fartygsinredningar RBJ	Göteborg	8	85 243	88,4	1994
Wingårdh Arkitektkontor	Göteborg	2	74 423	-8,4	1988
Worldwide Brand Management Clothing	Stockholm	11	70 104	-4,6	1991
Nyréns Arkitektkontor	Stockholm	75	58 294	-1,5	1982
Skandinavisk Inredning	Örebro	37	57 650	-28,6	1973
Brindfors Design	Stockholm	26	57 202	-4,7	1995
Wingårdh och Medarbetare	Göteborg	73	51 862	-4,3	1994
AB Gunnar Svensson Textil & Möbelinredning	Göteborg	6	50 801	-12,1	1994
Eclipse-OPM Blind Systems	Oskarshamn	21	49 240	-10,4	1997
Vic Wear Colori	Göteborg	4	47 008	-12,5	1994
Avista	Stockholm	17	42 963	44,4	1978
Scheiwiller Svensson Arkitektkontor	Stockholm	47	42 106	-7,8	1995
Sandell Sandberg	Stockholm	36	40 180	-29,3	1994
Liljewall Arkitekter	Göteborg	48	39 964	-4,2	1971
A+A Corporate Design	Göteborg	16	39 261	-40,2	1988
Brunnberg & Forshed Arkitektkontor	Stockholm	49	39 090	-27,3	1986
		1 256	1 687 938		

Source: Affärsdata. In 2003, 1 euro was worth around 9SEK.

Table 3 shows that non-Swedes are under-represented in the design professions. Only 2% of design professionals are non-European in origin.

Table 3: Employees in design by Standard Classification of occupation by country of origin 2002

	Male	Female	Total	Share of total (%)
Africa	39	24	63	0.2
Asia	155	162	317	1
Europe excluding Nordic	485	379	864	3
North- and Central America	105	80	185	1
Nordic excl Sweden	324	433	757	2
Oceania	14	7	21	0.1
Sweden	15762	15686	31448	93
South America	69	42	111	0.4
Unknown citizenship	2	0	2	0.006
Total	16955	16813	33768	100

Source: Statistics Sweden

It is clear to see that design professionals tend to have high levels of formal education: Table 4. Furthermore the design professions are well balanced in terms of gender; though women have higher levels of formal education than men.

Table 4: Employees in design by Standard Classification of occupation by educational level 2002

	Men	Women	Total	% Share of total
Elementary school	187	81	268	1
Nine-year compulsory school	876	464	1340	4
Grammar school/High school, two year	2309	1822	4131	12
Grammar school/High school, three year	3491	3052	6543	19
Post-gymnasium (inc. University), shorter than two years	4489	4818	9307	28
Post-gymnasium (inc. University), longer than two years	5383	6464	11847	35
Post-graduate studies	124	72	196	1
No information of educational level	96	40	136	0
Total	16955	16813	33768	100

Source: Statistics Sweden

The Swedish Design Industry: regional dimensions

Around 78% of the design industry's firms are located in one of the regions around the three major urban areas of Sweden, namely Stockholm, Göteborg and Malmö: see Table 5. Slightly over 50% of all firms are located in the Stockholm region, particularly in the central areas in Stockholm. Looking back at Table 2, it can be seen that 17 out of the top 20 firms by revenue are based either in Stockholm or Göteborg. This confirms the general international picture that the design industry is an economic activity with a high proclivity to cluster in major urban areas. It is important to note though that this locational pattern particularly applies for the large firms in the industry, the smaller firms show a more dispersed locational pattern.

Table 5: Number of firms (limited companies), employment and turnover by region year 2003

Region	Firms	Employment	Turnover (thousand SEK)	Turnover (mean)
Stockholm	1 361	3 789	3 936 031	2 892
Uppsala	56	153	128 842	2 301
Södermanland	24	58	46 830	1 951
Östergötland	50	101	86 925	1 739
Jönköping	53	106	82 593	1 558
Kronoberg	23	58	40 969	1 781
Kalmar	37	130	144 586	3 908
Gotland	9	34	22 164	2 463
Blekinge	21	45	32 986	1 571
Skåne	339	675	530 411	1 565
Halland	60	121	147 376	2 456
Västra Götaland	411	1 544	1 756 148	4 273
Värmland	25	59	46 586	1 863
Örebro	39	110	133 479	3 423
Västmanland	47	116	98 268	2 091
Dalarna	38	95	69 798	1 837
Gävleborg	24	60	38 440	1 602
Västernorrland	16	35	25 715	1 607
Jämtland	7	21	20 717	2 960
Västerbotten	28	74	47 427	1 694
Norrbottn	33	110	113 371	3 435
Sweden	2 701	7 494	7 549 662	2 795

Source: Affärsdata

A similar pattern exists for employees. If we examine occupational statistics instead of firm based statistics (occupational statistics cover all persons working in design, even if they are not working in a design firm) we can see that the overwhelming urban focus still holds. Table 6 shows that 69% of those with designer as an occupation worked in the regions surrounding Stockholm, Göteborg and Malmö. Though not quite to the same extent as dedicated design firms and their employees, those with design as a profession also tend to agglomerate in the urban areas.

Table 6: Employees in Design by Standard Classification of occupation 2002

Region	Men	Women	Total	Share of women (%)
Stockholm	7 346	7 918	15 264	52
Uppsala län	424	402	826	49
Södermanland	241	255	496	51
Östergötland	498	421	919	46
Jönköping	333	321	654	49
Kronoberg	331	280	611	46

Kalmar	250	211	461	46
Gotland	94	89	183	49
Blekinge	216	177	393	45
Skåne	1 847	1 740	3 587	49
Halland	238	243	481	51
Västra Götaland	2 477	2 326	4 803	48
Värmland	290	241	531	45
Örebro	313	293	606	48
Västmanland	258	279	537	52
Dalarna	335	284	619	46
Gävleborg	292	280	572	49
Västernorrland	266	287	553	52
Jämtland	183	164	347	47
Västerbotten	397	306	703	44
Norrbottn	307	280	587	48
Sweden	16 936	16 797	33 733	50

Source: Statistics Sweden

Table 7 shows that design firms with growth in turnover of over 10% in one year also tend to be in the city regions. However, in many less urbanized regions impressive numbers of growth firms existed. It is also worth noting that overall design had much higher proportions of growth firms than the general economy (which was in recession at the time).

Table 7: Growth firms (limited companies) in the design sector by region year 2003

Region	Increase in turnover (%) since last year			Total nr. growth firms	Total nr. Firms	Share (%)
	10-19%	20-49%	50+%			
Stockholm	61	78	66	205	1 361	15
Uppsala	4	3	2	9	56	16
Södermanland	2	1		3	24	13
Östergötland	3	3	1	7	50	14
Jönköping	2	3	1	6	53	11
Kronoberg	2	1	2	5	23	22
Kalmar	4	2	2	8	37	22
Gotland	1	1		2	9	22
Blekinge	1	2	1	4	21	19
Skåne	23	16	12	51	339	15
Halland	1	6	4	11	60	18
Västra Götaland	13	17	24	54	411	13
Värmland		1		1	25	4
Örebro	3	1	4	8	39	21
Västmanland		5	3	8	47	17

Dalarna	3	3		6	38	16
Gävleborg	4	1		5	24	21
Västernorrland	1	1		2	16	13
Jämtland	1			1	7	14
Västerbotten		2		2	28	7
Norrbottn	2	1	1	4	33	12
Sweden	131	148	123	402	2 701	15

Source: Affärsdata

Government Initiatives

In recent years Swedish government agencies have begun to see design as an industry and not just an art form. Attitudes towards design have begun to shift and policymakers are, at least in their rhetoric, putting design forward as both a growth industry and as an important source of strategic inputs in Swedish industrial innovation and competitiveness.

Key government initiatives in the area of supporting design are:

- In 1996 the *Working Group on Architecture, Form and Design* was founded. It is lead by the Culture Department but all government departments are participants in the work.
- Set up in 1998 the *Agenda for Design in the Future (Handlingsprogrammet framtidsformer)* by the Swedish parliament identified six future goals concerning the government's work with architecture and design. (Regeringen, Kulturdepartementet, Regeringsbeslut 12, 2003-12-18, Ku2003/2677/Kr)
- In January 2003 SVID and Svensk Form completed the proposition, "*Design as Development Power in Industry and Public Affairs*". On the basis of this the government committed 20 million SEK to fund the Design Year 2005 and certain other projects aimed at increasing the potential competitiveness of SMEs (Regeringen, Kulturdepartementet, Regeringsbeslut 12, 2003-12-18, Ku2003/2677/Kr).
- In February 2004, *The Council for Architecture, Form and Design* was founded by the government following the *Handlingsprogrammet framtidsformer*. The Council is made up of individuals with professional experience of the different areas of design industry. Their aim is to strengthen general awareness, interest and knowledge of architecture and design. One central aspect of the Council's work is to integrate design considerations into public sector purchasing and public premises (Komittédirektiv, Regeringssammanträde, Dir. 2004:24).
- The Design Year 2005 is perhaps the most high profile government funded initiative to date. The task of preparing, organizing and publicizing the Design Year was given to Svensk Form (Kulturdepartementet Regeringsbeslut 12, 2003-12-18, Ku2003/2677/Kr). The aim of the year is to develop a long-term increase in the understanding of the meaning and importance of all aspects of design in Sweden. Approximately 150 different public agencies and authorities have been directed to participate and are mandated to use the year to start the process of fully integrating design as a consideration into their decision making and, in particular, their purchasing. Over 500 organizations, both public and private, have been invited to participate. (www.merdesign.se).
- *The Design-Year Group for Growth and Innovation* is connected to the Design Year 2005 and is supposed to be a support to the government and to the organizations managing the year of Design (SVID and Svensk Form). Their task is to spread information and knowledge, to evaluate projects and to be a link between the organizations, industry and the Government. Many of the participants are also part of *The Council for Architecture, Form and Design* (Regeringen, Näringsdepartementet, Protokoll 15, 2004-02-19, N2004/413/NL).

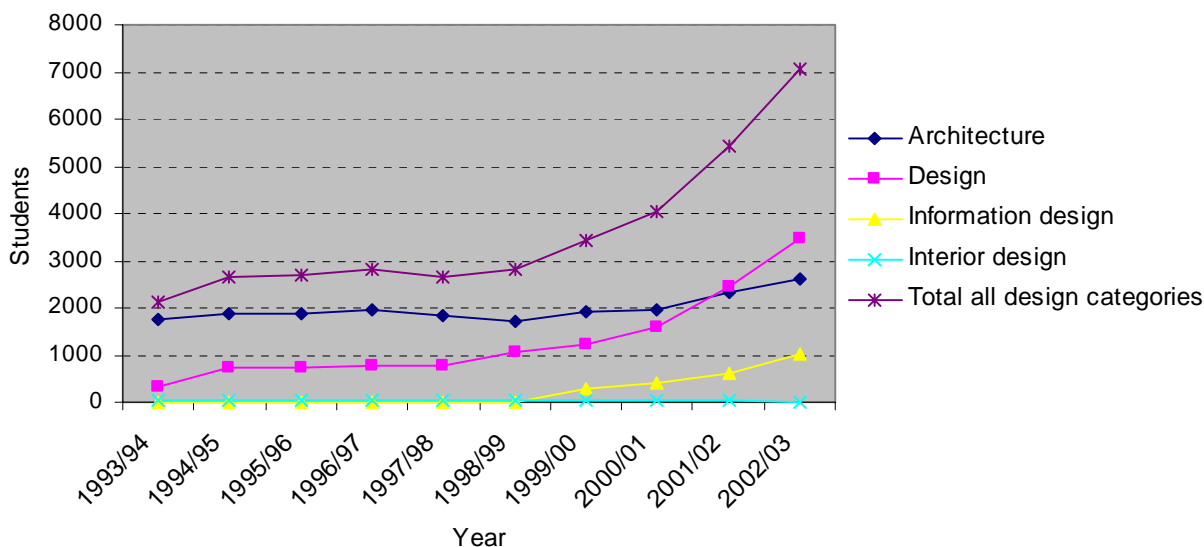
Education

Sweden has a well developed network of educational institutions that offer specialized courses and programs in design and related activities at **undergraduate** levels. The number of institutions offering courses in design has rapidly expanded, as has the number of students and graduates of these courses and programs. The dramatic expansion of design education has left many working in the industry worried about the potential of an over-supply of designers and architects.

In the academic year of 2002/03 there were 7072 students engaged in design programs in third level education. Figure 2 shows that in architecture, design and information design there has been very high increases in the number of students. This has not been the case for interior design which has remained an extremely small area of study in its own right. In the period 1993 to 2003 the total number of full-time students in these disciplines rose by 330%.

Women are increasingly heavily over-represented in third level design programs: in 2002/03 there were 4082 women as opposed to 2990 men. This trend will radically affect the future gender balance in the workforce: which is currently 50:50 (see Table 6).

Figure 2: Number of full-time students in third level design programs.



Source: SCB

It has not been possible to collect statistics for the number of students attending vocational and foundation courses but we estimate that there are approximately 30 different schools offering full-time courses at these levels. Some of the vocational schools have, in recent years, changed into independent universities, or have started cooperating with established universities to offer university degree courses, and have therefore merged into the statistics above.

A significant weakness in Swedish third level institutions is at the **doctoral** and **graduate** student levels. Swedish design education institutions are generally focused on training future professional designers and relative to other academic institutions almost completely lack doctoral and postdoctoral levels. They lie significantly behind other academic disciplines in developing both foundational research and industry

relevant research. In 2004 a start was made when the government increased funding to higher levels of research (the government committed 25 SEK million/2.8 million euro per year to design research), and institutions' own attempts to build up a doctoral level capacity (such as the Swedish Design Research Network, D&R). A long term priority should be the development of educational institutions research and development functions and postgraduate levels in order to better serve the design innovation system.

Some of the institutions involved in Swedish design education:

- **Beckman's School of Design, Stockholm**

Beckman's was founded in 1939 and is a private institution. Since 2002 the School is an independent university with a 3-year Bachelors program in design, and a night school offering a foundation course. The School specializes in fashion, advertising and Form. Form is a design education mostly focused on industrial design. (www.beckmans.se)

- **Carl Malmsten's Centre of Wood Technology and Design (CTD)**

CTD is part of the department of Mechanical Engineering at the University of Linköping, and is located at the Carl Malmsten Centre of Wood facilities in Stockholm. The research group is located in Linköping. (<http://www.liu.se/utbildning/program/lith/cm>)

- **Göteborg University, School of Design and Crafts (HDK)**

HDK is a department of Göteborg University; it is part of the Faculty of Arts. It offers the Design Program and the Applied Arts Program, with a 3-year Bachelors program and a 2-year Masters program. HDK also runs the bachelor and masters programs of Steneby School (<http://www.hdk.gu.se>)

- **Kalmar-Nybro, School of Design**

The School of Design is a part of Kalmar University College. It offers a 3-year Bachelor program in Industrial Design and a specialized course in Glass Design. (www.designprogrammet.com)

- **Konstfack, Stockholm**

The University College of Arts, Crafts and Design was founded in 1844 and was renamed Konstfack in 1959 after several years of reorganization. It has approximately 600 students in 10 departments. The School claims to be unique in the way it combines education in various fields of design with a foundation in the fine arts. (www.konstfack.se)

- **Lund University, Departure of Design Science**

The Department of Design at Lund University has 90 employees, including 11 professors, 25 post doctoral researchers and 40 graduate students. 30% of the undergraduate courses are for Industrial design students. (<http://www.design.lth.se>)

- **Umeå Institute of Design, Umeå University**

Umeå Institute of Design was founded in 1989 and has 4 different academic programs in Industrial Design, from Bachelors to Masters and Doctoral levels. 90 students are currently attending the Institute's design program. Approximately 60% of the students are from outside Sweden. (www.dh.umu.se)

- **Other institutions with design educations:**

Berghs School of Communication in Stockholm; Fashion College in Malmö; Forsberg's graphical Design and Copy; The Friends of the Handicraft's School in Stockholm; Hyper Island School of New Media Design in Karlskrona; Nyckelviken School of Arts, Craft and Design in Stockholm; Steneby School of Crafts and Design; The Swedish School of Textiles in Borås.

Industry Associations and Representative Bodies

In Sweden there are several design-oriented organizations or associations. Many of these are in a period of transformation and period of consolidation is underway. The architecture associations have already merged into a single association that represents all branches of architecture and design associations are beginning to follow this lead. The merging of industry associations will reduce fragmentation and make it easier for the industry to have a united voice on issues of common concern. The mergers also signify the increasingly blurred boundaries between different professional competences and business foci.

- **Swedish Association of Architects**

The Swedish Association of Architects was founded in 2002 through the merging of various organisations (SAR, SIR, LAR, FPR and Arkitektförbundet). It aims to represent all areas of architecture, including, interior architects, landscape architects and spatial planners: both working professionals and students. The organization has just over 9000 members. (www.arkitekt.se)

- **Swedish Furniture Industry (SMI)**

SMI is a part of the Wood and Furniture Association (TMF) which represents 800 enterprises with about 26000 employees. One of the aims of the organisation is promote design as a key competitive strength in the Swedish furniture industry. (<http://www.traindustrin.org>)

- **Swedish Industrial Design (SVID)**

SVID was founded in 1989 by the Academy of Engineers (IVA), SIND, NUTEK and Swedish Form and works closely with government agencies concerned with industrial policy. It is mainly financed by the Ministry of Trade and Industry. SVID has moved from an organisation emphasising industrial and product design to one promoting a broader perspective on design's role in Swedish businesses and industry.

The organization works with many different projects at industrial, regional and national levels. Together with Swedish Form they are responsible for the management of the Design Year 2005. They also offer business advice and services directly to design firms and potential design customers. (www.svid.se)

- **Swedish Industrial Designers (SID)**

SID was founded in 1957 and is an organization funded by membership fees. In the next couple of years the organization will be going through some major changes, merging into a bigger organization together with organizations from other design fields. It promotes and lobbies for industrial design in a wide range of arenas in the public and business spheres. (www.sid.se)

- **Svensk Form (Swedish Society of Crafts and Design)**

Svensk Form was founded in 1845 as The Swedish Association of Handicrafts and is the world's oldest design association. The association aims to promote Swedish design in Swedish society and industry, and abroad. It is financed by membership fees and by government funding. In 2002 it had 5666 members.

They have an office and exhibition space in central Stockholm with various design-related exhibitions. Svensk Form has a well developed network of regional offices and sub-groups. They also publish the design magazine Form and have been responsible for a series of high profile design prizes and awards. They are currently responsible, in cooperation with various actors including SVID, for the Design Year 2005. The organisation actively lobbies government on issues important to the design industry. (www.Svenskform.se)

Other Related Organizations

- The Glass Academy (Glasakademien)
- The Friends of Handicraft (Handarbetets vänner)
- The Centre of Handicraft (Konsthandverkscentrum)
- Swedish drawers (Svenska tecknare)
- The Swedish association of Advertising (Sveriges reklamförbund)
- TEKO Swedish Textile and Clothing Industries Association.