

# INFORMATION

REGIONAL POLICY

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## REGIONAL STRUCTURE AND POLICY OF NORWAY

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Norway comprises 454 communes, or local administrative units; and for statistical purposes these are usually divided into five regions. There is no country in the enlarged European Community in which regional problems are so completely determined by natural conditions as they are in Norway.

The country is two thousand kilometres in length from the northernmost to the southernmost point; only 3 % of the territorial area is suitable for cultivation, while forests cover 23 % and the remaining 74 % consists of mountain, rock, marsh-land and other barren areas.

Mainly for reasons of climate the population is highly localised in the southern part of the country and near the coastline. Three Norwegians in every four live within 15 km from the sea; and, because of the mountains and the broken coastline, most of the transport is carried by sea.

The population density (12.6 per sq km) is very low, and extremely unevenly distributed. The east region, which covers only 29 % of the territory, has 49 % of the population.

Oslo, with its suburban area, has 640,000 inhabitants. The only other cities of comparative importance are in the west (Bergen, pop. 155,000) Stavanger (82,000), the south (Kristiansund 55,000) and the centre (Trondheim, 125,000).

The currents of inter-regional migration are all towards Oslo. Between 1951 and 1968 this region has gained 100,000 inhabitants, or 9 % of its population, by immigration. The eastern region, of which Oslo is part, has 53 % of the total working population and dominates all sectors of the Norwegian economy.

Unemployment, though it is not widespread, varies in intensity from one region

to another. In 1970, as a proportion of the working population, it did not exceed 0.5 % in the east, but was as high as 2.5 % in the north.

The average income per inhabitant in 1969 (on the basis: Norwegian average = 100) was highest in Oslo (119) and lowest in one of the counties in the mountainous part of the west region (80).

#### Nature of the regional problems

It is not easy in Norway to distinguish the regional problems from the national.

Agriculture, which occupies 12 % of the working population, is carried on in climatic conditions much less favourable than in the European Community. The temperature falls below zero on 140 days a year in Oslo, 135 days at Trondheim and 175 at Tromsø. Because of the mountainous country the agricultural holdings are small and scattered throughout the territory, making mechanisation difficult.

Fishing is more important in Norway than in any of the countries of the European Community. In recent years the Norwegian catch has varied between 2.6 and 3 million tons, or nearly double the whole of that of the EEC. Products of the fisheries account for between 13 and 15 % by value of all Norwegian exports, and account for between 85 and 90 % of the industry's product. The fishermen, of whom there were no more than 45,000 in 1970, represent about 4 % of the working population; but with the ancillary activities (canning and preserving, fish-flour manufacture, ship-building, transport and the commercial side) fishing provides, directly or indirectly, the livelihood of between 20 and 40 % of the population in some counties.

The Norwegian fishing fleet consists of 36,000 vessels, most of them very small and with a total of only 390,000 tons. The problems, therefore, are those of a fishing industry which is most frequently a family, or an artisan business, fishing the coastal waters, and the very existence of which might be endangered if the principle of free circulation in the European Community were applied without discernment.

Over the whole territory, the problems of the rural regions and the fisheries are often indissolubly linked. A narrow band along the coast has made rural development possible on a modest scale, and the Norwegian seas provide a large part

of the income. If either of these activities were to disappear, there would be no future for the inhabitants of these regions, except emigration.

The concentration of about a million inhabitants in Oslo, and along its fjord, is a problem of a different character. The region contains a quarter of the country's population, and the problem making itself felt is the lack of space.

Development of regional policy since 1950.

It was in 1950, in the northern part of the country, that the first regional problems came to the surface. Once the reconstruction period was over, unemployment in the north, alike structural and seasonal, was considerable; and the income per head in the region was scarcely more than half the Norwegian average.

In 1951, the Norwegian Parliament adopted a development programme for northern Norway, including the formation of a Development Fund and fiscal advantages for firms setting up there. Various infrastructure works were also carried out, especially road-building.

Between 1961 and 1970, there was a continued movement of population from many regions into the urban concentration areas (mainly Oslo). This led the government to put the accent of its policy on the development of small growth centres in districts where problems were arising.

The long-term regional policy programme for 1970-73 is angled on three objectives, which are often mentioned by the authorities concerned. These are : 1) maintenance of a certain scale and density of population throughout the country; 2) maintenance of an adequate agricultural population which is needed for the maintenance of a population of fishermen and vice versa; 3) the maintenance of the military bases at the Russian frontier requires a certain minimum population.

The definition of regions in which aids might be granted goes back to 1969. The scope of Norwegian regional policy may be described as covering the entire territory, except for the zones which include the country's five biggest cities — Oslo, Kristiansund, Stavanger, Bergen and Trondheim. Regional aid can be obtained over

a geographical area covering 75 % of the total territory, and inhabited by 900,000 people, or 23.4 % of the total population.

2 The biggest of the aids has consisted, since 1971, of a system of equipment bonuses, which may amount, as a proportion of the total investment in buildings and material (to) :

- 35 % in the area from the north of Trondheim to the Soviet frontier ;
- 25 % in the mountainous area of southern Norway ;
- 15 % in any other region in which the manpower has to make long migratory movements in both directions. The subsidies are intended only for firms engaged in mining, manufacturing industry, artisan production and the tourist and construction trades.

#### Results of the regional policy

In the period 1960-71, the total commitments under the regional policy have amounted to 2 billion Norwegian kroner. This includes subsidies, loans and guarantees for loans.

In 1961-70, the Regional Development Fund, which is responsible for aid to firms setting up in development regions, has granted loans and guarantees to a total of Kr. 1,166 million. About 60 % of this went to industry, the main beneficiaries being the timber and furniture, electronics, food production, ship-building and machinery industries. The east region, which is the most developed and has 49 % of the population, received 26.1 % of the loans and guarantees; and the north, which has only 12 % of the population, received 26.9 %.

An examination of the inter-regional migration prompts the following remarks :

- the Oslo fjord district has still had a big inward movement in recent years. The scale of this was scarcely below that ruling ten years earlier, with an average of 5,842 per annum in 1961-64 and 5,473 in 1968.

- the north region has a consistently outward movement, which indeed, had doubled at the end of the period, with a population loss of 4,219 in 1968 against an average of 2,055 in 1961-64 ;
- the west region has a quite considerable outward movement (an average of 2,082 in 1961-64 and 1,662 in 1968).

Unemployment fell in all regions between 1960 and 1970; but in the north region it is three times the national average.