



From restructuring project to restructuring community?

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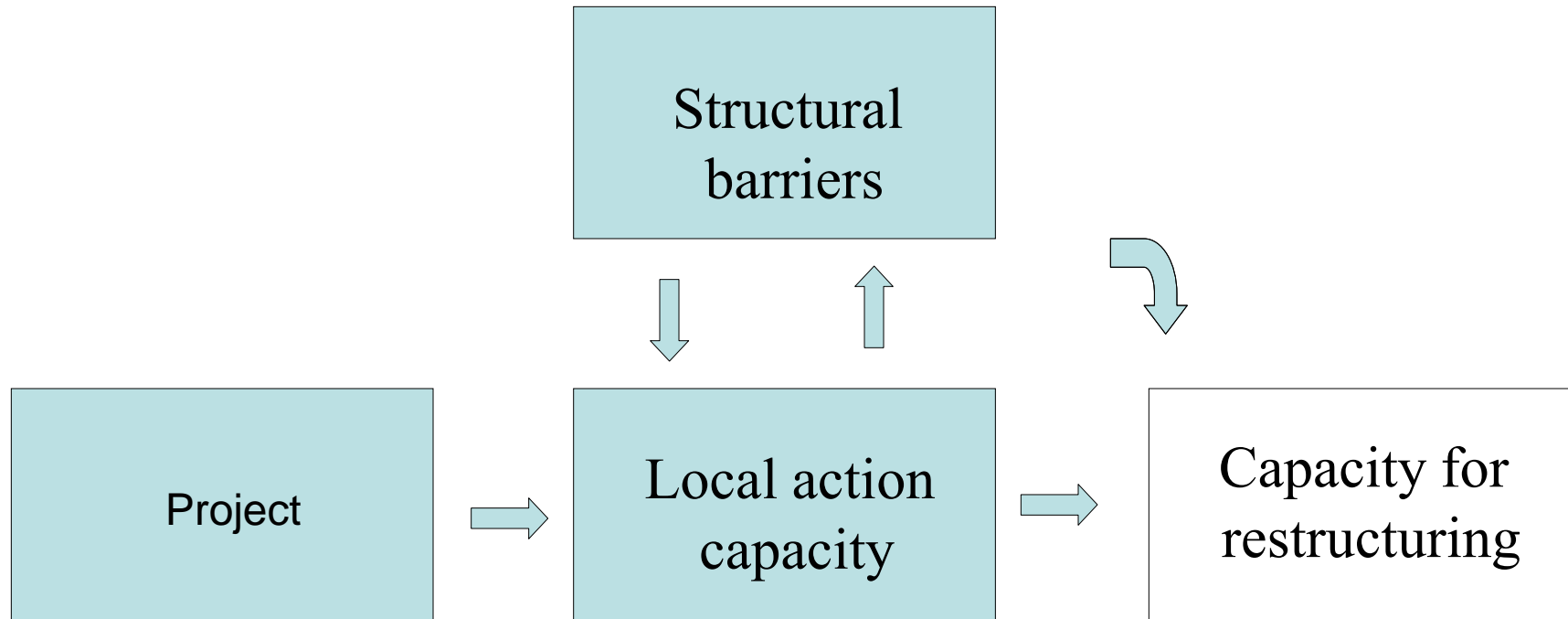
Introduction

- The paper is based on an evaluation of restructuring projects in three small Western Norway towns
- The projects are parts of a nation-wide restructuring programme managed by the county municipalities and Innovation Norway
- Our cases are two company towns (Årdal, Høyanger) with aluminum factories and a coastal town (Flora) with fish processing and shipyard

Determinants of capacity for restructuring and innovation

- Local cooperation or fragmentation?
- Learning or lock in?
- Institutionalisation of innovation
 - Working innovation systems?

- Are structural barriers reduced?
 - Attractiveness for labour and capital?
 - More robust communities?



Local cooperation

	Flora	Høyanger	Årdal
Supplier networks	XX	X	XX
Development projects for SME`s	XX	X	XX
Incubators	X	X	X
The restructuring project as cooperative arena	XX	XX	XX
Stronger business associations	XX	X	-

Learning or lock in?

- The challenge: to change in a way that is anchored in existing knowledge and advantages
- A long learning history - lock in more of a problem 20-30 years ago
- We find learning through "connectivity" – connecting complementary expertise in order to solve problems in a project context
- Too early to conclude regarding the development of lasting networks for knowledge transfer - "local buzz"?

Institutionalisation of innovation

- Local innovation systems are connected to a nationwide and regional network of actors and institutions
- Vertical connections are probably more decisive than local connections
 - Cooperation of firms (towards and within concerns)
 - Technology (national cooperation field)
 - Financing and project support (regional)
- A multi level innovation system

Structural barriers: Attractivity and robustness

- Out migration of young people persists
 - Årdal had to recruit workers for two new factories from Eastern Europe
- Attractiveness for capital is still a problem
 - Temporarily solved by extraordinary public grants to Årdal and Høyanger
- Woundable communities, partly due to a lack of integration in larger labour market regions
 - If there is a lock in, it is found in the focus on local change

Conclusions

- An unresolved tension between local embeddedness and robust regionalisation
- Strategies directed towards local innovation capacity cannot stand alone
- Also necessary with policies to reduce structural barriers and create larger labour market regions
- A narrow focus on innovation policy is a problem for communities in the periphery