Globalisation and the maritime city – the case of Bergen, Norway

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"Economic globalization" has had a profound effect on both the demand for and supply of maritime products and services. Indeed, the increasing integration of the international economy has been a driving force in the development of the maritime industries. Norway is a Traditional Maritime Nation (TMN) with a historically large presence in international shipping. The Norwegian maritime sector has been transformed after WWII, due to a combination of domestic and international development traits.

This paper focusses on Bergen, a city on the Norwegian west coast with between 200,000 and 300,000 inhabitants. The maritime industries have played a crucial role in the city’s economy for centuries. However, although Bergen was a major (in a Norwegian perspective) port, this part of the maritime economic activity is of relatively limited importance. The main footprints of the maritime industries were found within three other arenas:

- A substantial number of shipping companies that owned and operated ships performing transport services for foreign interests. Although the companies traditionally had acquired both investments and labour locally, the demand for shipping was in practice totally detached from the local economy.

- A shipbuilding industry that constructed ships for local and non-local customers, including a yard that was the city’s biggest private employer in the early 1970s.

- An auxiliary industry built up to support the maritime activities, consisting of brokers, ship equipment producers, banks, insurance companies, etc.

The maritime city has changed in a way that mirrors (though it predates) the changes in the international division of labour within manufacturing. Few, if any, industries were as positively affected by “globalization” as shipping, and few, if any, industries took advantage of the possibilities that “globalization” offered to the same extent as shipping. Parts of the value chain have been outsourced to lower labour cost countries, and the ships’ intrinsic mobility means that this has been possible to a larger
extent than in other industries. A central argument in this paper is that the effect of globalization varies enormously among the various maritime activities. The most important changes have been that:

- The manner in which the shipping services are produced, has been radically transformed as a result of the use of foreign labour and new methods of control and communication.

- The shipbuilding industry has disappeared, but substantial, and valuable, related activities are still present, particularly within the manufacturing of ship equipment.

- The auxiliary services (shipbroking, finance, insurance) have remained, and to some extent even become strengthened.

These changes have had strong effects on a Traditional Maritime Nation such as Norway and a maritime city such as Bergen, both with regard to the scale and the scope of the activities that are taking place there.

The body of the paper consists of five main parts – after a brief presentation of the linkages between globalization and shipping, we look at the maritime city of Bergen. Subsequently, the three main activities presented above are analyzed.