

Jørgen Amdam

Region building and economic change in Western Norway



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REGION BUILDING AND ECONOMIC CHANGE IN WESTERN NORWAY

INTRODUCTION

In “Regionenes tilstand” (The Status of Regions), an analyses prepared for the Ministry of Interior, Tor Selstad (2004) describes the urban-rural structure in South-Norway as on figure 1. From a bird view four urban structures are dominating;

- a. The capital Oslo with bands north, south and south-west and communication changes can even include Kristiansand the coming years.
- b. The big town structure on the south-west coast from Stavanger to Bergen
- c. Trondheim
- d. The small town structure on north-west coast from Kristiansund to Ålesund/Volda.

In the post-industrial society there are a big difference between communities that are or can be integrated into these urban structures and communities on the outside. Almost all job and population growth are now in these urban zones, while the rural communities on the outside have stagnation or decline. As shown on figure 2 there are a strong geographical correlation between level of urbanity and population growth.

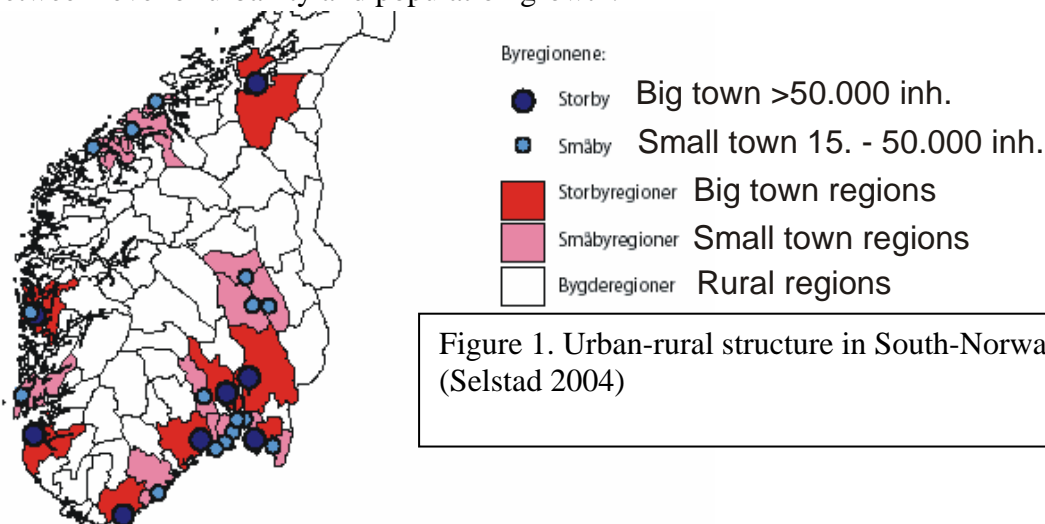


Figure 1. Urban-rural structure in South-Norway. (Selstad 2004)

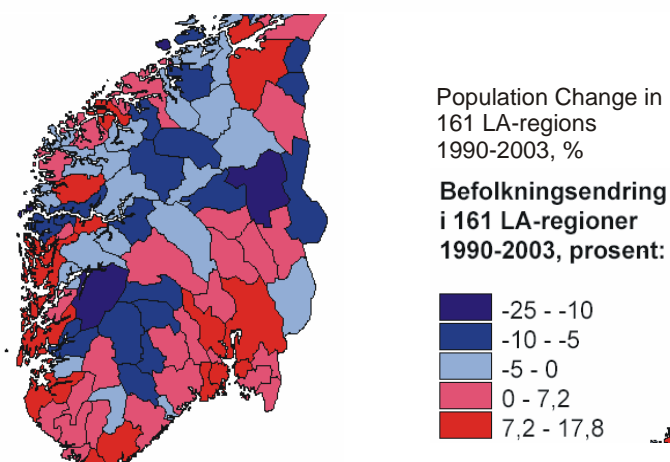


Figure 2. Population Growth in South-Norway 1990-2003 (Selstad 2004)

The process that increases the differences between the urban core and the rural periphery also influence West Coast of Norway that is changing into three major structures, see figure 1:

- a. The big town belt from Stavanger to Bergen that has almost 700.000 inhabitants and 2/3 of all jobs on the West Coast. The area is still not well integrated due to fjord crossings, but in the near future it will be possible to travel by car from Stavanger to Bergen in almost 2 hours. Oil and related industries is the dominating cluster.
- b. The small town belt in the North West that include Kristiansund, Molde and Ålesund and due to a new undersea car tunnel opening in 2007 also Ulsteinvik and Ørsta/Volda as the forth region with more then 10.000 jobs. This area has only 17% of the jobs of the West Coast, it is less dynamic then the south and dominating cluster is marine industries related to fisheries, shipbuilding and support to oil and gas activities.
- c. The marginal rural area, fjords, mountains, islands inside and between the urban structures with $\frac{3}{4}$ of the land, less than 1/5 of jobs and population and decline. This area is divided into a lot of small job markets due to the geographical structure, and have the same kind of challenges as the eastern mountain areas of Norway, see figure 1. Welfare production as well as primary production is dominating.

In 1992 Inge Krokann (1982) gave the name “Det store hamskiftet” (The big skin change) to the change from traditional agriculture into modern industrial production that started around 1860 in most of rural areas in Norway. A corresponding change has been ongoing after the Second World War, from the modern to the post modern society. On the West Coast this change is somehow different then in other part of Norway. While primary production has been reduced at the same scale as the rest of Norway, secondary production (manufacturing industries) is still important and even small peripheral job regions is less dependent of public economic transfers then corresponding regions in other parts of Norway (Effektutvalet 2004, Onsager og Selstad 2004).

REGIONAL STRUCTURE AND INNOVATION

In this article I will discuss how economic development and related changes in localisation of economic activities and jobs can influence on regional structures. In most of Scandinavia there is an ongoing process of change of political-administrative regions, typically to amalgamate counties into bigger units. The Norwegian Governments plan is to fulfil such a process before 2010, but it is still unclear what responsibilities the new regions will have and the geographical structure. In my opinion an important goal in this process must be to create political regions that correspond near to economic regions and the structure of industries – regions that have the political ability to increase regional capacity and to stimulate learning, innovation and institutional capacity (Healey 1997, Amdam 2003).

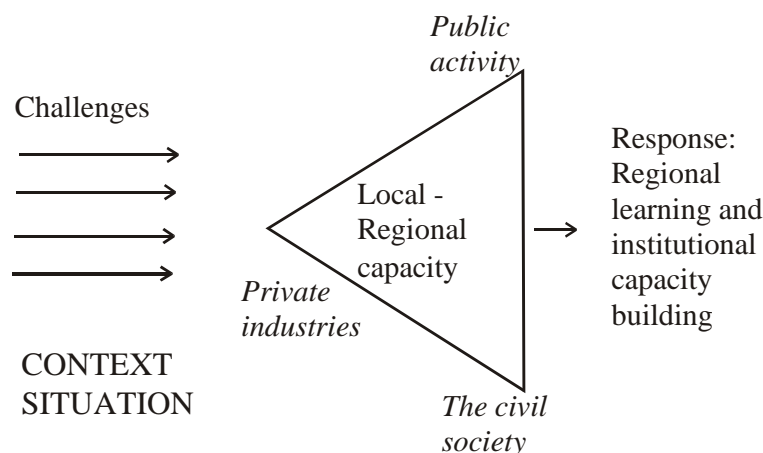


Figure 3. Regional capacity building (Amdam 2003).

In this article, the starting-point is that the ability of a region's business and industry for innovation and change is dependent on the conditions and changes in the *civil society*, in

public activity (*the public sector*) and in *business and industry* (see figure 3). The term region can have many meanings. In our context here, it refers to a geographical area between state and municipal level that appears as a homogeneous economic area in which business and industry are facing more or less the same challenges. The capability of a region to meet challenges is particularly dependent on how the various actors manage to produce and exploit competitive knowledge (Diez 2000). At the same time, challenges must be answered with strategies and measures which the whole community involves itself in and which are adapted to suit the situation and meet the challenges in the region in question (Stöhr 1990). The establishment and development of regional innovation systems requires certain conditions to be met. There needs to be an active business and industry with a high degree of co-location and co-operation, plus an active co-operation between various actors and organisations with competence in the field of developing and dispersing knowledge (Lagendijk & Cornford 2000, Storper 1997).

If one transfers this perspective to competence and capacity development – to develop “learning regions” (Asheim 1996) or “clusters” (Porter 1990) - the challenges to the system can be illustrated as in figure 3. At regional level, there are three sub-systems which have to be made to function as well as possible as a collective unit: business and industry itself, public activity aimed at competence and capacity building and the civil community. Each of these sub-systems is linked together with both larger (national and international) and smaller (local suppliers, etc) systems that form the framework of terms and challenges (Stöhr 1990).

An important task in rural capacity building is to increase the social capital. Healey et al (1999) define this task as influencing the three dimensions of institutional capital; knowledge resources, relational resources and mobilisation capability. A region with a high local openness combined with strong local capacity is usually coping better than regions with strong local capacity but a local closure strategy or a region with high local openness but weak local capacity. Traditional rural regions typically have a combination of local closure (strategic focus on traditional activities) and weak local capacity due to class struggle and internal conflicts, while flexible rural regions is both open and have high local capacity – a common strategy for development that include all important local shareholders.

Co-operation, joint development work, the building of networks, interactive learning etc seem today to be the main strategies in use to get such systems to function together and to further regional development (Asheim 1996, Asheim & Isaksen 1997, Healey et al 1999, Koschatzky & Sternberg 2000). But basic is the fact that it is human beings who develop, communicate, use and are bearers of knowledge and competence. Knowledge gathered in libraries, on the Internet, etc is passive and does nothing to further regional development unless it is activated and integrated in social processes (Amdam 2000), i.e. the development of human resources and competence. Even though it is possible for individuals to develop new knowledge, the recognition, further development, dissemination and use of such knowledge is linked to co-operation and networks between people and organisations - to social processes that require nearness (Törnquist 1997).

But what are the conditions necessary to enable such co-operation to function; can it in fact result in regional development and how can a new public regional structure influence? Are there special barriers or challenges associated with co-operation and the building of networks between business and industry, public actors with knowledge (resources) and the civil community? And what form and content can and should such co-operation involve? My focus is regional planning and development: whether it is possible to change structures and institutions and to get systems to produce other and better results for society than has been the case? According to this perspective; what are the major changes in industries on the west

coast of Norway and how can and should this influence on the coming decisions on public regions? The focus is the west coast, from the north the four counties of Møre and Romsdal with Ålesund as the biggest town, Sogn and Fjordane, Hordaland (Bergen) and Rogaland (Stavanger).

REGIONAL CHANGES

Figure 4 shows the employment change on the West Coast compared to Norway, 46% growth compared to 31% (SSB 2005). But this change was uneven as shown on figure 5. While Sogn and Fjordane have almost the same number of jobs now as in 1946, there has been a tremendous growth in Rogaland (doubling), mainly due to oil industries. The growth in Hordaland and Møre and Romsdal is low, and mainly after 1990 (services).

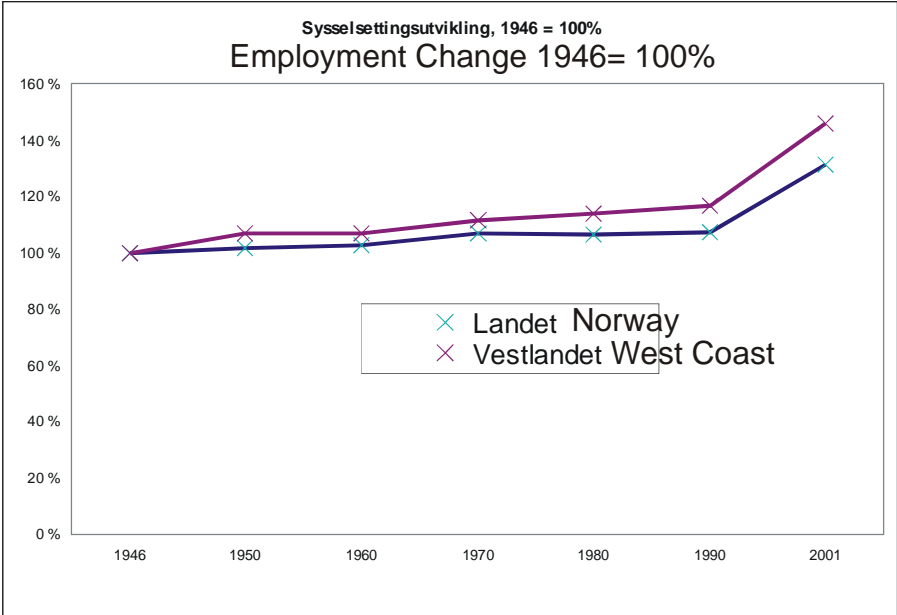


Figure 4. Employment change West Coast and Norway.

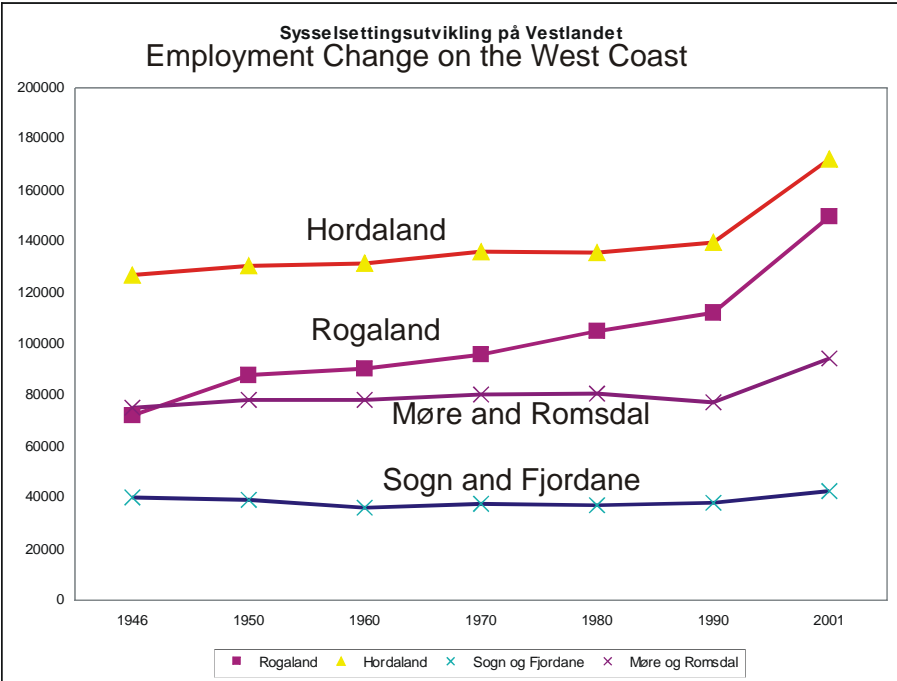


Figure 5. Employment Change from 1946 to 2001 on County level.

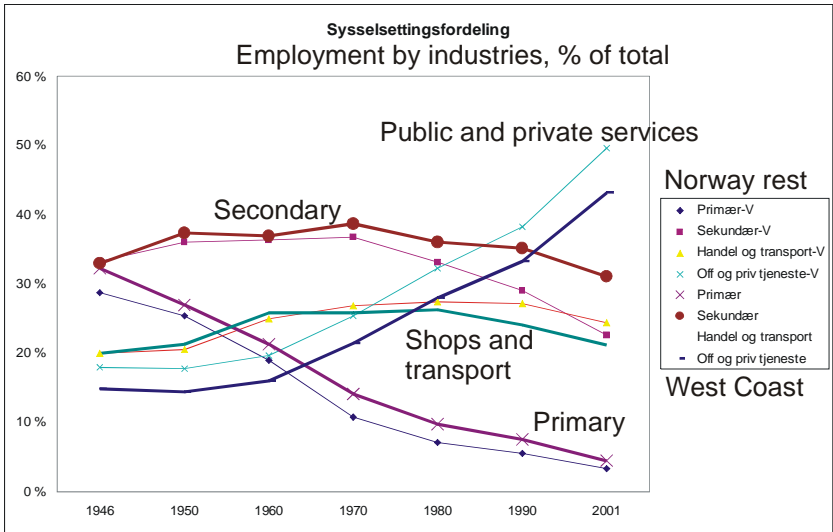


Figure 6. Employment change from 1946 to 2001 by major industries

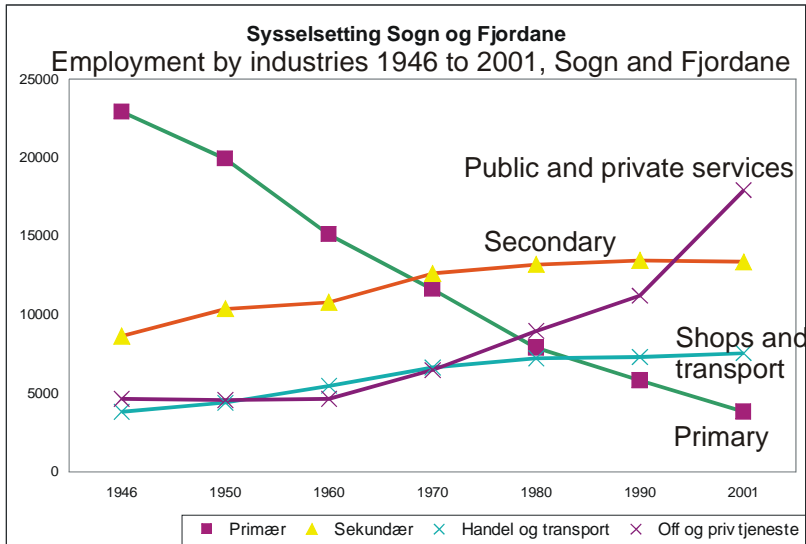


Figure 7. Employment by industries, Sogn and Fjordane.

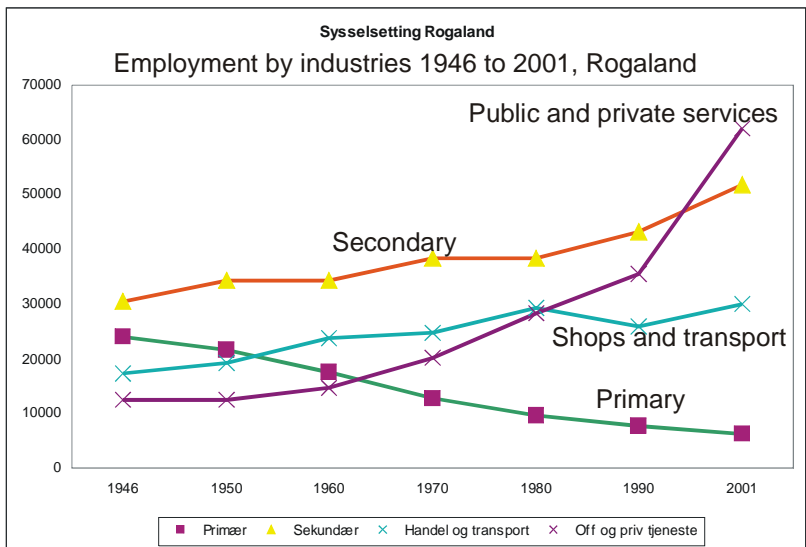


Figure 8. Employment by industries, Rogaland.

Figure 6 focus on the change in major employment after 1946, the West Coast (broad line) compared with the rest of Norway (thin line). The major differences in change are after 1960 and related to manufacturing (secondary) industries and business and transport. In 1960 manufacturing industries employed 37% in both areas, in 2001 the West Coast had 20.000 more of these jobs (31% of total employment), while the rest of Norway lost 100.000 jobs and is down to 23%. One reason is the growth of oil related jobs especially in Rogaland, but also relative growth compared to other parts of Norway in traditional manufacturing production as shipbuilding and food processing. The opposite development is in businesses and transport. While the proportion of employment (25%) has been constant in rest of Norway, it has decreased to 21% on the West Coast but still 10.000 more employed.

Regarding primary production and services changes has been more like in the two areas. While primary production employed 32% (West Coast) and 29% (rest of Norway) in 1946, the employment proportion is now down to 5% on the West Coast and 3% in the rest of Norway – this difference mainly due to fisheries. The West Coast is lagging behind in development of jobs in private and public services; 43% of jobs compared to 50% in rest of Norway.

The employment structure after the Second World War is important to understand regional changes, see figure 7 and 8. Sogn and Fjordane County is representative for peripheral regions on the West Coast, the only county without a town, while more than 4/5 of employment in Rogaland is connected to the job market of Stavanger. In 1946 Rogaland was a lot more modern regarding employment structure than Sogn and Fjordane. Primary production was proportionally of the same size as manufacturing industries, business and transport, and services. In spite of a reduction of primary production of more than 60%, the growth in other industries has more than compensated this reduction and total employment is doubled during the last 50 years. In 1946 Sogn and Fjordane had approximately the same number of jobs in primary industries as Rogaland (23.000), but these represented more than 50% of all jobs. From 1946 to 2001 the county has lost almost 20.000 jobs in primary production, comparable to the total growth of jobs in other industries, see figure 8.

The overall change of employment in industries except primary production is not so different in the four counties after 1946. The major difference was that rural areas and the two counties in the north was way behind Bergen and Stavanger regarding modernisation. Today Sogn and Fjordane have ca. 4000 and Møre and Romsdal 7000 jobs in primary production and is on level with other regions regarding structure. To compare the job growth in public and private services was 7000 (S&F) and 14000 (M&R) from 1990 to 2001.

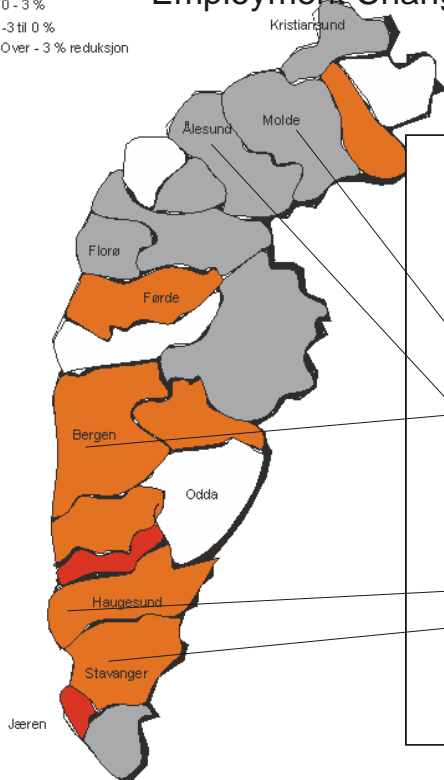
Table 1 shows the employment structure in 2003 of each of the 21 economic regions of the West Coast, from south to north. These economic regions include integrated commuting regions as well as the nearest municipalities that are outside commuting distance. What is interesting is that the employment structure is not more different. Primary industries vary between 2 and 15% (Surnadal), secondary production between 17 and 38% (Sunndalsøra), private services 20 and 38% (Bergen) and public services between 30 and 43% (Ørsta/Volda). Bergen (77%) and Stavanger (70%), the two biggest regions have the highest proportion of services, the smallest the lowest. Growth in the short period from 2000 to 2003 is higher in the south than in the north. In Sogn and Fjordane and Møre and Romsdal only Førde (service centre) and Sunndal (new aluminium plant) increased their employment. This structure is illustrated on figure 9 and also shows that Bergen and Stavanger have more than 50% of the total employment on the West Coast in 2003

Table 1. Employment by Economic Regions 2003.

Commuting region	Primary ind.	Secondary Ind.	Private services	Public services	Sum	Change 00-03
Egersund	9 %	34 %	23 %	33 %	9490	-1,1 %
Stavanger/Sandnes	3 %	28 %	37 %	33 %	118596	2,7 %
Haugesund	5 %	27 %	33 %	36 %	41401	1,6 %
Jæren	15 %	30 %	22 %	33 %	17950	6,5 %
Bergen	2 %	21 %	38 %	39 %	177684	2,2 %
Søndre Sunnhordland	13 %	26 %	27 %	35 %	4511	3,3 %
Nordre Sunnhordland	5 %	32 %	26 %	37 %	20899	2,5 %
Odda	6 %	28 %	26 %	40 %	5854	-8,0 %
Voss	9 %	17 %	33 %	41 %	7308	0,1 %
Florø	7 %	26 %	32 %	34 %	7124	-1,8 %
Høyanger	12 %	28 %	20 %	40 %	4277	-5,6 %
Sogndal/Årdal	7 %	28 %	26 %	39 %	13483	-0,6 %
Førde	10 %	17 %	31 %	42 %	13663	1,1 %
Nordfjord	12 %	28 %	27 %	33 %	13968	-1,6 %
Molde	7 %	25 %	30 %	39 %	29179	-0,3 %
Kristiansund	7 %	21 %	34 %	38 %	14448	-1,7 %
Ålesund	5 %	28 %	34 %	33 %	41825	-1,6 %
Ulsteinvik	10 %	33 %	27 %	30 %	11311	-5,6 %
Ørsta/Volda	9 %	21 %	27 %	43 %	8029	-2,1 %
Sunnalsøra	8 %	38 %	23 %	31 %	4926	2,9 %
Surnadal	15 %	25 %	24 %	35 %	4355	-3,7 %

- Over 3 % vekst
- 0 - 3 %
- 3 til 0 %
- Over - 3 % reduksjon

Employment Change by Regions 2000 - 2003



EMPLOYMENT BY REGIONS 1998

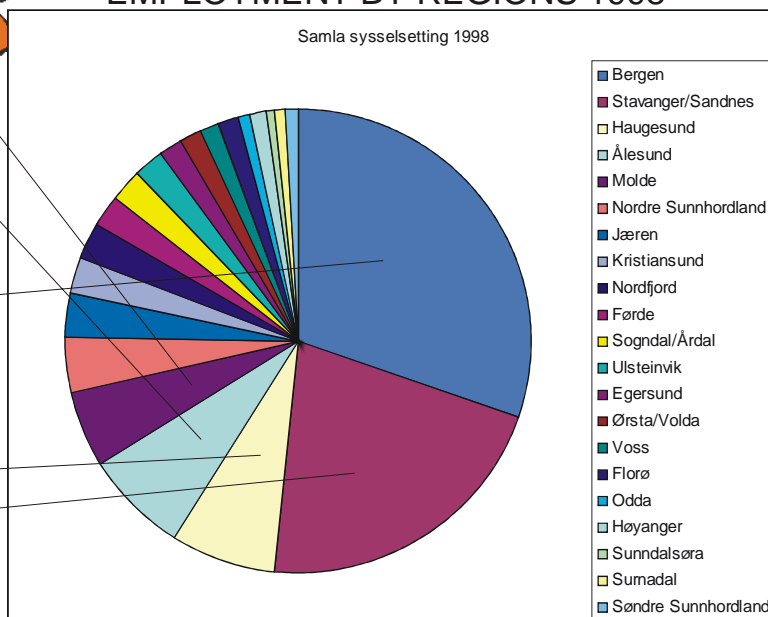


Figure 9. Employment structure and change by economic regions.

Looking on details regarding employment structure and change after the Second World War some general characteristics is dominant:

- South is growing while the North is stable or declining.
- The Coast is growing while the fjord and mountain areas is declining
- Urban areas is growing and rural areas is declining

Regional change processes – new regional integration?

These changes are also illustrated on figure 10 that shows labour market regions (municipalities where the centre is in commuting distance to the centre of the region) with more then 10.000 jobs in 2001 and the commuting area in 1960.

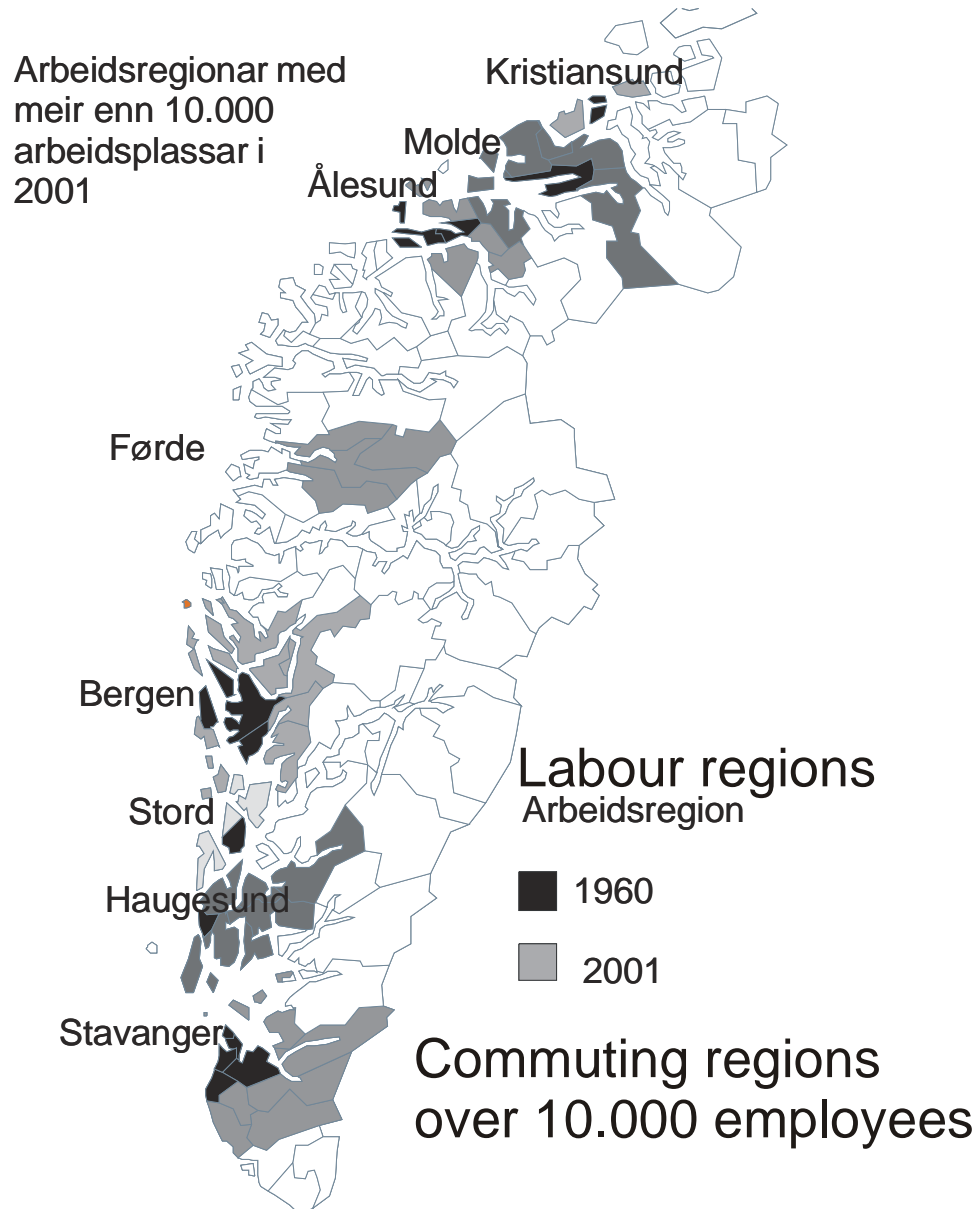


Figure 10. Labour market regions, over 10.000 employees in 2001. (Amdam 2005)

In my opinion the three most dominant forces of change on the West Coast is; communication change, change in employment structure and regional specialisation mainly due to international competition.

Enlargement of labour regions due to communication change.

Before the Second World War the sea and fjords were the dominating communication systems on the West Coast. Only Bergen, Stavanger and Åndalsnes (Møre and Romsdal) had railroads to Oslo and no north-south connection due to the high cost of fjord and mountain crossing. Also proper car roads were few and mostly near the bigger towns. Ferries for fjord crossings were extremely few before 1960.

From 1960 and onwards there have been a continuous political struggle to change the transport system from boats to roads and cars and the West Coast is still lagging well behind the eastern and middle part of Norway. To go by car from Stavanger to Kristiansund using the road system in the four counties will take approximately 14 hours and 7 fjord crossings using ferries. But some regions were earlier than other in this process, especially the urban regions. But still the commuting regions were small due to lack of proper road systems and lack of cars. In fact Sandal (1977) has shown that the commuting areas in 1960 in practice were a lot smaller than the theoretical border. The most profound structural change on the West Coast after 1960 is the tremendous geographical growth of the commuting areas. But as shown by Gammelsæter et al (2004) and Amdam et al (2000) fjords and mountains still gives borders of labour regions that are a lot smaller than direct distance. Especially in the fjord and island areas the change from boat/ferry to car is still in the distant future due to lack of proper investments and political priority.

Some integration processes are ongoing. The most dominant one is the Main Coast Road from Stavanger to Kristiansund. The plan is to make this road “ferry free” (7 ferries today) and have 2 line standards (only 40% today), a process that can take 20 to 30 years dependent of national priority of infrastructure investment. But if plans are fulfilled the road between Bergen and Stavanger can be ferry free in 10 years time reducing the travel time from over 4 to near to 2 hours. But this process will strengthen the coast and the south even more and can create a very strong town belt from Bergen to Stavanger.

The other process is better connections along the fjords – east-west and to integrate the fjords into the more dynamic coast and to integrate small town labour markets, like Kristiansund/Molde, Førde/Florø and Ulstein/Volda. But these changes will mainly have local effects. The challenge is that over 70% of the land area of the West Coast with less than 20% of the population is so distant from major towns and town belts that commuting integration is very unlikely in the near and distant future because the political power is now dominantly in the urban areas illustrated in figure 10.

Change in employment structure.

The enlargement process has been strengthened by changes in employment, especially the tremendous growth of private and public services. This is a cumulative process. Enlargement gives support for more advanced services and job growth that will multiply in the bigger region and be strengthened by structural changes due to modernisation of the society. Most of the decline in primary industries is in rural areas, while most of the growth of services is in urban areas. Due to public services the growth of jobs in services is also high in rural areas, but mostly localised to municipal centres. Figure 7 and 8 illustrate this process. Rogaland is dominated by Stavanger and small relative decline of primary industries in combination with strong growth in secondary industries, especially oil related activity after 1960, and in services has led to a doubling of employment after the Second World War. Due to communication changes most of the population of Rogaland is or will be in commuting distance from the urban core of Stavanger. The same change process is also happening in most other urban areas, except that the lack of oil activity or other growth industries gives a small decline in secondary industries in most of them and lower growth than in the Stavanger region.

The changes on figure 7 for Sogn and Fjordane illustrate the changes in rural areas not integrated into urban areas. The growth in secondary industries and services are only compensating the tremendous reduction in primary industries. As shown on table 1 private services are a lot lower (app. 25%) in small rural regions than in the urban core (over 35%). A lot of public services in rural regions are services to old and young inhabitants. Since the population increase in the urban areas and is reduced in the rural regions, this will over time give a corresponding change in public services.

Regional specialisation - clusters.

A third process is ongoing in secondary industries and supporting services. Before 1960 fisheries and fish plants were almost even spread along the coast, somehow influenced by dominating fisheries (herrings, cod ...). Typical for rural families on the West Coast before 1960 was "job combination". The family was living on a small farm and the man and/or the wife were also working in fisheries, tourism, industries, crafts, carpenter etc. dependent of the local and regional labour situation. During seasons the travel distance could be long especially for men (fishing in Northern Norway or around Greenland or building houses in Bergen). Because of the importance of fisheries for the regional economic the West Coast was very dependent on international competition as it is today. "Job combination" combined with long distance travel to work is still important in rural areas (oil activities, fisheries ..) and the region is still very dependent of international economics and to a higher degree than the rest of Norway. Changes in oil activities, international shipping, fish market regulations at once influence the labour markets of Western Norway. But market changes and international competition have also been instrumental in structural changes.

Due to technological changes, changes in fisheries but mainly due to competition fisheries and related activities are now concentrated geographically. Ålesund is the dominating fish export town in Norway. Milieus in Austevoll (outside Bergen) and Herøy (outside Ålesund) are the dominating owners of fish boats in Norway. Geographical and owner concentration is also ongoing in fish farming. Building of boats and equipment for fisheries and supply services to the oil industry are concentrated on the North West Coast (Ålesund – Ulstein), while the oil industry and supporting industries are concentrated to the South West (Stavanger). In smaller labour regions equal specialisation is ongoing like public services and education (Molde, Volda, Førde, Sogndal), tourism (Stryn, Voss), furniture (Sykkylven) etc.

What is described above is changes that can maybe be illustrated by using figure 11, based on Nilsson (1997) characteristic of economic regions. As above there are differences between urban and rural regions, as well as regions that are efficient in manufacturing while other regions are specialised in knowledge production and transfer. Can the changes above be understood as changes from one type of region to another? And what are the challenges of different types of regions on the West Coast?

The challenges of the **traditional** rural region on the West Coast are to a high extent comparable with the problems and challenges of urban manufacturing regions (Nilsson 1998). Focus is on mass production of goods and services (tourism) based on natural resources and with focus on prices, economic costs, transactions etc. and "more and better" (Onsager and Selstad 2004). Both in urban and rural areas this kind of regions have challenges meeting competition from other regions often in other parts of the world. Nilsson (1998) is of the opinion that it takes generations to change attitude and strategy in this kind of regions socially dominated by hierarchy and inequality (Putnam 1993). It is often easiest to "import new industries" than to change how the community functions.

Typical for diversified urban regions and **flexible** rural regions is a focus on knowledge and abilities and dynamic learning processes that integrate new knowledge in production of traditional goods and services and use old and new knowledge to develop new activities and markets. These regions have a strong local based growth capacity (Onsager and Selstad 2004) and have also adapted from focus on production to focus on services and the “upper” and most competent part of clusters and production chains. Inhabitants as well as industries and private and public organisations, have a strong “loyalty” to the area and the community and are willing to change to continue living locally and to increase life quality.

Figure 11. Types of urban and rural regions (Based on Nilsson 1998).

Urban-Rural	URBAN CONCENTRATION	RURAL STRUCTURE
Focus		
MANUFACTURING (Focus on economic capital)	Big scale manufacturing regions	“Traditional” rural areas - production based on land and nature – agriculture, fisheries, mining, mass tourism ...
KNOWLEDGE (Focus on social capital)	Diversified metropolitan regions	“Flexible” rural areas – diversified, focus on life quality for inhabitants

As shown on figure 1 and according to the arguments above the West Coast have today three major economic regions regarding major differences in structure, situation and challenges. But real integration as economic, political and civil regions is another challenge. As shown on figure 3, a possible economic integration must also include a social integration (common identity etc) and a political/administrative integration into a region where all actors work together to meet challenges and respond to opportunities. Such a spatial economic integration that can be extrapolated to a “total” integration, is characterised by Cornett in Bengs (2002) as:

- The development of specific geographically defined systems of production such as industrial districts, clusters of industries, or systems of innovation.
- A system of urban networks defined according to specific functional links.
- The availability of a relevant regional infrastructure linking the analysed areas together.
- Last but not least, the intensity of intra-regional flows relative to outside flows can be considered the “conditio sine non quo” when we talk of a spatially integrated area.

In short and according to Healey et al (1999) the internal knowledge structure, relations and mobilisation activities must be stronger in the region than between the region and the outside, and the region must not include sub regions that are stronger on its own than the totality. A commuting area is typically such an integrated region, but can these characteristics also include a band of partly overlapping commuting regions as will be the demands both in the south and north to create real “town band regions” and by that empower the area?

From small scale manufacturing to a diversified “metropolitan” region – the South-West?

A regional type and a regional development that maybe is characteristic for the West Coast is “Small scale manufacturing” (Nilsson 1997), also called “Flexible rural areas” in figure 11. Typical is small scale of production, flexibility, labour intensive production, small cooperating companies, etc – often is “Third Italy” used as a model for Sunnmøre and Jæren

on the West Coast (Asheim og Isaksen 1997). Regarding manufacturing the difference between the factory and the workshop are often used as an illustration and the difference between “English” and “French” industrialisation. Except the metal and textile factories, most of the industries on the West Coast has grown out of workshops and in tight cooperation with demanding customers (fishermen etc) (Wicken 1997). The “clusters” (Porter 1990) we have today is the result of such processes. But some regions are more “dynamic” than others and maybe also more lucky regarding specialisations, which also explain some of the dynamics of regional concentration.

Jæren is an example of demands for new equipment from agriculture that lead to new industries and national dominance in production of such equipment (Asheim og Isaksen 1997). But it is also the history of “English” localisation of oil industries and a flexibility regarding new markets and challenges that have created an impressive cluster regarding maritime oil activities and including both “English” and “French” companies. In the region around Stavanger is today 600 big and small companies with approximately 33.000 jobs in the petroleum cluster (Gjelsvik, Steineke et al 2002). In a Norwegian context the Stavanger region is a big scale manufacturing region and with a high proportion of foreign ownership, but still with a lot of the characteristics of a flexible and dynamic rural region.

Above I have shown that communication changes in the near future will integrate the commuting areas from Stavanger to Bergen. It will be difficult to live in Stavanger and commute daily to Bergen, but living in the middle of the area it can marginally be possible to commute both to Bergen and Stavanger and not use more time than in many metropolitan areas. But not only must the ferry free road system be built, road taxes must also be reduced to an acceptable level.

One important demand regarding integration is an economic integration. What are common both in Bergen and Stavanger are of course services but also oil related and marine activities (Selstad 2004). Stavanger is dominating the oil cluster, but on the coast companies in Bergen, Sunnhordaland, Haugesund and Stavanger are cooperating and competing regarding production and services to both the oil industry and other North Sea activities. Shipbuilding has to some extent changed into oil rig building. Fish farming are integrated into big international companies etc. The universities and other knowledge and research organisations in the area are competing internally but to a less extent than with Oslo and Trondheim and internationally. To increase economic growth a stronger regional cooperation and integration as well as specialisation on activities that have a strong regional milieu like oil and maritime activities should be promoted. But regarding economies and commuting a “deep” integration is possible in the future, but is not the situation today.

The West Coast have no diversified metropolitan region like Boston that can function as a growth centre, but is that possible in the future? Bergen can have ambitions, have a good university milieu, but to a high degree function as a campus for youth from the West Coast before getting work in the Oslo area. The West Coast actually lacks 5000 places for students compared to the national average (Selstad 2004). While Oslo is on top as 38% of the adult population have higher education, the West Coast is way under the national average 23%, only Hordaland is on the average. This lack of focus on knowledge and knowledge production is also apparent regarding research, Hordaland have only 50% and Rogaland 25% of the research budgets per inhabitants compared with Oslo and Sør-Trøndelag (Trondheim) and the North-West only 1/6.

What are the possibilities that the West Coast can meet the challenges of the post-industry society and change into a knowledge based diversified maybe metropolitan region? Well

metropolitan will be an exaggeration for the total population of the West Coast is only 1 million and as told above only the South-West coast with approximately 700.000 inhabitants can be integrated into a region that maybe can function as a diversified urban region according to figure 11. But to do so two strategies must be implemented; regional enlargement and knowledge growth. This means tremendous investments in communications, especially road building, and universities – education and research. The area has already a high knowledge base regarding petroleum activities and also regarding marine and maritime activities.

Since economic integration is possible in the future, can a political/administrative change promote this development? In reality the major challenge of the area is the capital Oslo and an integrated South-West region is maybe the only region nationally that can compete with Oslo. But to do so the region must develop a common strategy and also have common means to fulfil goals and tasks and this can most easily be organised by a common political/administrative structure. But a common “enemy” is maybe not enough in an area with strong local and regional identity that from old are “organised” around the fjord systems and where Bergen and Stavanger from old have competed economically and politically. An amalgamation “from above” can easily increase the conflict level between the different identity regions, between the two big towns and between urban and rural areas.

Growing self –developing urbanised rural areas in the North-West?

So what regarding the North-West? Is this a stagnating former flexible rural area with a little dynamics in the small towns? While the South-West have scale and is already growing, the North West’s lack of scale and growth is a profound challenge. The geography also makes it difficult and very expensive to enlarge labour markets and to integrate the urban areas. While the South-West is still growing regarding advanced services, Oslo is functioning as the service provider for the North-West and with small local growth in advanced services and jobs. The North-West is even among the most difficult regions in Norway regarding communications (Selstad 2004). The communicative change from sea to land is still going on and will for a long time.

Fisheries, maritime and oil related activities integrate the small town band from Kristiansund to Ørsta/Volda and also most of the coast in Sogn and Fjordane. Kristiansund region have a “new spring” related to oil and gas activities, Ålesund and Ulstein regions is dominant in fisheries as well as building, equipment for and use of fish boats, supply boats for the oil industry. Ownership is a challenge in the area since a lot of the dominating companies have been taken over by international companies like Rolls Royce (who have their maritime headquarter in Ulsteinvik), Aker Group etc.

With proper investments in communications it should be possible to integrate better the area from Kristiansund, Molde, Ålesund, Ulstein to Volda. By road building and tunnels under fjords to get rid of ferries it can be possible to reduce travel time to maybe 3 hours compared to over 4 today. The needed investment is maybe 10.000 mill NOK and the population that can be integrated into this zone is only 200.000. It is not possible to finance this kind of investment without heavy national investments. And the communicative integration itself gives no guarantee for growth and dynamics. The region is an important international cluster regarding specialised boats and equipment for fisheries and oil activities in climatic challenging areas, as well as for fisheries. It will be very important to support this cluster regarding competence, knowledge, research, economic support etc to be dynamic on the international market in the future and by that create conditions for stability and growth in the region – to be a flexible and dynamic “rural” area in the future. The demands and challenges

are a lot higher than in the South-West and also the need for supporting regional and national policy.

Interestingly the North-West town belt is already politically integrated as a County, but has a lot of political conflicts between the three fjord systems. Economically one could argue that the coastline of Sogn and Fjordane also is integrated into such a unit. On the other hand the fjord- and mountainous eastern part of Møre and Romsdal have a lot in common with the small regions in Sogn and Fjordane and the inner part of the South-West Coast. The major challenge for a more total integration is the lack of communications. The fjords that made integrated regions with small towns on the coastline are today a major challenge for north-south integration. By direct line it could be possible to travel from Kristiansund to Ålesund in less than 1.5 hours; in reality it takes 3 dependent of the ferry to Molde and low road standard. A ferry free road crossing is very expensive. Further integration from Ålesund to Ulstein and Ørsta/Volda is also extremely expensive due to deep and broad fjords. The area is a lot more dependent of services from Oslo than from Trondheim or Bergen.

Gammelsæter et al (2004) argues for an amalgamation of the North-West coast into one region due to a lot of common challenges that especially are different from the big town area in the south. Such a region will be dominated by rural small and medium size municipalities and commuting regions. Of a total population of approximately 360.000 inhabitants, only approximately 150.000 are living in the commuting areas of the three towns. If one focus on common interests, the small town belt on the coast can have other interests in the future than the rural periphery, especially in a possible future where globalisation and economic development is more dependent of what is happening in the commuting area than in marginal surroundings.

What so regarding the traditional rural areas on the West Coast?

The area outside the South and North town belts, what do they have in common except stagnation and decline? Looking at table 1 the area consists of two economic regions in the north, Sunndalsøra and Surnadal, that in the future can be integrated into the Trondheim region due to communication changes. In the middle are 7 economic regions from Odda in the south to Nordfjord in the north, or the County of Sogn and Fjordane together with two economic regions in Hordaland, with a total population of approximately 150.000 inhabitants. This area has from old been dominated by Bergen as the service and administrative town and connections are still strong. Each of these 7 economic regions has areas that are outside commuting distance from “region centre”, the lack of communicative integration is profound. Employment structure and challenges are also varying and one can point to that the only common situation is that they are outside commuting distance of a town with at least 15.000 inhabitants! But this characteristic these regions have in common with all of the white area on figure 1, i.e. most of the mountain area of South Norway. But compared to remote regions in the east of Norway the marginal regions on the West Coast have a strong tradition of manufacturing industries. As shown above the primary industries are reduced as in the rest of Norway, but even in these the small regions secondary industries are still important (see table 1) and as shown on figure 7 that include 5 of the 7 regions, employment in secondary production have grown after 1946, but stabilised after 1970.

While the possibilities for integration that can stimulate growth are high for the urban South-West, and maybe for the urban-rural North West, the marginal rural areas of the South Coast have even higher challenges. The area has a lot of commuting regions with small possibilities for integration into bigger urban regions, big in land and sea and small in population. Some of these regions like Årdal, Sunndal, Odda is dominated by big scale metal production and are already going through downscaling processes. Other regions are very dependent on

agriculture and/or fisheries. Since the population is small, even small changes in employment can make big growth or decline.

Further decline in primary industries will be going on, also decline in “English” established manufacturing industries will certainly happen and with small possibilities for new manufacturing jobs as compensation. But small scale and a tradition of social equality and flexibility, will to live in a certain region, is maybe the most important means for development. The national change from a rather young population focused on manufacturing to an older population focused on welfare and dependent of oil incomes, combined with growing social conflicts in the rest of the world, maybe gives new possibilities for small rural communities.

Rural communities on the West Coast have historically few of the social differences of the typical big farmer – land worker communities of most of Scandinavia. Farms was small, all inhabitants equal poor, but also open to the bigger community since the sea transport system was perfect for jobs as seamen, fishermen etc (Gammelsæter et al 2004). Healey et al (1999) characterise such communities as having strong local social capacity combined with local openness. This is a strength also regarding integration of “differences”, as we see small challenges regarding foreign workers in the industry etc. As the number of old people will double in the coming 30 years, social unrest maybe will increase in the typical “old town areas” in the south – can maybe the very social secure fjord and island communities on the West Coast be places to escape from a turbulent world? Can care, tourism etc be growth industries for at least some rural regions?

Conclusions - regional organisation in the future

According to economic integration or lack of such processes, the West Coast can possibly be divided into three areas with more or less common situation and challenges in the future:

1. The strong and dynamic south-west town belt from Bergen to Stavanger that will be more and more integrated in the near future due to road building and economic concentration and integration, but still have a lot of challenges regarding social integration (identity, dialects etc)
2. The small town belt in the north-west from Kristiansund to Volda where economic and social integration is in a distant future due to communication difficulties, but that have strong common interests in development of a more integrating communication system as well as cooperation to reduce the tremendous dominance of Oslo regarding services both to producers and consumers.
3. The rural “rest”, i.e. the county of Sogn and Fjordane and the inner (eastern) part of Møre and Romsdal, Hordaland and Rogaland. This areas common interest is the localisation outside commuting distance from towns, the difficult geographical structure due to fjords and mountains, the tremendous needs for communication improvements and the lack of development of advanced services and jobs. If not a geographical integration, the area has a strong need of common empowerment politically and economically.

A political structure that corresponds fully to this structure is maybe not realistic, mainly due to the geographical structure of the “rural rest”, see figure 1. But the economic structure shown above can be used to discuss pros and cons regarding proposals. This is not the major goal of this paper, but I will shortly comments on some of them here.

One region for the West Coast. This political structure will be dominated by the south west town belt that will have more then 2/3 of the population. It is very uncertain that the northern part of Møre and Romsdal will join such a construction due to the nearness to Trondheim. The

student flow to university towns has their border in Romsdalsfjorden south of Molde. This will be a strong region nationally, but if no proper understanding is developed between south and north, coast and inland, town and rural there can be a lot of conflicts that will reduce the external and internal political power of the region. The major challenge is a lack of integration south-north, for a lot of commuting areas Oslo is “nearer” than Bergen or Stavanger.

Two regions; South and North. The south will consist of Rogaland and Hordaland and maybe the part of Sogn and Fjordane south of Sognefjorden. The population will be approximately 800.000 inhabitants. The two towns of Bergen and Stavanger will dominate the region and if they can cooperate and integrate activities as well as plans, this can be a rich and dynamic region that can even stimulate the marginal inner regions. The north will include the rest of Sogn and Fjordane and Møre and Romsdal, maybe except Sunndal and Surnadal regions – and a population of 300.000 to 350.000 inhabitants. The small towns do not have the dynamic today to stimulate the totality and communicative integration will be difficult. The area has more in common as a political empowerment structure regarding national and maybe international policy than economic and social integration. While Sunnmøre and Ålesund traditionally have been “on their own” (Gammelsæter et al 2004), the northern part of the area is near connected to Trondheim, while the southern part is connected to Bergen. The region can be full of internal conflicts that will give passivity and lack of political focus on economic and social development.

Three regions; Møre and Romsdal as it is now and; a) maybe a big town and a “rural” region or, b) Rogaland as now and an amalgamation of Hordaland and Sogn and Fjordane. The last alternative will divide Bergen and Stavanger and can reduce the synergic effects of an economic integration as shown above. Both Møre and Romsdal and the new “mid-region” will have internal conflicts between urban and rural, coast and fjord and in the north also between the small towns. The positive effects of this structure can be a clearer structure regarding town and hinterland and can stimulate that integration. Alternative a) is rather unrealistic except in a political sense maybe to create a regional structure that more easily can fit to nuts 2 support regions of the EU. In this case such a “rural region” should also include most of the mountain area of southern Norway, i.e. most of Hedmark and Oppland, maybe even parts of Rogaland, Agder, Telemark, Buskerud and Sør-Trøndelag, see figure 1. Such a region would, due to communication challenges, need a new kind of “distributed and information based” political and administrative governance.

Also other alternatives like a two layers system with only big municipalities that correspond to economic regions have been discussed (Amdam et al 2000), but is today politically unrealistic. The challenge is of course that while economic integration is continuously going on in an area like the West Coast of Norway where major communication changes still are going on, where international competition clusters activities geographically and strengthens urban areas, especially the social integration is lagging behind. Due to the continuous economic and social changes political integration into stable spatial governing units is difficult. This is also apparent in the fragmented states own spatial organisation processes. Today state activities in Norway are organised in 29 different ways that increase spatial coordination tremendously (Amdam 1997). Especially the possibilities of polycentric cooperation and organisation as promoted by the EU system (Bengs 2002, Selstad 2004), can give new possibilities and challenges – but that is another story.

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