KOMMUNAL- OG REGIONALDEPARTEMENTET

Ministry of the Local Government and Regional Affairs

Statement

Growth - in all parts of the country

The minister, Erna Solberg´s statement to
the Norwegian Storting, Tuesday, April 30, 2002

GROWTH – IN ALL PARTS OF THE COUNTRY

1 INTRODUCTION

In the declaration containing the Coalition Government's political platform, known as the Sem declaration, we state that regional policy will be strengthened in order to maintain the settlement pattern, promote growth and foster viable communities throughout the country.

The Government will pursue a forward-looking rural and regional development policy, focusing on opportunities. We will lay the basis for the creation of permanent and profitable jobs and for people to be able to lead satisfying lives all over the country.

From a global standpoint, Norway is itself an outlying district. We must establish a general framework to promote the development of internationally competitive companies and industries. This is particularly important for our export-oriented industries, many of which are localised in rural areas.

We will create a framework so that more of the substantial potential for growth in Norway that has so far not been exploited can be realised – not least in rural areas. The values created by business and industry are the basis for welfare, employment and settlement all over the country.

To secure existing jobs and generate new profitable jobs, we need to strengthen our innovative ability. Rural and regional development policy measures must be designed to bring more projects from the idea stage through to profitable commercial activity. The role of central government must be based on the principle that growth is always generated from below.

I would like to stress that it is not just a question of securing jobs in rural areas, but also of creating areas that are attractive and that provide good housing and living conditions. Rural and regional development policy is intended to further develop these conditions. At the same time, municipal authorities in rural areas must do more to market the qualities rural areas have to offer as places to live vis-à-vis the public and the business sector.

2 UNDERLYING PRINCIPLES

Norway is a country of great variation and rich **diversity**. Over the centuries we have developed a variety of ways of living, cultures, dialects, languages and cultural landscapes that represent valuable assets. The Government will safeguard and continue to develop this diversity through its rural and regional development policy.

To safeguard overall **economic growth** in Norway as a whole, all parts of the country must be involved. The extraction of raw materials and primary production in rural areas provide the basis for much of Norway's economic growth, but there is potential for much more here. Belief in the potential of an area is important to trigger innovation and generate growth. The Government will support the optimism and belief in the future that is characteristic of much of rural Norway.

The country is not built by the central government. The central government should create a framework so that individual people, companies and institutions can apply their energies and create wealth for themselves and for the country. The Government focuses on **the individual**. This also applies to rural and regional policy. Each one of us chooses where we want to live and work. The central government's responsibility is to pursue a policy that makes this freedom of choice real.

We stress the importance of the right of individuals to make decisions on issues that affect their own lives. Political decisions will be taken as close to those affected as possible. We will therefore **delegate** more authority to lower levels in the public administration and decentralise more responsibility and tasks to the municipal sector.

Competition in a national context triggers individual drive and the will to be creative. It is also essential to the country's competitiveness in an international context. Competition has a invigorating effect and is an important driving force for development and change.

The Government will **compensate for market failure** by targeting measures more specifically, so that all parts of the country will have opportunities for positive development and equitable conditions for competition. However, the main responsibility for growth in Norway lies with the individual person, the individual company and the individual region.

Local communities facing substantial and unmanageable challenges in the form of a weakening of the commercial base and depopulation on a large scale shall **be confident** that the Norwegian community will offer support and make an active contribution in a transitional period – until the local community can resume the main responsibility for its own development. Each one of us shall feel safe and secure in the knowledge that basic public services will be maintained.

3 SHIFTS IN SETTLEMENT PATTERNS

3.1 Centralisation at all levels. Rural municipalities with a capacity for growth exist

There have been considerable changes in the settlement pattern in Norway over the past decades. While population numbers have largely declined in areas of scattered settlement and small rural centres, there has been some population growth in small, urbanised rural areas and somewhat stronger growth in small towns and the surrounding region. At the same time, the population has increased most in the cities and their surrounding areas.

The phenomenon of migration towards urban centres is not confined to Eastern Norway. Most people who move from rural areas and settle in an urban area move to their regional centre in one of the five main regions. Growth has nonetheless been strongest in the Oslofjord region.

The increasing demand for labour in central parts of Norway is partly being met by an influx of people from other regions, but also by commuters from surrounding areas. The commuting hinterland surrounding towns in rapid growth is therefore increasing. This development has been made possible by improvements in transport, commuters accepting longer journeys and more flexible working conditions.

However, the tendency to centralise has exceptions. Austevoll municipality, with just over 4 500 inhabitants, has grown by more than 14 per cent over the past 20 years. Vik, an even smaller municipality, grew by close to 11 per cent. In other words, growth is not solely dependent on size.

Migration still flows mainly from the periphery towards the centre. But it should be noted that the number of people moving away from rural areas has not increased over the last 10-20 years. On the contrary, domestic migration has diminished.

3.2 Driving forces behind centralisation

The declining population in many outlying municipalities is no longer due to depopulation alone. It is equally a result of demographic conditions. Women in rural Norway are having fewer children now than they used to. Combined with a distorted age structure, this means that many rural municipalities now have a birth deficit.

Necessary structural changes have resulted in a decline in employment in several traditional rural industries. At the same time, there has been an increase in typical urban sectors such as personal and business services. There is evidence of the same trend all over the world.

In the transition to a knowledge society, people and businesses have a tendency to congregate in towns, even though technological developments in themselves give people more choice in where they want to live. The spatial proximity and the diversity experienced in towns seem to provide the best framework for interaction and dynamism.

3.3 Local qualities and where we prefer to live

The Norwegian population has no long tradition of living in towns. Our preferences, however, are becoming increasingly urban. More young people grow up in urban areas. At the same time, an increasing number of young people move into the towns to attend schools or to gain work experience.

Nevertheless, when we settle down, most of us place emphasis on qualities other than those offered by large towns. Many of us want to settle down in smaller localities with a safe environment for children, an active and thriving local environment, where we can be near our families and living costs are reasonable.

3.4 Future developments

Development trends reinforce each other, making them more difficult to reverse. Of course, centralisation is not new, nor is it a particularly Norwegian phenomenon. About half the population growth in Norway is a result of international migration. Since immigrants primarily settle in central areas, this also has a centralising effect.

Although there are strong indications that centralisation will continue, we will not be passive bystanders to this trend. We will lay the basis for growth in various parts of the country so that everyone can enjoy real freedom of choice with regard to where they live and work.

Growth can be generated – in large and small local communities. Growth communities are characterised by enterprise, cooperation and innovative ability. The basis for growth comes primarily from the community itself – from individuals, businesses and local authorities, and from their ability to work together and think along new lines. This is important to bear in mind when policy is being formulated and decisions are being made about the use of central government policy instruments.

4 OBJECTIVES, TARGET AREAS AND TARGET GROUPS FOR RURAL AND REGIONAL DEVELOPMENT POLICY

The Government will create a framework so that *each individual person has real freedom to settle wherever he or she wishes.*

We will work to deliver the business potential we know exists in various parts of the country and lay the basis for equitable living conditions.

However, it is not possible for the Government to stop centralisation altogether. Centralisation is a result of ongoing structural changes in the business sector and of changes in where people prefer to live.

For several decades, changing governments have consistently pursued the objective of maintaining the main features of the settlement pattern in Norway. Nonetheless, centralisation has continued, at all levels. It is therefore time to ask ourselves where we want to be when another twenty years has passed.

The Government's objective is to curb a trend whereby the Oslo region continues to grow far more rapidly than – and at the expense of – the rest of the country. We will promote the further development of growth regions in all parts of the country and preserve the main features of the settlement pattern, so that we can continue to deliver the potential for growth that the country has to offer. Our settlement objective for the next twenty years is to achieve a more balanced development, with population growth in all regions.

The Government's rural and regional development policy will follow four main lines of approach:

- We will ensure that the basis for good living conditions exists in all parts of the country.
- We will establish framework conditions that are so favourable that companies, capital and labour remain in Norway, and that Norway is attractive to foreign investors.
- We will give priority to measures that can strengthen our capacity for innovation and enterprise in all parts of the country.
- We will focus more on regions and centres that display a potential for growth. We will support growth already in progress.

The Government's strategy will focus on effective exploitation of our resources, wherever these resources are to be found. We will promote restructuring, innovation and entrepreneurship, and we will pursue a policy that enables young people and women to make use of their resources to a greater extent. Immigrants should also be more able to exploit their potential than is the case today. Potential entrepreneurs will be the main target group for measures focused on the business sector.

Attracting young adults about to settle down will be important to rural areas. This group is highly mobile, and relatively large numbers of young adults are interested in settling outside large towns.

Not all local communities will experience population growth. However, localities with a decline in population must also be safe, good communities to live in. The Government will ensure a stable base for equitable living conditions, primarily by means of the municipal income system. People all over the country shall feel assured that basic services will be available in the areas of education, health, care, law and order, etc.

5 MAIN APPROACH FOR IMPROVEMENTS IN RURAL AND REGIONAL DEVELOPMENT POLICY

5.1 Improved framework conditions for growth

Economic growth in the country as a whole is essential for development in rural districts. It is therefore also important from a regional policy perspective that economic policy is designed to promote economic growth and efficiency in general.

Good conditions for the business sector are necessary to develop profitable and competitive companies that can contribute to stronger growth. Business and industry all over Norway operate in an increasingly global market. It is essential particularly for growth industries in rural areas that we avoid excessive wage growth and cost inflation. A further scaling back of the internationally exposed sector will have a particular impact on rural areas.

In the Sem declaration, the Government announced its intention to reduce direct and indirect taxes that inhibit enterprise and weaken competitiveness. The temporary double tax on dividends and the indirect tax on passenger transport by air have already been eliminated. It has been decided to eliminate investment tax from 1 October 2002. The Government will implement further direct and indirect tax cuts to improve the basic conditions for economic growth in Norway. The Government has announced its intention to introduce a reform of income tax and wealth tax. An expert committee will be conducting a broad assessment of the tax system, submitting its recommendation by the end of 2002. The committee will also assess the division of tasks between the various areas of taxation policy, and between taxation policy and other policy areas – such as rural and regional development policy.

There is a labour shortage in many sectors and areas. Growth in many rural municipalities is hampered by a shortage of qualified personnel. An important part of the Government's rural and regional development policy is therefore to increase the labour supply. We will free up labour resources in the public sector, encourage more people to work more and for longer, and make it easier for persons outside the EEA area to acquire a work permit in Norway. We are for example making it simpler for Russians in the Barents Region to take employment in Northern Norway.

5.2 Measures to promote enterprise

In recent years, increasing attention has been focused, at home and abroad, on the significance of entrepreneurship and innovation in revitalising the economy and promoting growth.

There are fewer business start-ups in Norway compared to other countries, and there is a particular need for innovation in rural areas. The Government is therefore working to develop an overall, proactive innovation policy in which developing a culture of entrepreneurship and fostering entrepreneurial skills in schools are fundamental elements. The Government will

- encourage research and development focused on the business sector
- facilitate interaction between the business sector, expert groups and the public sector
- orient the support infrastructure towards innovation

- promote entrepreneurship in the school system and continue to develop resource-based industries.

5.2.1 Research and development in the business sector

Research and development (R&D) is an important source of innovation and growth. Investments in R&D are relatively small in Norwegian business and industry compared to other OECD countries, especially our neighbours.

There is also considerable geographical variation in relation to R&D activity in Norway. Most of the funds for business-oriented research available from the Research Council of Norway go to large companies in Eastern Norway. In Northern and inland Norway, for example, the business sector is less knowledge-intensive, and there are few companies receiving funds from the Research Council.

To provide an extra stimulus for research focused on the business sector in rural Norway, we are working on tax stimulation schemes for R&D that are particularly designed for enterprises in rural municipalities. The Government will also contribute to breaking down the barriers between knowledge environments and small enterprises to facilitate interaction.

5.2.2 Facilitating interaction

The most critical and risky phases in a company's development are idea generation, product development and commercialisation. It is often most difficult to bring in the necessary expertise and investment capital in these phases. We know from experience that it takes from five to ten years for an idea to reach commercialisation. In the Government's view, it is important that the public sector should play a role in easing the transition from idea to market, and will therefore create the framework needed for the establishment of more innovation centre and science parks, "business gardens" and business incubators that also include access to consultancy services and venture capital.

We will create an environment for regional interaction. The innovation centres will act as the hubs of larger regional networks. We will collaborate with these centres to promote the establishment of "business gardens"/incubators in rural districts with incubators to encourage small, creative, knowledge-based businesses.

5.2.3 Support infrastructure for innovation in rural districts

In January 2002, the Government decided that measures for the business sector and their administration should be reviewed. One measure will be to focus our activities on areas where the private markets do not function satisfactorily. Policy instruments will to a greater extent be used to develop potential businesses at an early phase of their development, and to support knowledge-building and business start-ups. This will require an active and flexible support infrastructure, focusing especially on operators and opportunities in rural districts. Conclusions will be drawn in the course of the year. The Government will impose stricter requirements on performance management in all areas of the administration of business development initiatives.

5.2.4 Entrepreneurship in the educational system

To encourage a more favourable entrepreneurial climate and increase the pace of new business start-ups, we must turn to young people. We must introduce children and young people to businesses in their local community. They must have the opportunity to develop an interest in innovation themselves. We must teach them about starting a business, but we must also develop their creativity, self-confidence and willingness to take risks. The local business sector must be more visible in schools and contribute their knowledge and experience. This will give young people an understanding that might otherwise be difficult for them to acquire.

The Government will give greater emphasis to entrepreneurship in the educational system. Several ministries have now joined forces to provide extra support for a project focusing on young entrepreneurs, which was launched to develop entrepreneurship and businesses set up by young people in primary and secondary schools and in colleges. In the period ahead, far more pupils and students will be offered the opportunity to develop skills in setting up a business. The Government will assess how entrepreneurship can be incorporated on a broad basis into the educational system.

5.2.5 Further develop resource-based industries

The agricultural, forestry and reindeer husbandry industries are very important to commercial activity and settlement in rural areas, and to national tasks related to biological diversity, cultural landscapes and recreation, culture and identity. These industries are facing major challenges related to restructuring and structural changes. At the same time, there are considerable opportunities here.

The Government will work to promote a viable agricultural and reindeer husbandry sector that takes advantage of new technology and new market opportunities, and that supplies consumers with quality products at competitive prices. Our geography and climate constitute important advantages that must be exploited in the production of clean, safe food, and we must increase our production of organic foods. The growth programme for food production will be continued, and we are working on an action plan that will simplify the situation for entrepreneurs working on new concepts in the food area. The agricultural industry also has potential for stronger growth in the service, travel and care sectors.

The Government intends to take major steps to simplify agricultural policy. We will establish a framework where there is greater room for manoeuvre for the individual business, focusing on farmers whose main income is derived from the farm. As part of a more proactive climate policy and to strengthen the commercial base in rural districts, the Government will also promote an increase in the use of bioenergy in Norway.

The fisheries and aquaculture sectors have undergone substantial development in recent years. There has been a sharp rise in exports. There is a potential for further growth based on marine resources, not only in the traditional fisheries, aquaculture and manufacturing sectors, but also within new branches of industry such as marine biotechnology and bioprospecting, better utilisation of biproducts and the utilisation of resources that have so far not been exploited. Utilising marine resources is particularly important to coastal regions.

This sector operates in an increasingly globalised market and faces strong competition. Market access, environmental adaptation, innovation and flexibility are key elements that must be in place to maintain the competitive strength of the Norwegian fisheries and aquaculture sector in the future. The Government will set a framework for increased growth by pursuing the goal of sustainable resource management, and focusing more on profitability and a good regulatory and financial framework.

The tourist industry is important to maintain settlement and to economic growth in rural districts, especially in many areas of scattered settlement. In the follow-up to the report on tourism, the promotion of Norway's image as a tourist destination is a priority. The Norwegian Tourist Board is responsible for this work, in cooperation with the tourist industry itself. Important target areas include product and destination development, international promotion, and marketing Norway as a tourist destination.

An initiative has also been taken to devise models to show how joint measures in the tourist industry may be financed. The tourist industry itself must decide whether these models should be used and would have to manage and finance any resulting arrangements.

5.3 Development of growth regions

Business environments where many operators are active within the same geographical area often prove to have considerable competitive strength and capacity for growth. Labour, capital, information and ideas flow more easily within these environments. Improvements are normally the result of interaction between a company, its suppliers and customers, education and research institutions, and others in the public sector.

There are growth regions with strong business and specialist environments all over the country. By cultivating their advantages and developing their capabilities further, many regions in Norway will have good prospects for the future. To achieve our primary settlement objectives, we will create an environment to promote growth regions and strengthen the role of regional centres by

- pursuing a more active urban and regional policy,
- binding individual regions more closely together by improving communications,
- strengthening specialist environments by supporting education and research,
- pursuing a proactive relocation policy for central government agencies, and
- strengthening county authorities as participants in regional development.

5.3.1 A more active urban and regional development policy

In major integrated regions where employment, housing and services are all available, the town is the dynamic core. Close interaction with the surrounding area, through business relations and commuting, enhances the town's capacity for growth. The Government will support this interaction. We will foster the town's key role as the engine of regional development.

We are working on a report dealing with the special challenges and roles associated with cities. Our concerns are not only with how the cities might tackle their social problems and foster a better environment for children to grow up in. We are also concerned with how towns might interact in the best possible way with their neighbouring areas and with their region. This report is scheduled to be submitted early next year.

5.3.2 Communications

Functional and efficient modes of communication are essential to interaction within and between regions, and thus to realising the potential for growth in the various parts of the country. Businesses in Norway, and particularly businesses in rural districts, are further away from European markets than many of their competitors. The Government will therefore secure good communications all over Norway and between Norway and other countries. Rural and regional development policy will be one of the most important factors determining priorities in the next national transport plan in 2004.

The Government will establish a sound framework for air transport in Norway. Satisfactory air transport services should be available in all parts of the country at the lowest possible prices. This is especially important in Northern Norway. The Government will maintain regional airports that function well, but is reviewing some locations where profitability is low. The Ministry of Transport and Communications has requested Norwegian Air Traffic and Airport Management to look at the possibilities for developing a more flexible tax system for air travel. This will enable more companies to establish routes in Norway, encourage competition and promote lower prices.

In order to maintain transport services that are important to the public – although unprofitable in commercial terms – we will continue to buy services, not only from airlines, but also from Norway's rail transport company, NSB.

The restructuring of Norway's postal service, Norway Post, is an initiative to increase accessibility and improve the postal service, including the establishment of more postal service outlets. A far larger number of outlets – operated by Norway Post itself or by shops and public service offices – will provide a more flexible and improved postal service. The central government will safeguard good access to postal services throughout the country through requirements included in the licence granted to Norway Post and by purchasing unprofitable postal services.

The telecommunications sector has experienced rapid development, with improvements in services and lower prices that have particularly benefited rural Norway. On the other hand, many municipalities have suffered job losses as a result of restructuring and market adaptation. The development of broadband communications is now high on the agenda. Although better organisation of public demand is expected to provide some support, development of this sector will be based on profitability and competition. We will consider extraordinary measures in areas where competition and public demand are insufficient.

5.3.3 Education and research

Education and training, information and communication are increasingly conducted via the Internet. Net-based programmes are used in higher and further education, and small schools are linking up with larger ones in order to offer a more complete range of courses. The Government is working to enable more adults to get an education in or near their homes.

To cultivate growth regions and business environments, education and research policy must enhance regional structures and advantages. The amendments to the Act relating to Universities and Colleges now being submitted will give these institutions greater autonomy. This will enable them to adapt more to regional conditions and needs. The amended Act promotes active collaboration between the institutions and regional business and public interests, and emphasises the institutions' responsibility for further and higher education in their fields.

5.3.4 Localising central government tasks

The Government will pursue a far more proactive policy than previous governments with regard to localising central government agencies, including supervisory authorities. With the communications and expertise available today in various parts of Norway, only a small number of central government tasks have to be located in the capital. In some cases, it can be an advantage to locate supervisory authorities at some distance from central authorities so as to strengthen their independence. Other central government tasks may also in time benefit in terms of expenditure and investments from being located outside Oslo.

By distributing central government tasks geographically, we also want to reinforce the specialist environments that already exist in the regions and lay the basis for stronger regional growth. The Government will contribute to the development of regional growth centres all over the country through its government localisation policy.

Many central government services produced by hospitals, the police, courts, tax authorities and unemployment offices serve local and regional user groups. When we restructure these activities, we will stress user accessibility. Public service offices and electronic administration will function as user-oriented gateways across agencies and administrative levels. NOK 30 million has been allocated to fund further efforts to establish public service offices. We want to use these funds to develop a variety of different models and solutions that are adapted to local conditions and the needs of the various user groups.

5.3.5 Regional partnership

An important principle for the Government is that decisions should be taken as close as possible to those who will be affected by them. Consequently, the Government will to a far greater extent decentralise decisions related to the use of rural and regional policy instruments to the regional level. We will also consider increased delegation to various central government sectors with the aim of strengthening regional partnerships.

As from 2003, county authorities will, in collaboration with the regional partnership, set their priorities for the use of funding for various purposes. The Government believes that the publicly elected regional level should be responsible for using these funds in keeping with the political objectives adopted in the county plan. This level will then be responsible for the results achieved.

In order to be successful agents for development, county authorities must be active facilitators and cooperation partners, and actively promote new solutions. County authorities must emphasise coherence, user-friendliness and participation.

The county authorities shall – in a binding partnership with the business sector, the support infrastructure, private organisations and municipalities – draw up regional development programmes. In particular, they must engage in close cooperation with the business sector, where the business sector is an active participant. With their broad strategic responsibility and their function as facilitators, the county authorities must also work closely with the support infrastructure for the business sector.

5.4 Special framework conditions in selected areas

Even if we succeed in establishing an active regional policy, there will still be a need for special measures for local communities and regions where the capacity for growth is weaker. This kind of measure will be based on a consideration of the total costs, which will provide us with a broader basis for assessment and identify whether individual measures are producing the desired economic effect.

To strengthen framework conditions in certain areas, regional differentiation has been applied to a number of arrangements, the most significant of these being regionally differentiated employers' National Insurance contributions. The Government places great emphasis on retaining this arrangement. We will also consider whether there are other general arrangements that should be subject to regional differentiation.

A committee of experts is currently assessing the rural and regional policy effects of the various kinds of measure. When their results are available, it may be appropriate to establish a commission for the regions, composed of political representatives. Establishing this kind of commission may be particularly relevant if it proves difficult to extend differentiation of employers' contributions to a sufficient number of regions.

5.5 Northern Norway

In rural and regional development policy, priority has long been given to Northern Norway. On the whole, population growth in this part of the country has been weaker than in the rest of Norway, and the conditions for business development are in many ways more unfavourable, with a scattered population and long distances to markets.

The Government will continue to allocate extra resources to Northern Norway and to strengthen the initiative zone in northern Troms and Finnmark. We are currently reviewing our use of instruments. A strategic analysis of the initiative zone will be completed by summer 2002. It will then be assessed and followed up in the central government budget for 2003.

The Storting has approved the development of the Snøhvit natural gas field. The Government has examined the project to safeguard important environmental and fisheries considerations and wishes to set an environmental standard for the exploitation of petroleum reserves in vulnerable Arctic areas in its development of this field. The Snøhvit project is the largest-ever industrial initiative in Northern Norway, with total investments estimated at 40 billion 2001-kroner. The project offers many interesting areas of work, not only in the development phase, but also when operations are underway, and the prospect of employment here has attracted large numbers of job-seekers. In addition, there will be major subcontracting opportunities that businesses in Northern Norway will be in a position to compete for. The importance of the Snøhvit field in generating regional activity and optimism, and for growth in Finnmark and Northern Norway in particular, can hardly be overestimated. For suppliers in Northern Norway, the project may also provide a way into a growing market as Russia expands its activities in the Barents Sea. However, a complaint has been lodged with the ESA about the tax arrangements for the Snøhvit field, and this has generated new uncertainty in relation to the project.

The Government will establish a framework for the development of the Sami business sector, particularly businesses that are based on Sami culture or that contribute to development in traditional Sami areas. By allowing businesses more freedom, the Government will encourage activities that are adaptable, financially and ecologically sustainable, and that are largely independent of government support. We will create an environment for stronger growth in the reindeer husbandry industry by means of the reindeer husbandry agreement and a specific growth programme. Continued cultural development is dependent on sustainable industries. We will also establish a framework so that Sami businesses do not encounter structural barriers in the interface between regulations and Sami traditions, culture, custom and language. The Sameting should participate in the regional partnership wherever this is appropriate.

5.6 Extra measures for small communities and communities in need of substantial development and restructuring

The Government will focus particular attention on municipalities in outlying areas and small communities at long distances from regional centres, where there are problems associated with the industrial structure and the population is in decline. It is especially important in these areas to safeguard access to services, make use of local opportunities and preserve the community's assets. The Government will launch a small-communities initiative to safeguard important welfare and public services, develop education programmes, promote agricultural policy measures, and develop specific initiatives for young people. As already mentioned, small communities that are viable also exist, and these communities will continue to be afforded high priority when selective measures are applied.

It will still be possible for us to intervene and apply special measures in municipalities and regions that experience extensive and unexpected closures. In connection with structural changes and closures of military facilities, the Storting has allocated NOK 250 million to municipalities that are particularly hard hit for economic adjustment in the adjustment period. The Ministry of Local Government and Regional Development is currently implementing and following up this adjustment initiative. The county authorities will be given a central role in the setting of priorities for the use of these funds.

5.7 The role of the municipalities

5.7.1 Local qualities

Choosing a place to live is not only a question of available jobs. Surveys show that the qualities of a locality as a place to live are very important to people, and that preferences change in the course of a lifetime.

The municipalities are responsible for overall planning at the local level, and for providing cultural and recreational opportunities, a good environment for children and young people, and satisfactory schools and health and care services. In the competition to attract and retain people of all ages, the quality of these opportunities and services may be a decisive factor. It is especially important that municipalities seek to satisfy young people's dreams and wishes with regard to quality of life. Rural areas cannot offer the same variety of cultural and recreational opportunities as the towns. But by listening to young people and allowing their voices to be heard in matters that concern them, the municipality can give them a feeling of belonging to their home locality that they retain even as adults.

5.7.2 Strengthening municipal finances

The Government wants to strengthen municipal autonomy. Decentralisation of responsibility and tasks will give the municipalities greater freedom to choose for themselves how they want to organise and develop their own services, use central government transfers and work to increase their own revenues. Earmarking of government funds will be reduced and we will simplify central government regulations for the municipal sector. The Government also plans to allow municipalities to retain more of any gains they achieve by increasing their efficiency.

Through the Sem declaration, the Government is committed to strengthening the municipal economy and to continuing to increase municipal income in real terms. In the course of the next few years, we will implement a number of important changes in the municipal income system. A portion of company tax must again be allotted to the municipalities. Distribution criteria are being drawn up to give a fairer distribution of company tax than has previously been the case. We are currently assessing various models.

5.7.3 Growth must be generated from below

The Government stresses that the municipalities have the main responsibility not only for service production and other primary tasks, but also for their own development. The basis for growth and development is to be found locally. Municipalities with dynamic business sectors are typically characterised by enterprise, cooperation and innovative ability, and are at the same time integrated in large regional business environments. Municipalities concerned with their own future must take on these challenges themselves. They must cooperate with the business sector to identify what can be done to make the municipality more business-friendly, which regional alliances and structures should be built, and how to stimulate innovation and entrepreneurship. They must also assess whether cooperation with other municipalities or forming an association of municipalities might be an appropriate strategy.

6 SUMMING UP

Norway has rich potential for success. There is a spirit of optimism throughout the country. I meet many people in small communities who believe in their own ability to create a good future. The Government's rural and regional development policy will support and promote this sense of optimism. The conditions for growth and development will be improved. People, companies, municipalities and counties will be given greater freedom to shape their own futures. The Government will create a favourable environment for innovation, we will link urban and rural Norway more closely together, and we will support and promote growth regions all over the country.

REGIONAL ANALYSIS

SUMMARY

Centralisation at all levels has been a characteristic feature of the past twenty years. The population has largely declined in small rural centres and areas of scattered settlement. There has been some population growth in rural regions with a small urban centre and somewhat stronger growth in small towns and their surrounding regions, while by far the largest population increase has been seen in the cities or large towns and their surrounding areas. This has been a recurring pattern all over the country. Work-related commuting to the cities and large towns has increased.

Today, almost 80% of the Norwegian population live in towns and their surrounding regions (with access to centres of at least 15 000 inhabitants), of which almost 40% live in cities or large towns and their surrounding regions (with access to centres of at least 50 000 inhabitants). While urbanisation has progressed furthest in Eastern Norway, 19% of the population of Northern Norway still live outside large or small centres. Nordland and Finnmark in Northern Norway are the only counties to have experienced a population decline over the last 30 years.

- Population growth has been strongest in the Oslofjord region. This region, which contains 40% of the country's population, received almost 80% of the in-migration to Norwegian municipalities in 1996 and 1997. The Oslo city area has attracted people from all over the country and has seen stronger growth than any other region. However, most people who move away from rural areas to settle in a city or large town and its surrounding area move to their regional centre in one of the five main regions. Over the past few years, the flow of migration has slowed.

- The most peripheral areas of the country have the poorest record for education, income and wealth, but come out on top for the areas of housing situation, service provision, social networks and level of pollution. The large towns contain the best and the worst living conditions in the country. Nine out of the ten municipalities with the poorest results in Statistics Norway's survey of living conditions lie in Northern Norway. Municipalities in Western Norway have the best living conditions.

- Centralisation is the result of a complex mixture of factors. Growth is strongest in the typical urban industries, for example, while industries in decline are localised in rural areas. Towns seem to have particular localisation advantages for knowledge-intensive industries. We educate young people for jobs in towns, and our preferences have changed in favour of living in centres. However, the number of people who actually live in cities and large towns still exceeds the number that want to live there. Most Norwegians prefer life in a small town. Growth and depopulation processes are probably mutually reinforcing.

- Growth can be generated. Growth communities vary in industrial composition, size and localisation. Small growth communities are usually characterised by specific natural conditions on which commercial activity has been based, or by an entrepreneurial culture, cooperation and innovative ability. They are often part of large, regional business environments. How highly the locality rates as a place to live is important.

- It is likely that future developments will be characterised by continued centralisation and urbanisation, wider commuter hinterlands around the towns and population shifts towards the most attractive areas – such as around the Oslofjord and along the coast towards Stavanger.

WHAT IS HAPPENING TO THE SETTLEMENT PATTERN IN NORWAY?

Population growth in Norway has declined in the post-war period from an annual rate of over 1% just after the Second World War to 0.3% in the first half of the 1980s. Growth has subsequently increased again, and has now reached 0.7%. While the slower rate up to the 1980s was primarily due to lower fertility rates in Norwegian women, the accelerating rate over the past 15 years is primarily the result of a higher international migration surplus. From 1970 to 2000, Norway's population increased by 612 029.

Strongest growth around the Oslofjord – weakest in the north

Even though Norway's population has grown by over 600 000 in this period, the increase has not been evenly distributed. Growth has been strongest in counties in central parts of Eastern Norway and those containing cities or large towns. In the county of Akershus, the population has increased by 154 817 inhabitants in the period, accounting for 25% of overall growth in Norway. The population of Oslo «only» increased by 20 104 (+4%).

Finnmark and Nordland are the only counties to have experienced a population decline. While there was a population loss in Finnmark from 1970 to 2000 of 2 320 (-3%), the equivalent figure for Nordland was 4 070 (-1.7%). This occurred despite a surplus of births (although numbers are falling). The counties of Sogn og Fjordane and Møre og Romsdal also experienced net out-migration in the period 1970-2000. However, due to a surplus of births, the population in these counties remained stable or showed some increase. The population of Troms has grown by 14 597 (+10.7%). This increase is solely attributable to a population increase in Troms municipality of 23 051 (+55%). The population has declined in the great majority of the other Troms municipalities.

Strongest growth in towns and urban settlements

Centralisation at all levels has been a characteristic feature of the past twenty years. The population has largely declined in small rural centres and areas of scattered settlement. There has been some population growth in rural regions with a small urban centre and somewhat stronger growth in small towns and their surrounding regions, while by far the largest population increase has been seen in cities or large towns and their surrounding areas. This has been a recurring pattern all over the country.

Table 2 shows population trends in Norwegian municipalities according to a centre/periphery classification. In all parts of the country, except Southern Norway, populations in peripheral municipalities (municipalities more than 60 minutes' travel time from the nearest urban settlement with at least 5 000 inhabitants) declined in the period 1980-2002. Population losses in peripheral municipalities totalled 50 510 inhabitants, or 7.4% of the population. Populations in urban municipalities (municipalities less than 60 minutes' travel time from the nearest urban settlement with at least 5 000 inhabitants, excluding the cities or large towns and their surrounding regions) grew by 98 297 (7.1%), while in and around Oslo, Kristiansand, Stavanger, Bergen, Trondheim and Tromsø, the population increased by 396 879 (19.6%).

Populations of peripheral municipalities in Northern Norway have experienced a particularly sharp decline. Urban municipalities in Central Norway have experienced relatively weak growth. The centralisation trend has generally been stronger in the past ten years than in the period 1980-1990.

Table 8 shows population trends in what are known as commuting regions, classified according to population decline from 1980 to 2002. On the basis of commuter travel time to centres, the country's 434 municipalities have been assigned to 161 commuting regions. Of these, only 58 have experienced growth over the past 22 years, and it has been strongest in the largest towns. The Oslo area is a different matter: its population growth of 175 000 is more than 100 000 higher than the increase in Stavanger/Sandnes, which is the commuting region with the highest growth rate. In other words, there is a marked trend of centralisation towards the Oslo area, but also towards the other cities and large towns.

The population declined in 103 commuting regions (64%) from 1980 to 2002. These areas are spread all over the country and have different characteristics according to location and industrial composition. Many comprise small, peripheral municipalities, but examples of the opposite also exist. 19 of the regions in decline still have more than 10 000 inhabitants. One of the objectives of rural and regional policy initiatives has been to strengthen large, integrated regions where employment, housing and services are all available.

Table 3 shows the number of urban settlements in the various size categories. Statistics Norway has defined urban settlements on the basis of the number of houses at a maximum of 50 metres from each other. There is a total of 925 urban settlements with a minimum of 200 inhabitants, and 198 with more than 2000 inhabitants. As Table 6 shows, 2 917 953 Norwegians (65%) lived in urban settlements of over 2000 inhabitants in 2000. Of the five main regions, Western and Central Norway have the largest percentage of the population living outside urban settlements. 43 of the 198 urban settlements with more than 2000 inhabitants are located in the Oslo region. By comparison, there are 14 urban settlements in urban/urban settlement regions in Northern Norway. A total of 1.9 million people live in urban settlements in regions surrounding cities and large towns, 0.9 million in urban settlements in urban/urban settlement regions, while only 116 000 live in urban settlements in peripheral municipalities. The percentage of the population living in urban settlements has increased from 1980 to 2000, with growth at its strongest in the 1990s.

Lower surplus of births and migration towards centres

Centralisation is attributable to two factors: migration towards towns and a lower surplus of births in rural areas. Table 5 shows net in-migration to Norwegian municipalities categorised according to degree of centrality. We can see that in the period 1991-2000, there were high levels of net in-migration to central municipalities and of out-migration from less central municipalities. Most people who move out of a rural area to settle in a city or large town, move to their regional centre in one of the five main regions. This trend is also evident in other countries, such as Sweden.

Migration flow from the periphery towards the centre is not in itself a new phenomenon. Previously, out-migration from rural areas was offset by a substantial surplus of births. This is no longer the case. Due to lower fertility rates and a distorted age structure, many depopulated areas now have a birth deficit. Consequently, many municipalities depend on net in-migration to maintain population numbers.

Gross migration has slowed in recent years. Overall out-migration from municipalities has declined. In-migration has decreased in all parts of the country except in cities and large towns and their surrounding areas, where it has increased.

The tendency to move is greater among young people than among the elderly, greater among highly educated people, and to some extent greater among women than among men. This has tended to produce populations in peripheral municipalities where older men are in the majority, average levels of education are low and there is a deficit of women. Even though gender differences in migration have diminished, women and men still differ in their migration behaviour. Women migrate more than men, and they are more likely to move away from their home municipalities. At the same time, women are more likely to move to (or back to) rural municipalities. Highly educated women move more often to small localities than highly educated men. This is partly related to the fact that many women are recruited to the public sector.

Migration is influenced by the situation in the labour market, primarily at the location people move to. Statistics show therefore that migration to central areas increases when the economy is expanding and the demand for labour is generally high. The population in the peripheral regions in general decreased more rapidly in the 1986-87 upturn than during the economic decline in 1983-85. With a surplus of births, this gives net migration. In the long period of economic decline that began in 1988/89, migration from the periphery to central urban regions continued, accelerating in the period of recovery from 1994 onwards.

More commuting between home and workplace

It has become more common to travel to work and commuting distances have become longer. An increasing number of people who live in small communities commute to work in local and regional centres, especially to Oslo. In the period 1995-2000, commuting into the Oslo/Akershus area from the surrounding counties increased by 38%. Commuting from Vestfold to Oslo rose by 45%, and from Hedmark to Akershus by 66%. The area around Oslo is today regarded as one large, integrated region where housing, employment and services are all available. These developments have been made possible by improvements in transportation. Our psychological barriers as regards acceptable commuting distances also seem to have shifted. Commuting distances into other towns are normally shorter. Surveys show that there is an appreciable decline in commuting after about 30 minutes' travel time.

At the same time, there is no longer any clear distinction between home and workplace. In many occupations, modern information and communications technology have made it possible to work from home, or from any other location.

Living conditions – a complex concept

Surveys of living conditions show that conditions are good for the majority of Norway's population and that there have been positive developments in the 1980s and 1990s. The most peripheral areas of the country have the poorest record for education, income and wealth, but come out on top for the areas of housing situation, service provision, social networks and pollution. The largest towns contain the best and the worst living conditions in the country. Nine out of the ten municipalities with the poorest results in Statistics Norway's survey of living conditions lie in Northern Norway. Municipalities in Western Norway have the best living conditions.

It is difficult to measure and compare living conditions in one region or for one person in relation to another. Living conditions are largely a subjective experience. Nonetheless, net taxable income in 1998 was appreciably lower in outlying areas than in central areas. See Table 9. In the Oslo and Stavanger regions, incomes for inhabitants above the age of 17 were significantly higher than in the other regions. The level of education is also significantly higher in central areas. In the nation as a whole, the number of disabled people (as a percentage of the labour force) has risen in the period 1990-2000, with particularly sharp increases in urban municipalities in Southern Norway. However, the peripheral municipalities in Northern Norway still have the largest share of disabled people as a percentage of the labour force, while the Stavanger region has the lowest percentage. See Table 13. On the other hand, surveys show that public services are normally better in small, less central municipalities.

WHAT ARE THE REASONS FOR THIS TREND?

Of course, the overall picture is the result of a complex combination of factors, and we do not, strictly speaking, know all of them. However, over the past few decades we have gained a greater understanding of what happens, and there is general agreement on the fundamental driving forces in a long-term perspective.

Changes in industrial structure and localisation conditions

Changes in industrial structure and localisation conditions are still the most fundamental factors influencing the patterns of activity and settlement for various types of production. There have been considerable changes just in the course of the past 10-20 years.

Norway's economy is still based on raw materials. However, first of all, employment in the primary industries continues to decline (-12% from 1996 to 2000 according to Table 10), which primarily affects rural areas as most primary industries are located in these areas (see Table 11). Secondly, people employed in the extraction or harvesting of raw materials do not necessarily live nearby, as we can see in the fishing and petroleum industries. For area-intensive sectors such as agriculture and aquaculture, homes and workplaces are still closely connected. Employment levels in the agricultural sector are still highest in peripheral areas of Eastern, Western, Central and Northern Norway and in towns/urban settlements in Central Norway. Job losses in this sector have also been highest in these regions.

The secondary industries continue to expand, but growth is more evenly distributed in relation to central and peripheral areas. In the 1990s, growth was strongest in peripheral municipalities in Southern Norway. Peripheral municipalities have the advantage of a stable labour supply and low business start-up costs. Even manufacturing industry has become less dependent on one specific location. In many cases, being located near the source of energy or raw materials is no longer essential. Raw materials and semi-manufactured goods can be transported more cheaply, and they are bought and sold in the global market. At the same time, there has been a concentration of ownership, value chains have broken up, and the various production elements have been localised wherever profitability is highest. A number of traditional manufacturing localities have thus come under pressure on two fronts. While standardised manufacturing production can in some cases be cheaper in low-cost countries, it can be profitable to move functions requiring expertise into the towns.

In the last half of the 1990s, growth has been strongest in public and business service provision (see Table 10), with urban regions leading the field in these sectors. The major growth industries are, in other words, typical urban industries. The same trends can be seen all over the world. In the transition to a knowledge-based society, people and companies tend to cluster in towns. The spatial proximity and the diversity experienced in towns seem to provide the best framework for interaction and dynamism.

In this day and age, brains are the most important production factor, and brains work best when they work together.

New theories in the field of economics (New Growth Theory, Porter and others) and new research stress the essential importance of interaction and proximity between actors to the ability of individual enterprises and business environments to renew themselves and maintain competitive strength. Even though communicating over long distances is becoming increasingly common, researchers believe that business clusters containing many related actors (producers, suppliers, R&D institutions, financial institutions, government bodies, etc) within the same geographical area have often proved to be most successful in terms of competitiveness and growth. As shown in Figure 1, R&D intensity in the business sector can vary widely from one part of the country to another.

Modernising the public sector

Growth in the public sector has for several decades been the most important counterforce to centralisation in Norway. Municipalities, county authorities and a number of central government activities have greatly contributed to growth in many rural areas and to maintaining economic activity and settlement in all parts of the country. The public sector has in particular provided many jobs for women, and this has been very important to maintaining settlement. The public sector continues to grow. From 1996 to 2000, employment in public service provision increased by 6.4%. However, growth is currently strongest in central areas and lowest in peripheral municipalities.

Over the last ten years there have been considerable changes in the geographical location of many central government activities. In recent years, approximately 800 jobs in central government have been established or scheduled for establishment outside Oslo. However, the concentration of central government jobs is still greatest in the capital. In addition, surveys show that the trend towards independence for large institutions and state-owned enterprises has resulted in restructuring and greater efficiency, which in many cases has led to job losses in areas other than large centres.

When making investment decisions, the central government now places more emphasis than before on economic benefits. Since the benefits to the economy of a government initiative are normally in proportion with the number of people who enjoy those benefits, investments in densely populated areas are normally more profitable than investments in areas of scattered settlement. This is one of the reasons why as much as 55% of central government infrastructure investments in 1998 were made in Oslo and Akershus, while the equivalent percentage in 1989 was 20%.

Changes are also taking place in primary municipalities and counties as a result of increased efficiency, exposure to competition, greater autonomy, focusing on customer needs, collaboration, association, etc. We know little about the impact this restructuring will have on job concentration. However, it is reasonable to assume that grouping resources and creating knowledge-based functions will have an overall centralising effect.

Changes in preferences – where do we prefer to live

Norway has no tradition of urban living. Compared to other countries, we have always lived in scattered settlements. Our choice of where we prefer to live still reflects this tradition. Most of us today prefer – ideally – life in a small town.

However, our preferences are slowly being changed by our environment. We are influenced by the surroundings we grow up in, and the younger generations are to an increasing extent growing up in urban areas. At the same time, we are affected by current trends, and in the course of the 1990s the urban lifestyle seems to have become the dominant ideal, especially for young people. (Sørlie 2000, Norwegian Institute for Urban and Regional Research (NIBR) 2000:212).

There is nothing new about young people being attracted to the diversity and freedom from social control offered by towns, or moving towards centres to attend schools and gain work experience. What is new is that there has been a dramatic acceleration in this process. Mobility has increased, and a far larger proportion of young people now take higher education. While most young people move to their regional centre or to a large town in their own region (NIBR), a large group move to educational institutions in other parts of the country or abroad. Oslo attracts the largest number of young people away from their region (Sørlie 2000).

Since the largest towns have the greatest selection of interesting jobs for highly-educated job-seekers, many well-educated young people start their careers there. Wherever they settle later in life, they will enjoy the benefits of the training and the network they built up in the town. Health personnel, who tend to spread out more, are an exception. An important issue in relation to rural and regional policy is what young people will require in the future in terms of range of jobs and quality to be attracted to a local labour market.

It is still the case that most of us look for qualities other than those offered by a city or large town when we settle down to have a family. In this phase of life, many look for a good environment for their children to grow up in and a quieter life. Many also return to their roots, to the place where they grew up. Of the 1960-62 cohorts who migrated out of their home municipalities, 19% had moved back at the age of 35, and there is little variation here between different types of municipality (Statistics Norway). Smaller towns and localities are also experiencing a return of people at this stage of life.

However, migrating from cities or large towns to smaller localities is not always simple in practice. The labour market in small towns and localities is limited, and couples in particular may find it difficult to find attractive jobs for both partners. This may help to explain why 55.7% of the population express a desire to live in a small town or settlement, while only 48% actually does live in such a place. At the same time, commuting into the towns has increased. By combining living in a small place with working in a town, it is possible to have the best of both worlds. And the point where the disadvantages seem to outweigh the advantages would seem to have shifted outwards.

On the other hand, it must be remembered that not all parts of the country are near large towns and labour markets. Tromsø municipality alone is larger than Vestfold county. Finnmark county has no large towns, and the distance from Eastern Finnmark to the town of Tromsø is nearly 1000 km.

Upward and downward spirals

The forces of centralisation described here are mutually reinforcing. An expanding knowledge-intensive business sector in towns attracts well-educated people looking for jobs. And when well-educated young people settle in a town, this improves conditions for growth in the knowledge-intensive business sector. At the same time, growth pushes up property prices, making it more profitable to invest in the town. As a result, it becomes easier to attract capital for business start-ups and investment projects.

Growth in towns will over time have an influence on people's residential preferences. Firstly, an increasing proportion of the younger generation will have their roots in the town, and secondly, power and prosperity will be concentrated here. Pressures on the capital and some of the other cities and large towns have in just a few years dramatically increased the wealth of house-owners and other property owners, solely because they had properties in the right place at the right time. Due to the large numbers of knowledge-based jobs, wages and status will be higher here. All these factors, combined with expectations of continued growth and rising prosperity, make towns more attractive.

As mentioned earlier, recent surveys of living conditions show that we find both the best and the worst living conditions in the country in the cities and large towns. However, the challenges related to social need and poverty here do not seem to have the effect of slowing down in-migration. The same applies to high house prices. As long as house prices rise at a higher rate in towns, it will also from a purely financial point of view be an advantage to buy an expensive house here than a cheap one in a rural area.

Similarly, many outlying areas have been caught in a downward spiral of development, which has proved difficult to reverse. Even though there are heavy, sluggish structures here, these downward spirals easily become self-reinforcing. Young people move out of the region, skills disappear, innovation is absent, property prices and investments fall, the local market contracts, localisation conditions are weakened, tax revenues decrease, etc.

Growth can be generated

Even though the overall picture is one of centralisation at all levels, there are examples of places that are successful despite a peripheral location and "old-fashioned" industrial structure. Leksvik, Vågå and Rørvik have been held up as examples of places where stagnation and pessimism have been turned around and replaced by growth and a belief in the future. At a higher geographical level, the electronics industry in Grimstad in the south and the biotechnology industry in Tromsø in the north are examples of knowledge-intensive, growth industries outside the capital city. Even though there may be different reasons for development in an area, this shows that it is not only a reflection of natural and historical conditions. Growth can also be generated.

The world around us is constantly changing, and any actor or area that wishes to keep up in the future must continuously adapt to changing circumstances. However, adaptation and development do not happen by themselves. They must be cultivated by actors (business, community and political actors) that are convinced of the necessity of adaptation. Development requires the will to change, and the will to cooperate. (See Porter, New Growth Theory, and international studies of successful industrial areas.)

Researchers (Isaksen, Spilling et al) have in recent years focused on the characteristics of areas that have been successful irrespective of location and industrial structure. Recurring characteristics are:

- Entrepreneurial culture. There is a high level of innovation, in the sense that there are many business start-ups. In addition to competent venture capital, there is a local entrepreneurial culture, a support infrastructure (venture capital, skills, incubators, etc) and a collective willingness that encourages primarily young people to start their own businesses. Expansion in the "forest undergrowth" is necessary to compensate for the demise of large, old companies.

- Innovative ability. There are innovative, dynamic business communities that can generate spin-offs and growth within economic areas with global market potential. The hub of these communities can be individual enterprises in the local community, but they normally involve a network of cooperating, knowledge-based enterprises. Their cooperation not only involves their relation to actors at the same level in the value chain, but equally their interaction with customers and subcontractors. Relations with research institutions and other expert communities are also often close. In some cases, networks have been established to promote contact and cooperation ("business gardens" etc).

- Regional base. Small growth municipalities often have close functional links with a large regional community, which may also include a regional centre. In order to be able to find similar enterprises, central financial actors, upstream and downstream activities, a wide variety of skills, specialist functions, educational and R&D institutions, transport nodes and potentially demanding customers, the region must be of a certain size. Geographical proximity makes it easier to establish the interaction necessary for innovation, growth and the ability to adapt.

- Local qualities. The locality has qualities and services that make it attractive as a place to live. This applies to the natural surroundings, cultural opportunities and public services. The fact that young people move away for a few years can be a positive factor, if many of them move back as adults. Young, highly skilled people who find it attractive to live in a place constitute an important localisation advantage for new businesses.

Parts of coastal and rural Norway also seem to be favourably located in relation to the businesses of the future. In particular, there is considerable development potential in the marine sector, e.g. aquaculture and marine biotechnology, and petroleum activities off the coast of Finnmark. Other industries with some growth potential in rural areas include organic farming, tourism and ICT.

WHAT WILL THE FUTURE LOOK LIKE?

When formulating policy, it is important to have the clearest possible picture of the future. At the same time, predictions should be made with caution. Reality is always complex, with trends that sometimes seem to go in different directions.

Statistics Norway has made a number of population prognoses, based on different premises. Depending on the projection alternative, Statistic Norway's calculations show that between 126 and 224 of in all 434 Norwegian municipalities will experience a decline in population over the next ten years. It is difficult to assess which premises are the most realistic, but medium national growth is a kind of middle alternative. Table 7 shows developments based on this prognosis in a centre-periphery perspective. As shown, population growth in the next 20 years is expected to be experienced primarily in towns and urban settlements, and most of all in the cities and large towns and their surrounding areas. Strongest growth is expected in the regions surrounding Oslo, Kristiansand, Stavanger and Tromsø. In peripheral municipalities the population will remain more or less stable (Southern Norway), rise slightly (Eastern, Western and Central Norway) or show some decline (Northern Norway).

If we collate the results of Statistics Norway's prognoses with other development trends from recent years, we would suggest that the following trends are likely:

- Continued centralisation. Centralisation has been in progress for more than a hundred years, and the forces driving centralisation seem to be stronger than ever. It is therefore difficult to imagine that this trend will be reversed in the near future. This means that an increasing portion of the country's population will in time live in a town. It is also likely that growth will be strongest in the largest towns.

- More commuting. Many people already choose to commute between home and work. They are thus able to enjoy the benefits of living in a small place, while at the same time operating in a large and attractive labour market. It is likely that this trend will gain momentum, particularly if communications are developed to prepare for it. There will be a substantial increase in the size of commuting regions.

- Growth in localities that offer the possibility of a good life. The most attractive areas in the country may experience population growth that is stronger than the growth in employment. Historically, this rate of population growth also generates increased economic activity over time. The least attractive areas may experience the opposite, i.e. a decline in population that is stronger than the reduction in the number of jobs, which in time will weaken the commercial base.

Table 1: Population trends 1980-2002. Counties [1].

	Counties	Number of residents at 1 January.				Percentage change		
		1980	1990	2000	2002	1980-1990	1990-2000	2000-2002
01	Østfold	232 400	237 981	248 217	252 746	2,4	4,3	1,8
02	Akershus	366 726	414 503	467 052	477 325	13,0	12,7	2,2
03	Oslo	454 819	458 364	507 467	512 589	0,8	10,7	1,0
04	Hedmark	186 698	186 884	187 103	187 965	0,1	0,1	0,5
05	Oppland	180 285	182 350	182 701	183 235	1,1	0,2	0,3
06	Buskerud	213 608	224 701	236 811	239 793	5,2	5,4	1,3
07	Vestfold	185 922	197 207	212 775	216 456	6,1	7,9	1,7
08	Telemark	161 673	162 981	165 038	165 710	0,8	1,3	0,4
09	Aust-Agder	89 733	96 880	102 178	102 945	8,0	5,5	0,8
10	Vest-Agder	135 696	144 026	155 691	157 851	6,1	8,1	1,4
11	Rogaland	302 386	335 753	373 210	381 375	11,0	11,2	2,2
12	Hordaland	390 526	409 124	435 219	438 253	4,8	6,4	0,7
14	Sogn og Fjordane	105 271	106 540	107 589	107 280	1,2	1,0	-0,3
15	Møre og Romsdal	235 719	238 346	243 158	243 855	1,1	2,0	0,3
16	Sør-Trøndelag	243 709	250 344	262 852	266 323	2,7	5,0	1,3
17	Nord-Trøndelag	125 233	126 858	127 108	127 457	1,3	0,2	0,3
18	Nordland	243 808	239 532	239 109	237 503	-1,8	-0,2	-0,7
19	Troms	145 996	146 594	151 160	151 673	0,4	3,1	0,3
20	Finnmark	78 692	74 148	74 059	73 732	-5,8	-0,1	-0,4
Total	Norway	4 078 900	4 233 116	4 478 497	4 524 066	3,8	5,8	1,0

1. Ølen municipality was moved from Hordaland to Rogaland county on 1 January 2002.

Source: Statistics Norway

Table 2: Population trends 1980-2002. Municipalities by centrality(Norwegian Institute for Urban and Regional Reserach (NIBR) 16)[1].

		Number of residents at 1 January				Change in per cent		
		1980	1990	2000	2002	1980-1990	1990-2000	2000-2002
310	Oslo region	1 138 110	1 207 899	1 329 066	1 350 946	6,1	10,0	1,6
320	Kristiansand region	130 312	141 612	155 760	158 533	8,7	10,0	1,8
332	Stavanger region	199 916	228 164	259 800	264 205	14,1	13,9	1,7
331	Bergen region	288 324	304 563	329 674	336 096	5,6	8,2	1,9
340	Trondheim region	220 489	230 010	246 075	250 180	4,3	7,0	1,7
350	Tromsø region	48 918	53 322	61 641	62 988	9,0	15,6	2,2
	Total cities/large towns and surrounding regions	2 026 069	2 165 570	2 382 016	2 422 948	6,9	10,0	1,7
210	Urban municipalities Eastern Norway	709 254	723 784	748 979	756 607	2,0	3,5	1,0
220	Urban municipalities Southern Norway	75 921	80 317	82 726	83 046	5,8	3,0	0,4
230	Urban municipalities Western Norway	320 972	334 354	352 162	354 551	4,2	5,3	0,7
240	Urban municipalities Central Norway	67 588	68 058	67 320	67 289	0,7	-1,1	0,0
250	Urban municipalities Northern Norway	201 352	205 271	211 938	211 891	1,9	3,2	0,0
	Total urban municipalities	1 375 087	1 411 784	1 463 125	1 473 384	2,7	3,6	0,7
110	Peripheral municipalities Eastern Norway	134 767	133 288	129 119	128 266	-1,1	-3,1	-0,7
120	Peripheral municipalities Southern Norway	19 196	18 977	19 383	19 217	-1,1	2,1	-0,9
130	Peripheral municipalities Western Norway	224 690	222 682	217 540	215 911	-0,9	-2,3	-0,7
140	Peripheral municipalities Central Norway	80 865	79 134	76 565	76 311	-2,1	-3,2	-0,3
150	Peripheral municipalities Northern Norway	218 226	201 681	190 749	188 029	-7,6	-5,4	-1,4
	Total peripheral municipalities	677 744	655 762	633 356	627 734	-3,2	-3,4	-0,9
	Norway	4 078 900	4 233 116	4 478 497	4 524 066	3,8	5,8	1,0

1. NIBR 16 is a classification of municipalities.Peripheral municipalities means municipalities more than 60 min. travelling time from an urban settlement of more than 5000 inhabitants. Urban municipalities means municipalities less than 60 min travelling time from an urban settlement of more than 5000 inhabitants.

Source: Statistics Norway

Table 3: Population of urban settlements by size category. 2000.

Urban settlements grouped by size (numbers of inhabitants)	Number of urban settlements	Inhabitants at 1 January 2000	Inhabitants per km²	Percentage change in number of inhabitants in urban settlements 1999-2000	Percentage change in area of urban settlements 1999-2000
200 - 499	364	122 467	721	1,3	2,3
500 - 999	219	151 524	842	0,9	0,6
1 000 - 1 999	144	204 438	999	-0,1	0,6
2 000 - 19 999	179	939 699	1 352	4,5	4,5
20 000 - 99 999	15	696 283	1 716	2,2	1,4
100 000 -	4	1 281 971	2 653	2,7	2,7
Country as a whole	925	3 396 382	1 588	2,8	2,6

Source:Statistics Norway

Table 4. Population trends. Net in-migration and surplus of births. Counties. 1990-2000.

	Annual average 1991-1995				Annual average 1996-2000			
	Net domestic in migration	Net international in-migration	Surplus of births	Total	Net domestic in migration	Net international in-migration	Surplus of births	Total
01 Østfold	-108	418	73	383	1562	431	171	2164
02 Akershus	1047	605	2724	4376	2527	1172	2713	6412
03 Oslo	2514	1533	1419	5466	-116	2039	2299	4222
04 Hedmark	-327	369	-249	-207	228	456	-331	353
05 Oppland	-167	344	-111	66	-180	442	-157	105
06 Buskerud	249	272	336	857	1048	526	327	1901
07 Vestfold	505	392	337	1234	1404	432	285	2121
08 Telemark	-289	329	38	78	51	473	-52	472
09 Aust-Agder	53	315	217	585	52	233	218	503
10 Vest-Agder	16	346	712	1074	218	443	635	1296
11 Rogaland	628	361	2858	3847	176	662	2816	3654
12 Hordaland	-278	767	2374	2863	-396	820	2204	2628
14 Sogn og Fjordane	-381	274	336	229	-630	306	294	-30
15 Møre og Romsdal	-616	467	704	555	-711	573	703	565
16 Sør-Trøndelag	-289	497	1021	1229	-70	597	1012	1539
17 Nord-Trøndelag	-594	262	354	22	-664	326	324	-14
18 Nordland	-1004	619	746	361	-2010	870	549	-591
19 Troms	-436	408	904	876	-1040	507	682	149
20 Finnmark	-524	342	562	380	-1450	496	481	-473
Norway	0	8920	15356	24275	0	11804	15175	26978

Source: Statistics Norway

Table 5. Population trends in municipalities by centrality (NIBR 16)[1]. Net in-migration[2] and surplus of births. 1990-2000.

		Annual average 1991-1995				Annual average 1996-2000			
RegNo	Region	Net domestic in migration	Net international in-migration	Surplus of birth	Total	Net domestic in migration	Net international in-migration	Surplus of birth	Total
310	Oslo region	3693	2605	4649	10947	4686	3829	5529	14044
320	Kristiansand region	251	334	797	1382	441	344	725	1510
332	Stavanger region	838	188	2267	3293	328	378	2266	2973
331	Bergen region	219	519	1988	2725	193	484	1818	2494
340	Trondheim region	-157	523	1225	1591	31	591	1194	1816
350	Tromsø region	276	164	608	1049	-94	213	547	666
	Total cities/large towns and surrounding regions	5 120	4 334	11 534	20 988	5 585	5 839	12 079	23 503
210	Urban municipalities Eastern Norway	174	1336	169	1680	2480	1536	16	4033
220	Urban municipalities Southern Norway	-79	221	135	277	-102	184	104	185
230	Urban municipalities Western Norway	-526	632	1672	1779	-615	901	1614	1900
240	Urban municipalities Central Norway	-359	121	153	-85	-381	154	140	-86
250	Urban municipalities Northern Norway	-764	712	1174	1122	-1734	861	966	93
	Total Urban municipalities	- 1 554	3 023	3 304	4 773	- 352	3 636	2 840	6 124
110	Peripheral municipalities Eastern Norway	-442	320	-251	-374	-642	606	-289	-325
120	Peripheral municipalities Southern Norway	-102	105	-3	-1	-69	149	24	104
130	Peripheral municipalities Western Norway	-1178	530	345	-304	-1466	599	319	-548
140	Peripheral municipalities Central Norway	-366	115	-4	-255	-385	178	2	-205
150	Peripheral municipalities Northern Norway	-1477	494	432	-552	-2671	799	200	-1672
	Total peripheral municipalities	- 3 566	1 563	518	- 1 485	- 5 233	2 331	256	- 2 647
	Norway	0	8 919	15 356	24 275	0	11 805	15 175	26 980

1. NIBR 16 is a classification of municipalities. Peripheral municipalities means municipalities more than 60 min travelling time from an urban settlement of more than 5000 inhabitants. Urban municipalities means municipalities less than 60 min travelling time from an urban settlement of more than 5000 inhabitants.
2. Figures include migration between municipalities in the region.

Source: Statistics Norway

Table 6: Number of inhabitants in urban settlements of more than 2000 inhabitants. Municipalities by centrality (NIBR 16)[1]. 2000.

	Live in urban settlements of more than 2000 inhabitants	Total number of inhabitants in region	Percentage of urban settlements with more than 2000 inhabitants
Oslo region	1 101 654	1 329 066	82,9
Kristiansand region	98 664	155 760	63,3
Stavanger region	215 478	259 800	82,9
Bergen region	250 677	329 674	76,0
Trondheim region	171 365	246 075	69,6
Tromsø region	49 372	61 641	80,1
Total cities/large towns and surrounding regions	1 887 210	2 382 016	79,2
Urban municipalitites Eastern Norway	466 866	748 979	62,3
Urban municipalities Southern Norway	59 117	82 726	71,5
Urban municipalities Western Norway	218 390	352 162	62,0
Urban municipalities Central Norway	32 137	67 320	47,7
Urban municipalities Northern Norway	137 868	211 938	65,1
Total urban municipalities	914 378	1 463 125	62,5
Peripheral municipalities Eastern Norway	21 884	131 119	16,7
Peripheral municipalities Southern Norway	3 091	19 383	15,9
Peripheral municipalities Western Norway	34 375	217 540	15,8
Peripheral municipalities Central Norway	11 484	76 565	15,0
Peripheral municipalities Northern Norway	45 531	190 749	23,9
Total peripheral municipalities	116 365	635 356	18,3
Norway	2 917 953	4 480 497	65,1

1 NIBR 16 is a classification of municipalities. Peripheral municipalities means municipalities more than 60 min. travelling time from an urban settlement of more than 5000 inhabitants. Urban municipalities means municipalities less than 60 min travelling time from an urban settlement of more than 5000 inhabitants.

Source: Statistics Norway

Table 7: Population projections 1999-2020 (all medium national growth). Indexed (1999=100). Municipalities by centrality (NIBR 16)[1].

Centrality	1999	2000	2001	2002	2005	2010	2015	2020
Oslo region	1 314 479	101	102,0	102,8	104,9	108	110,7	114
Kristiansand region	153 946	101	101,8	102,6	104,9	108	111,6	115
Stavanger region	256 726	101	102,5	103,5	106,3	110	113,8	117
Bergen region	326 557	101	101,4	102,1	103,8	106	108,4	111
Trondheim region	243 801	101	101,3	102,0	103,6	106	108,4	111
Tromsø region	60 583	101	101,6	102,5	104,8	108	111,5	115
	2 356 092	101	102	103	105	108	111	114
Urban municipalities Eastern Norway	744 940	101	101,1	101,5	102,7	105	106,2	108
Urban municipalities Southern Norway	82 420	100	100,9	101,4	102,7	105	107,3	110
Urban municipalities Western Norway	349 787	101	101,2	101,7	103,3	106	108,1	110
Urban municipalities Central Norway	67 213	100	99,8	100,0	100,5	101	102,3	104
Urban municipalities Northern Norway	210 901	100	100,4	100,8	102,2	104	105,7	107
	1 455 261	100	101	101	102	104	106	108
Peripheral municipalities Eastern Norway	128 838	100	99,6	99,7	100,1	101	101,9	103
Peripheral municipalities Southern Norway	19 119	100	99,8	99,9	99,7	100	99,8	100
Peripheral municipalities Western Norway	218 057	100	99,8	99,7	99,8	100	100,5	101
Peripheral municipalities Central Norway	76 638	100	99,7	99,9	100,3	101	102,2	104
Peripheral municipalities Northern Norway	191 324	99	98,9	98,6	98,2	98	97,9	98
	633 976	100	100	100	100	100	100	101
Total	**4 445 329**	**101**	**101,2**	**101,8**	**103,3**	**106**	**107,7**	**110**

1 NIBR 16 is a classification of municipalities. Peripheral municipalities means municipalities more than 60 min. travelling time from an urban settlement of more than 5000 inhabitants. Urban municipalities means municipalities less than 60 min. travelling time from an urban settlement of more than 5000 inhabitants.

Source: Statistics Norway

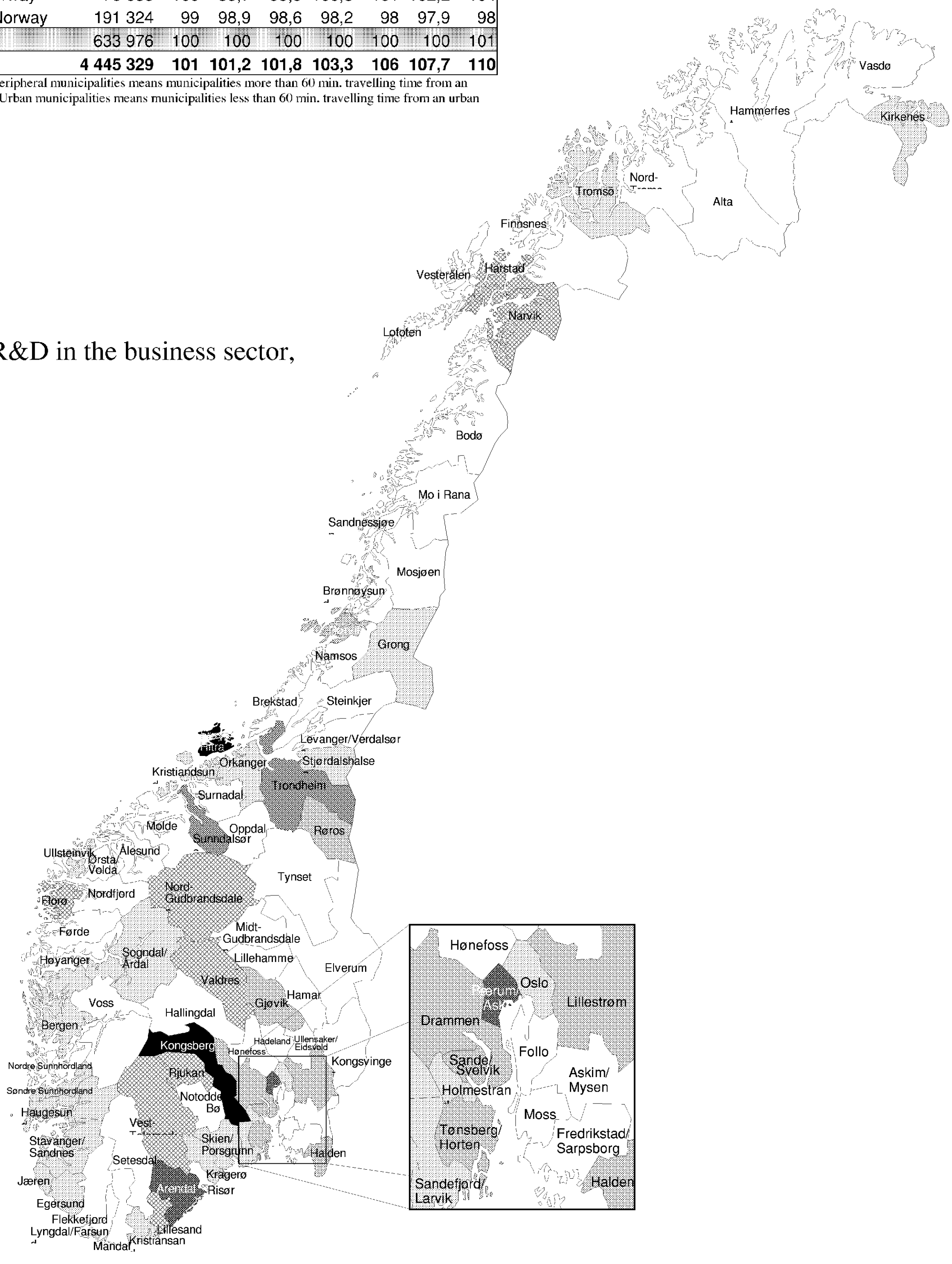
Figur 1. Investment in R&D in the business sector, by economic region.

Total R&D per employed person*

1999. 1000 NOK

- 70 and above
- 55 to 69
- 40 to 54
- 25 to 39
- 10 to 24
- Below 10
- Higly uncertain

* Includes own R&D and contract R&D. Some contract R&D may be recorded as own R&D in another unit, ie some R&D has been counted twice.



Source: Statistics Norway

Table 8. Population trends 1980-2002. Commuting regions, by relative population decline.

BA-code	BA-area	No of persons resident at 1 January. 1980	1990	2000	2002	Change from 1980 to 2002	Percentage change from 1980 to 2002
152	Måsøy	2 623	1 839	1 477	1 433	- 1 190	-45,4
135	Ibestad	2 705	2 229	1 763	1 715	- 990	-36,6
134	Bjarkøy	865	723	602	554	- 311	-36,0
145	Vardø	3 830	3 008	2 705	2 586	- 1 244	-32,5
150	Loppa	2 070	1 687	1 426	1 398	- 672	-32,5
101	Namsskogan	1 399	1 188	989	969	- 430	-30,7
151	Hasvik	1 649	1 337	1 200	1 184	- 465	-28,2
158	Berlevåg	1 677	1 367	1 236	1 210	- 467	-27,8
126	Værøy	1 061	891	775	770	- 291	-27,4
105	Leka	933	852	714	684	- 249	-26,7
153	Nordkapp	4 736	3 975	3 517	3 513	- 1 223	-25,8
138	Torsken/Berg	2 943	2 534	2 277	2 190	- 753	-25,6
130	Andøy	7 441	6 574	5 744	5 549	- 1 892	-25,4
156	Lebesby	2 015	1 754	1 463	1 511	- 504	-25,0
157	Gamvik	1 636	1 424	1 288	1 234	- 402	-24,6
142	Gáivuotna – Kåfjord	3 107	2 819	2 369	2 344	- 763	-24,6
144	Kvænangen	1 900	1 615	1 435	1 442	- 458	-24,1
61	Solund	1 211	1 144	959	921	- 290	-23,9
124	Lødingen	3 100	2 843	2 471	2 358	- 742	-23,9
83	Smøla	3 056	2 736	2 432	2 329	- 727	-23,8
131	Moskenes	1 667	1 445	1 352	1 282	- 385	-23,1
119	Beiarn	1 629	1 488	1 311	1 257	- 372	-22,8
80	Sandøy	1 687	1 528	1 332	1 305	- 382	-22,6
121	Steigen	3 711	3 271	2 977	2 889	- 822	-22,2
100	Røyrvik	721	742	595	563	- 158	-21,9
10	Stor-Elvdal/Rendalen	6 546	5 870	5 269	5 138	- 1 408	-21,5
117	Rødøy	1 909	1 743	1 570	1 509	- 400	-21,0
103	Flatanger	1 572	1 436	1 238	1 254	- 318	-20,2
125	Røst	813	631	666	649	- 164	-20,2
116	Træna	592	529	466	474	- 118	-19,9
58	Fedje	849	730	682	685	- 164	-19,3
115	Lurøy	2 546	2 265	2 107	2 066	- 480	-18,9
141	Lyngen	3 881	3 595	3 225	3 183	- 698	-18,0
123	Tysfjord	2 780	2 622	2 302	2 283	- 497	-17,9
108	Bindal	2 252	2 095	1 921	1 867	- 385	-17,1
99	Lierne	1 861	1 694	1 565	1 558	- 303	-16,3
140	Balsfjord/Storfjord	8 960	8 214	7 621	7 502	- 1 458	-16,3
54	Odda	14 432	13 347	12 326	12 094	- 2 338	-16,2
122	Hamarøy	2 299	2 312	2 008	1 932	- 367	-16,0
90	Osen	1 348	1 316	1 194	1 152	- 196	-14,5
87	Frøya	4 789	4 293	4 115	4 107	- 682	-14,2
65	Aurland	2 096	1 834	1 833	1 807	- 289	-13,8
48	Sauda	5 712	5 355	5 081	4 926	- 786	-13,8
160	Båtsfjord	2 785	2 346	2 470	2 407	- 378	-13,6
89	Åfjord/Roan	5 156	4 824	4 524	4 473	- 683	-13,2
29	Tinn	7 480	6 876	6 560	6 490	- 990	-13,2
47	Suldal	4 570	4 119	4 043	3 984	- 586	-12,8
49	Utsira	265	225	256	233	- 32	-12,1
97	Meråker	2 910	2 750	2 637	2 559	- 351	-12,1
66	Lærdal/Årdal	8 958	8 429	7 999	7 887	- 1 071	-12,0

14	Dovre	5 750	5 513	5 154	5 110	- 640	-11,1
147	Hammerfest	11 359	10 634	10 319	10 111	- 1 248	-11,0
62	Høyanger	6 893	6 779	6 190	6 138	- 755	-11,0
112	Hattfjelldal	1 800	1 728	1 634	1 603	- 197	-10,9
136	Salangen	3 757	3 735	3 398	3 353	- 404	-10,8
79	Rauma	8 124	7 819	7 415	7 381	- 743	-9,1
137	Målselv	11 711	11 310	10 943	10 655	- 1 056	-9,0
59	Masfjorden/Gulen	4 644	4 497	4 263	4 236	- 408	-8,8
161	Sør-Varanger	10 529	9 641	9 532	9 608	- 921	-8,7
15	Skjåk/Lom	5 377	5 268	4 953	4 908	- 469	-8,7
16	Fron	15 224	14 878	14 027	13 901	- 1 323	-8,7
9	Trysil/Engerdal	9 362	9 051	8 649	8 565	- 797	-8,5
30	Seljord/Kviteseid	6 119	6 111	5 595	5 607	- 512	-8,4
107	Narvik	26 155	24 865	24 243	23 998	- 2 157	-8,2
67	Fjaler	8 497	8 307	7 867	7 807	- 690	-8,1
86	Hitra	4 395	4 298	4 038	4 051	- 344	-7,8
159	Deatnu – Tana	3 293	3 195	3 074	3 039	- 254	-7,7
81	Sunndal	11 368	11 016	10 516	10 500	- 868	-7,6
139	Lenvik	18 752	17 916	17 365	17 371	- 1 381	-7,4
17	Sel	10 761	10 365	10 091	9 975	- 786	-7,3
128	Vågan	9 766	9 353	9 229	9 094	- 672	-6,9
127	Flakstad/Vestvågøy	13 071	12 151	12 325	12 208	- 863	-6,6
143	Skjervøy/Nordreisa	8 281	7 779	7 755	7 753	- 528	-6,4
82	Surnadal	10 794	10 863	10 198	10 116	- 678	-6,3
94	Tydal	967	1 008	949	914	- 53	-5,5
154	Porsanger	4 597	4 475	4 451	4 349	- 248	-5,4
32	Vinje/Tokke	6 703	6 663	6 375	6 347	- 356	-5,3
31	Nissedal/Fyresdal	2 924	2 932	2 800	2 774	- 150	-5,1
120	Fauske	17 659	18 027	16 886	16 768	- 891	-5,0
78	Norddal/Stranda	6 934	6 703	6 637	6 588	- 346	-5,0
69	Vågsøy	9 883	9 672	9 545	9 422	- 461	-4,7
11	Tynset	11 925	11 710	11 516	11 398	- 527	-4,4
85	Hemne/Snillfjord/Aure	8 387	8 339	8 199	8 036	- 351	-4,2
23	Nore og Uvdal	2 873	2 903	2 764	2 754	- 119	-4,1
52	Jondal/Kvam	10 006	10 039	9 743	9 628	- 378	-3,8
102	Grong/Høylandet	4 041	3 897	3 900	3 896	- 145	-3,6
18	Fagernes	18 958	19 183	18 367	18 292	- 666	-3,5
104	Vikna/Nærøy	9 580	9 328	9 220	9 247	- 333	-3,5
95	Steinkjer	35 204	35 033	34 147	34 071	- 1 133	-3,2
55	Voss	16 521	16 310	15 992	16 003	- 518	-3,1
110	Alstahaug	22 051	21 875	21 535	21 399	- 652	-3,0
114	Rana	30 835	29 467	29 944	29 930	- 905	-2,9
6	Kongsvinger	51 077	51 072	49 750	49 797	- 1 280	-2,5
35	Evje/Bygland	4 768	4 774	4 697	4 651	- 117	-2,5
46	Hjelmeland	2 766	2 827	2 756	2 708	- 58	-2,1
28	Notodden	18 680	18 662	18 370	18 332	- 348	-1,9
118	Meløy	6 928	7 111	6 796	6 830	- 98	-1,4
75	Vanylven	3 954	3 924	3 584	3 899	- 55	-1,4
129	Sortland	30 886	30 355	30 561	30 548	- 338	-1,1
146	Vadsø	7 161	7 004	7 095	7 086	- 75	-1,0
113	Nesna	1 873	1 810	1 882	1 855	- 18	-1,0
73	Kristiansund	28 918	28 763	28 574	28 700	- 218	-0,8
33	Risør	9 568	9 599	9 509	9 513	- 55	-0,6
92	Orkdal	16 169	16 495	16 024	16 183	14	0,1
111	Vefsn	14 950	15 020	15 205	15 053	103	0,7
13	Gjøvik	66 954	67 083	67 204	67 417	463	0,7
88	Ørland	9 668	9 806	9 733	9 762	94	1,0
132	Harstad	30 431	31 031	30 948	30 784	353	1,2
71	Stryn	7 834	7 971	7 893	7 931	97	1,2
40	Flekkefjord	17 281	17 552	17 501	17 499	218	1,3

109	Brønnøy	11 407	11 279	11 555	11 592	185	1,6
70	Eid/Gloppen	11 279	11 822	11 549	11 474	195	1,7
1	Halden	28 082	27 309	28 184	28 645	563	2,0
91	Oppdal/Rennebu	8 876	9 102	8 988	9 054	178	2,0
77	Ørsta/Volda	18 108	18 192	18 598	18 547	439	2,4
53	Kvinnherad	12 821	13 121	13 196	13 140	319	2,5
41	Indre Vest-Agder	3 949	3 947	4 029	4 058	109	2,8
8	Elverum	26 107	26 162	26 488	26 945	838	3,2
64	Sogndal	13 338	13 946	13 852	13 771	433	3,2
96	Namsos	16 172	16 475	16 778	16 718	546	3,4
22	Hallingdal	19 287	20 073	20 409	20 188	901	4,7
27	Grenland	115 379	117 069	120 374	120 997	5 618	4,9
7	Hamar	79 695	80 990	83 283	83 975	4 280	5,4
72	Molde	50 611	51 820	53 366	53 378	2 767	5,5
42	Sirdal	1 645	1 726	1 734	1 758	113	6,9
148	Guovdageaidnu – Kautokei	2 855	2 953	3 068	3 052	197	6,9
155	Kárášjohka - Karasjok	2 658	2 652	2 901	2 852	194	7,3
3	Fredrikstad/Sarpsborg	119 042	121 514	125 778	127 807	8 765	7,4
60	Flora	14 323	14 424	15 396	15 416	1 093	7,6
98	Levanger/Verdal	31 279	32 598	33 575	33 682	2 403	7,7
39	Farsund	15 481	16 041	16 694	16 689	1 208	7,8
21	Ringerike	38 480	39 982	41 143	41 489	3 009	7,8
12	Lillehammer	33 082	33 795	35 769	35 912	2 830	8,6
36	Valle/Bykle	2 110	2 158	2 307	2 291	181	8,6
20	Kongsberg	24 476	25 186	26 276	26 666	2 190	8,9
63	Vik	2 659	2 507	2 965	2 915	256	9,6
4	Askim/Eidsberg	31 949	33 528	34 532	35 121	3 172	9,9
57	Modalen	313	340	354	345	32	10,2
43	Eigersund	17 230	18 218	19 102	19 100	1 870	10,9
38	Mandal	16 057	16 648	17 711	17 830	1 773	11,0
24	Holmestrand	11 220	11 855	12 275	12 459	1 239	11,0
74	Ålesund	68 079	70 506	74 964	75 959	7 880	11,6
76	Ulstein	19 266	20 419	21 747	21 601	2 335	12,1
2	Moss	45 165	46 713	50 197	51 391	6 226	13,8
84	Trondheim	198 340	206 711	221 836	225 759	27 419	13,8
19	Drammen	119 159	126 175	133 890	136 020	16 861	14,2
56	Austevoll	3 893	4 200	4 406	4 460	567	14,6
45	Haugesund	82 385	88 084	93 622	94 450	12 065	14,6
26	Larvik/Sandefjord	72 528	76 313	82 082	83 260	10 732	14,8
50	Bergen	280 275	294 639	318 305	324 508	44 233	15,8
93	Røros	20 639	22 502	23 828	24 040	3 401	16,5
34	Arendal	61 686	67 096	71 431	72 132	10 446	16,9
25	Tønsberg	90 718	96 175	104 757	106 768	16 050	17,7
51	Stord	27 734	30 145	32 718	32 875	5 141	18,5
5	Oslo	868 569	924 361	1 029 794	1 046 537	177 968	20,5
106	Bodø	36 846	40 365	44 816	45 116	8 270	22,4
37	Kristiansand	95 813	104 466	115 352	117 505	21 692	22,6
68	Førde	15 571	17 099	19 052	19 318	3 747	24,1
133	Tromsø	48 918	53 322	61 641	62 988	14 070	28,8
149	Alta	13 219	14 857	16 837	17 159	3 940	29,8
44	Stavanger/Sandnes	197 698	225 578	257 081	261 493	63 795	32,3
	Norway	4 078 900	4 233 116	4 478 497	4 524 066	445 166	10,9

Source: Statistics Norway

Table 9: Income per resident aged 17 and above. Municipalities by centrality (NIBR 16)[1]. 1995, 1998 and 2000

RegNo		1995 Total gross income residents aged 17 and above NOK	1995 Number residents aged 17 and above	1998 Total gross income residents aged 17 and above. NOK	1998 Number of residents aged 17 and above	2000 Total gross income residents aged 17 and above. NOK	2000 Number residents aged 17 and above	Total gross income per resident aged 17 and above. NOK 1995	1998	2000
310	Oslo region	190843 292 978	1 001 011	243749 106 452	1 033 205	292244 098 264	1 050 288	190 651	235 916	278 251
320	Kristiansand region	18269 339 487	113 157	22818 782 448	116 247	26217 156 631	118 775	161 451	196 296	220 730
332	Stavanger region	34610 256 631	182 727	43912 941 056	189 974	50052 129 639	194 332	189 410	231 152	257 560
331	Bergen region	42266 473 127	246 200	52676 766 421	250 352	60552 391 574	254 293	171 675	210 411	238 121
340	Trondheim region	30196 072 125	185 847	37134 007 064	188 132	42701 576 977	190 955	162 478	197 383	223 621
350	Tromsø region	7847 326 977	45 024	9706 909 250	46 408	11235 881 232	47 192	174 292	209 165	238 089
	Total cities/large towns & surrounding reg	324032 761 325	1 773 966	409998 512 691	1 824 318	483003 234 317	1 855 835	182 660	224 741	260 262
210	Urban municipalities Eastern Norway	90857 673 946	584 401	111574 388 394	588 373	128209 484 698	592 982	155 471	189 632	216 211
220	Urban municipalities Southern Norway	9653 740 731	63 556	12044 868 415	64 026	13480 061 168	64 242	151 893	188 125	209 833
230	Urban municipalities Western Norway	42285 767 966	262 242	52699 038 190	266 413	59997 129 948	269 847	161 247	197 810	222 338
240	Urban municipalities Central Norway	7672 135 539	53 199	9103 390 316	52 466	10075 006 321	52 261	144 216	173 510	192 783
250	Urban municipalities Northern Norway	26064 933 883	164 267	31101 530 163	163 439	34821 006 049	164 083	158 674	190 294	212 216
	Total Urban municipalities	176534 252 065	1 127 665	216523 215 478	1 134 717	246582 688 184	1 143 415	156 548	190 817	215 655
110	Peripheral municipalities Eastern Norway	14912 025 683	105 067	17875 979 370	103 294	20421 837 396	102 791	141 929	173 059	198 673
120	Peripheral municipalities Southern Norway	2223 176 087	14 711	2770 433 845	14 747	3108 285 738	15 126	151 123	187 864	205 493
130	Peripheral municipalities Western Norway	26046 948 069	170 072	31470 129 427	169 146	35352 845 557	168 261	153 152	186 053	210 107
140	Peripheral municipalities Central Norway	8456 365 235	60 875	10179 469 675	59 995	11408 914 762	59 463	138 914	169 672	191 866
150	Peripheral municipalities Northern Norway	22355 005 433	156 046	26377 268 611	151 359	29071 909 157	148 638	143 259	174 270	195 589
	Total peripheral municipalities	73993 520 507	506 771	88673 280 928	498 541	99363 792 610	494 279	146 010	177 866	201 028
2111	Spitsbergen	0	0	0	0	344 250 782	1 420			242 430
	Norway	**574560 533 897**	**3 408 402**	**715195 009 097**	**3 457 576**	**829293 965 893**	**3 494 949**	**168 572**	**206 849**	**237 284**

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Source: Statistics Norway

Table 10. Employed persons ages 16-74 by sector [1]. Municipalities by centrality (NIBR 16)[2]. Percentage change 1996-2000.

RegNo	Region	01-09 Agriculture, forestry, fishing and fish farming	10, 12-37 Manufacturing and mining	11 Extraction of crude petroleum and natural gas	40-41 Electricity and water supply	45 Construction	50-52 Wholesale and retail trade	55 Hotels and restaurants	60-64 Transport and communications	65-67 Financial intermediation	70-74 Business activities, real estate	75-99 Public administration and other service activities	Employed in unspecified sector	Self-employed in unspecified sector	Total
310	Oslo region	-9,3	-8,1	-42,0	-6,1	19,6	6,1	7,9	13,9	1,7	44,4	8,3	-62,5	-54,1	8,9
320	Kristiansand region	-13,5	0,8	30,5	-11,4	27,4	6,9	16,0	7,1	-5,6	40,7	8,6	-54,4	-55,9	8,2
332	Stavanger region	-14,9	-4,6	11,8	-10,5	28,3	9,3	11,8	4,5	-0,8	17,9	9,7	-40,3	-51,5	6,2
331	Bergen region	-1,7	-1,9	27,4	-0,2	18,9	6,9	5,4	2,9	-0,9	36,7	4,5	-76,0	-53,4	6,5
340	Trondheim region	-11,5	3,1	36,4	-17,8	18,6	6,9	8,0	-7,0	2,2	33,0	3,5	-63,0	-59,3	5,1
350	Tromsø region	5,4	-9,9	81,1	-6,3	20,7	7,6	7,8	6,6	-11,7	38,7	4,0	-92,2	-64,1	5,6
	Total/cities/large towns & surrounding reg.	-10,0	-5,0	8,3	-7,6	20,8	6,7	8,5	8,7	0,6	39,7	7,2	-62,0	-54,6	7,8
210	Urban municipalities Eastern Norway	-13,2	-1,0	-43,1	-25,3	20,9	8,9	4,8	6,0	-6,9	50,5	9,0	-76,2	-56,3	6,5
220	Urban municipalities Southern Norway	-10,5	-4,0	29,5	-11,3	32,1	11,4	4,4	-6,5	-1,5	36,8	5,1	-61,1	-51,1	4,8
230	Urban municipalities Western Norway	-16,3	-1,1	27,7	-16,3	26,0	6,8	8,9	1,0	-4,6	36,9	5,4	-51,5	-51,2	4,3
240	Urban municipalities Central Norway	-10,9	-8,5	21,9	-12,4	21,2	5,0	17,1	-6,4	-1,2	36,6	2,7	-81,9	-65,5	1,0
250	Urban municipalities Northern Norway	-7,2	-7,7	39,0	-13,5	15,9	7,7	-0,1	-2,1	-10,9	27,7	3,2	-87,9	-64,3	2,1
	Total peripheral municipalities	-13,1	-2,1	3,6	-19,7	21,9	8,2	5,2	2,0	-6,4	42,8	6,7	-71,9	-56,3	5,0
110	Peripheral municipalities Eastern Norway	-20,9	-4,2	24,0	-14,0	20,4	10,7	-7,6	-2,8	-5,0	42,5	5,9	-87,0	-58,4	0,9
120	Peripheral municipalities Southern Norway	-13,1	2,2	32,4	-8,7	26,9	15,0	-6,3	-4,4	-13,1	30,4	2,8	-73,1	-50,6	2,5
130	Peripheral municipalities Western Norway	-14,2	-3,5	50,8	-13,9	10,9	8,6	5,6	-0,1	-11,9	37,1	2,8	-72,5	-53,6	0,3
140	Peripheral municipalities Central Norway	-12,0	10,7	29,0	-20,4	20,1	6,5	-0,6	-6,8	-5,3	51,3	0,8	-87,8	-61,2	0,9
150	Peripheral municipalities Northern Norway	-2,5	-8,7	100,0	-10,3	13,0	1,3	-2,8	-1,8	-19,9	27,2	0,4	-83,0	-72,0	-1,3
	Total peripheral municipalities	-12,0	-3,0	48,9	-13,6	15,4	6,8	-2,2	-2,1	-11,6	37,0	2,3	-81,4	-61,0	0,1
	Norway	**-11,8**	**-3,6**	**7,7**	**-13,6**	**20,3**	**7,1**	**5,9**	**5,2**	**-2,1**	**40,2**	**6,4**	**-67,5**	**-56,1**	**5,8**

1. 2-digit NACE Codes.
2. NIBR 16 is a classification of municipalities. Peripheral municipalities means municipalities more than 60 min. travelling time from an urban settlement of more than 5000 inhabitants. Urban municipalities means municipalities less than 60 min travelling time from . an urban settlement of more than 5000 inhabitants
Source:Statistics Norway

Table 11. Employed persons aged 16-74 by sector[1]. Municipalities by centrality (NIBR 16)[2]. Fourth quarter 2000.

RegNo	Region	01-09 Agriculture, forestry, fishing and fish farming	10, 12-37 Manufacturing and mining	11 Extraction of crude petroleum and natural gas	40-41 Electricity and water supply	45 Construction	50-52 Wholesale and retail trade	55 Hotels and restaurants	60-64 Transport and communications	65-67 Financial intermediation	70-74 Business activities, real estate	75-99 Public administration and other service activites	Employed in unspecified sector	Self-employed in unspecified sector	Total
310	Oslo region	7 592	65 895	1 579,0	3550	37824	113978	20620	56536	20786	100742	228622	768	5431	663 923
320	Kristiansand region	1 544	10 776	859,0	570	5063	10267	2525	5307	1156	5764	24224	67	504	68 626
332	Stavanger region	5 810	17 432	8 934,0	666	8065	18544	4214	8464	1779	12382	37259	274	792	124 615
331	Bergen region	2 321	19 038	4 660,0	1236	10585	22205	5225	12350	4538	16216	56440	132	1011	155 957
340	Trondheim region	3 631	13 135	1 041,0	853	7890	17219	3812	8508	2510	12577	43879	91	651	115 797
350	Tromsø region	1 291	1 793	67,0	210	2010	4381	1354	2745	740	2827	13375	6	171	30 970
	Total cities/large towns & surrounding reg.	22 189	128 069	17 140	7 085	71 437	186 594	37 750	93 910	31 509	150 508	403 799	1 338	8 560	1 159 888
210	Urban municipalities Eastern Norway	10 284	60 769	1 556	2 716	25 489	51 355	9 674	22 280	5 161	27 222	120 255	210	2 465	339 436
220	Urban municipalities Southern Norway	956	6 821	636	331	2 780	5 204	1 123	2 301	719	2 382	12 680	42	297	36 272
230	Urban municipalities Western Norway	7 932	32 108	3 023	1 251	11 496	22 521	4 931	12 156	2 574	9 942	51 415	211	1 057	160 617
240	Urban municipalities Central Norway	2 737	3 939	117	424	2 520	3 986	706	1 545	401	1 711	11 131	13	142	29 372
250	Urban municipalities Northern Norway	3 776	9 227	499	1 169	7 031	13 532	3 581	8 370	1 628	6 660	39 291	42	484	95 290
	Total urban municipalities	25 685	112 864	5 831	5 891	49 316	96 598	20 015	46 652	10 483	47 917	234 772	518	4 445	660 987
110	Peripheral municipalities Eastern Norway	6 085	6 405	186	1 026	6 372	7 511	3 169	3 529	777	3 111	20 180	21	561	58 933
120	Peripheral municipalities Southern Norway	551	1 670	143	273	751	796	296	516	93	266	2 900	7	87	8 349
130	Peripheral municipalities Western Norway	10 696	20 917	1 371	1 494	7 525	9 731	2 683	7 188	1 194	4 475	30 404	61	698	98 437
140	Peripheral municipalities Central Norway	4 925	5 155	209	444	2 712	3 453	1 012	2 368	396	1 381	11 302	16	234	33 607
150	Peripheral municipalities Northern Norway	9 774	8 504	272	928	6 156	8 790	2 320	6 287	713	3 117	33 118	46	421	80 446
	Total peripheral municipalities	32 031	42 651	2 181	4 165	23 516	30 281	9 480	19 888	3 173	12 350	97 904	151	2 001	279 772
	Norway	**79 905**	**283 584**	**25 152**	**17 141**	**144 269**	**313 473**	**67 245**	**160 450**	**45 165**	**210 775**	**736 475**	**2 007**	**15 006**	**2 100 647**

1. 2-digit NACE Codes.
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Source:Statistics Norway

Table 12: Population aged 20-39, by gender. Municipalities by centrality (NIBR 16)[1]. 2002.

RegNo	Region	Total	Men	Women	Women as percentage of total	Number of women per 100 men
310	Oslo region	415 087	208 094	206 993	49,9	99,5
320	Kristiansand region	44 648	22 804	21 844	48,9	95,8
332	Stavanger region	79 384	40 196	39 188	49,4	97,5
331	Bergen region	99 158	50 509	48 649	49,1	96,3
340	Trondheim region	73 561	37 441	36 120	49,1	96,5
350	Tromsø region	20 600	10 201	10 399	50,5	101,9
	Total cities/large towns and surrounding regi	732 438	369 245	363 193	49,6	98,4
210	Urban municipalities Eastern Norway	197 707	100 375	97 332	49,2	97,0
220	Urban municipalities Southern Norway	22 047	11 307	10 740	48,7	95,0
230	Urban municipalities Western Norway	95 549	49 498	46 051	48,2	93,0
240	Urban municipalities Central Norway	16 782	8 620	8 162	48,6	94,7
250	Urban municipalities Northern Norway	58 567	29 885	28 682	49,0	96,0
	Total urban municipalities	390 652	199 685	190 967	48,9	95,6
110	Peripheral Eastern Norway	31 745	16 467	15 278	48,1	92,8
120	Peripheral Southern Norway	5 028	2 668	2 360	46,9	88,5
130	Peripheral Western Norway	53 316	28 106	25 210	47,3	89,7
140	Peripheral Central Norway	18 396	9 594	8 802	47,8	91,7
150	Peripheral Northern Norway	47 907	25 283	22 624	47,2	89,5
	Total peripheral municipalities	156 392	82 118	74 274	47,5	90,4
	Norway	**1 279 482**	**651 048**	**628 434**	**49,1**	**96,5**

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Source: Statistics Norway

Table 13: Disabled persons as percentage of labour force. Municipalities by centrality. (NIBR 16)[1]. 1990, 1995 and 2000.

		Number of persons in labour force. Annual average.			Total disability pensioners at 31 Dec.			Disabled persons as percentage of labour force		
		1990	1995	2000	1990	1995	2000	1990	1995	2000
310	Oslo region	647802	661902	734199	58229	59754	72326	9,0	9,0	9,9
320	Kristiansand region	67884	70586	78568	8796	9572	11652	13,0	13,6	14,8
332	Stavanger region	119536	127853	140912	9224	9700	11467	7,7	7,6	8,1
331	Bergen region	157555	162491	175670	13643	13782	16824	8,7	8,5	9,6
340	Trondheim region	119715	121375	129735	12177	12248	14144	10,2	10,1	10,9
350	Tromsø region	29635	31972	34607	3023	3214	3824	10,2	10,1	11,0
	Total cities/large towns & surrounding reg.	1142127	1176179	1293691	105092	108270	130237	9,2	9,2	10,1
210	Urban municipalities Eastern Norway	354180	354062	379879	49630	49197	56692	14,0	13,9	14,9
220	Urban municipalities Southern Norway	36623	38450	41419	5045	5370	6642	13,8	14,0	16,0
230	Urban municipalities Western Norway	163250	168565	181663	15676	15605	18360	9,6	9,3	10,1
240	Urban municipalities Central Norway	32804	32957	33283	4098	3940	4479	12,5	12,0	13,5
250	Urban municipalities Northern Norway	102712	106152	108906	13734	13639	15043	13,4	12,8	13,8
	Total urban municipalities	689569	700186	745150	88183	87751	101216	12,8	12,5	13,6
110	Peripheral municipalities Eastern Norway	64918	63869	64541	7062	6803	8161	10,9	10,7	12,6
120	Peripheral municipalities Southern Norway	8544	8862	9472	1076	1107	1378	12,6	12,5	14,5
130	Peripheral municipalities Western Norway	106283	107094	108784	9110	9419	10994	8,6	8,8	10,1
140	Peripheral municipalities Central Norway	37018	36589	37167	4684	4513	5129	12,7	12,3	13,8
150	Peripheral municipalities Northern Norway	93509	93496	92144	16375	14958	15908	17,5	16,0	17,3
	Total peripheral municipalities	310272	309910	312108	38307	36800	41570	12,3	11,9	13,3
	Norway	**2141968**	**2186275**	**2350949**	**231582**	**232821**	**273023**	**10,8**	**10,6**	**11,6**

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Sourc: Statistics Norway

Table 14: Unemployment. Municipalities by centrality (NIBR 16)[1]. 2001.

Region	Number unemploy 1992	Labour force 1992	Percentage unemployed 1992	Number unemployed 1998	Labour force 1998	Percentage unemployed 1998	Number unemployed 2001	Labour force 2000	Percentage unemployed 2001
Oslo region	8674	646142	1,3	12865	647500	2,0	15 720	734 199	2,1
Kristiansand region	3537	61646	5,7	1699	69456	2,4	2 473	78 568	3,1
Stavanger region	4469	111836	4,0	2213	127432	1,7	3 930	140 912	2,8
Bergen region	10650	146567	7,3	4431	158067	2,8	5 289	175 670	3,0
Trondheim region	7571	110196	6,9	3389	118772	2,9	4 201	129 735	3,2
Tromsø region	1432	27793	5,2	646	30894	2,1	804	34 607	2,3
Total cities/large towns & surrounding reg.	36333	1104180	3,3	25243	1152121	2,2	32 417	1 293 691	2,5
Urban municipalities Eastern Norway	20701	321948	6,4	9660	345234	2,8	9 502	366 540	2,6
Urban municipalities Southern Norway	1730	32624	5,3	926	37251	2,5	1 210	41 419	2,9
Urban municipalities Western Norway	8121	151066	5,4	3110	164971	1,9	5 418	181 663	3,0
Urban municipalities Central Norway	1804	30156	6,0	941	30581	3,1	1 318	33 283	4,0
Urban municipalities Northern Norway	5153	94171	5,5	2845	99371	2,9	3 588	108 906	3,3
Total urban municipalities	37509	629965	6,0	17482	677408	2,6	21 036	731 811	2,9
Peripheral municipalities Eastern Norway	3072	59793	5,1	1049	60838	1,7	1 114	64 541	1,7
Peripheral municipalities Southern Norway	424	7859	5,4	172	8750	2,0	322	9 472	3,4
Peripheral municipalities Western Norway	4155	98283	4,2	1589	101867	1,6	2 172	108 784	2,0
Peripheral municipalities Central Norway	1938	33816	5,7	902	34840	2,6	1 095	37 167	2,9
Peripheral municipalities Northern Norway	5992	84832	7,1	3325	85726	3,9	3 781	92 144	4,1
Total peripheral municipalities	15581	284583	5,5	7037	292021	2,4	8 484	312 108	2,7
Norway	**89423**	**2018728**	4,4	**49762**	**2121550**	2,3	**61 937**	**2 337 610**	**2,6**

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Source: Statistics Norway