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Source: *Current History*, Vol. 70, No. 415, SCANDINAVIA AND THE LOW COUNTRIES
(APRIL, 1976), pp. 159-162, 179

Published by: University of California Press

Stable URL: <https://www.jstor.org/stable/45313886>

Accessed: 07-02-2022 23:23 UTC

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“Norwegians like their way of life and believe in it; suddenly possessed of great wealth, they have no desire to alter it. . . . Norway is a country that deserves study by nations East and West, great and small. . . .”

Norway's Middle Way

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NORWAY CAN BE regarded as the “Atlantic” partner among the four countries that are usually grouped together as “Scandinavia”—Norway, Sweden, Finland and Denmark. Norway extends 2,650 kilometers (1,500 miles) from north to south—from beyond the 71st parallel of latitude to below the 59th, a location comparable to that of Alaska. However, because of the moderating influence of the broad Atlantic and the weather systems moving eastward across the ocean, there is remarkable homogeneity in the Norwegian climate.

The long, indented and island-strewn seacoast has influenced the people of Norway toward sea-going careers, as fishermen, sailors or, in Viking times, as pirates, and an inhospitable interior has reinforced this. Much of the 324,000 square kilometers (125,000 square miles) of Norway is rugged and even mountainous, with 75 percent of the land area above 1,500 feet, some of it permanently ice-covered. The population has traditionally been concentrated in valleys within the higher land, or on plains along the seacoast; thus most of the country is unpopulated. Good land for farming has been scarce, and the high latitude and rather humid climate have also been a handicap.

The Norwegian landmass has not compensated for these disadvantages by a generous endowment of natural or energy sources. Like Denmark, but for different reasons, Norway has had to sustain a modern industrial-commercial economy without coal—the foundation of the industrial revolution—or petroleum and has been provided with few metallic minerals. By good fortune, she has one valuable source of energy. The very rugged terrain and the humid climate provide conditions for the development of hydroelectric power—made from water tumbling from a great height down mountainsides into fjords at sea level. Thus Norway has an enormously valuable, cheaply developed substitute for coal and petroleum and can support industries like pulp and paper, chemicals and refining of metals, based on inexpensive and plentiful power.

Throughout her history, Norway has found internal unity difficult because of the absence of lines of surface communication. Had it not been for the easy year-round travel provided by the sea and the concentration of the population near the coasts, unity might well have proved impossible. A map of roads and railways shows a pattern of routes for the most part following the valley bottoms and coasts and concentrated in the south. A journey by car (it cannot be completed by railway) from Oslo in the south to Tromsø or Hammerfest in the north is still a challenge and, in winter, is impossible because some roads are blocked by snow. The easiest land routes to northern Norway still run through Sweden and, in the extreme north, through Finland. As it always has been, it is still the sea that makes Norway a nation and it is from the sea that Norway's greatness is derived. The most satisfying way to study the country is still a sea voyage along the length of its coast, and (at intervals) “inland” into its major fjords. In summer or winter, such a journey misses very little of the essential Norway and provides a key to the character of her people.

Who are the Norwegians? Where do they live and what do they do? The total population is about 4 million, distributed on an average about 13 for each square kilometer. But this last number tells extraordinarily little, except by way of contrast with, for example, the Netherlands where the number is 370 or the United Kingdom where it is 225. The most northerly province of Norway, Finnmark, has only about 75,000 people in 50,000 square kilometers, or 1.5 per square kilometer, but three other areas are densely populated—those surrounding the cities of Oslo, Bergen and Trondheim. About half of the total population lives in cities and towns; while smaller settlements and more or less isolated groups of houses are a feature of some areas, the trend will continue to be toward the cities. However, the cities are usually close to open country, often mountainous, forested or along fjords or lakes. Norwegian urban life is not remote from the rural scene. During the

past half century, there have been major changes in the means of livelihood of the Norwegian people, and this has been accentuated by the drift from countryside to city. Such migration is internal, within the nation itself. It contrasts strikingly with the situation a century ago when a rising population, almost all of it rural, finding no possibility of work in the homeland, left it for the new lands overseas, especially in North America. Between 1840 and 1900, more than 600,000 Norwegians left home for the United States, making a striking contribution to the character of some parts of the United States. The surplus population that caused this great folk movement no longer exists. Typically, the annual population increase each year is about 30,000, resulting in a change from a total of about three million at mid-century to possibly five million by the year 2000. The loss of people from the countryside has not diminished, but instead of needing to seek new careers thousands of miles away overseas, rural Norwegians now settle in the larger Norwegian cities, attracted by jobs in industry, in offices or in service trades.

AVAILABLE RESOURCES

What industrial and commercial base makes this possible? This depends in the first place on the use of Norway's available resources—the soil that supports agriculture, the forests that provide a basis for lumber, pulp and paper, the seas that offer a foundation for the important fishing industry, and mining, based on the rocks. All these require the use of energy; this too is a basic resource. That all of these activities are relatively modest contributions to the national wealth is shown from Table 1.

TABLE 1: Net Production in 1 million kroner

Agriculture	2,230
Forestry	920
Fishing and whaling	810
Mining and quarrying	680
Total	4,640

In comparison, the value of production from manufacturing for the same year was 18,500 million kroner; other large contributors were construction, 5,560 million kroner and wholesale and retail trade, 9,700 million kroner. Not to be overlooked however is the contribution to employment of the basic industries listed in Table 1.

An industry, if it can be so termed, that derives directly from the nature of Norway is transportation by water. Despite the high latitude, the seas around Norway do not freeze in winter, so that it is possible to carry passengers and freight along the seacoast, within Norway's many fjords, and to and from her countless offshore islands. A thousand years ago this was the basis for Viking overseas adventures, from the Mediterranean to Iceland, Greenland and eastern

North America. Today, the long-established sea-going tradition not only provides employment but contributes significant amounts of "hard" currencies to the national balance of payments. About two-thirds of the annual "import surplus" is derived from revenue earned by ships carrying overseas cargoes, and more than 50,000 jobs are provided.

Norwegian national policy has long given a priority to maintaining the high standard of service provided by its shipping fleet. The fleet itself is modern—and kept that way by constantly building new vessels and disposing of older ones. Conditions of service for the crews are among the best in the world, and the rates of pay are high. Traditionally, most seamen have been recruited from rural areas, often from smaller fishing villages. But as the attraction of work in the larger cities has become stronger, life at sea has seemed less attractive. Today a growing number of Norwegian vessels employ foreign crew members.

THE SHIPPING INDUSTRY

In recent years the Norwegian shipping industry, like that of other nations, has encountered difficulties for two reasons: the general economic depression has reduced international trade as a whole, and dramatic changes in the world oil industry have led to a reduction in the use of oil and so in the employment of tankers. These changes have affected not only shipping but also the shipbuilding industry, which sells vessels to many foreign countries, all of which have suffered in the same way.

There has been a tendency toward the use of very large vessels, especially tankers, since sheer size is economical and reduces proportionately the high cost of crews. Shipping and shipbuilding are very important in the Norwegian economy. Fifteen or more Norwegian shipyards employ more than 500 workmen each, and the industry as a whole normally employs about 30,000. One shipyard, on a small island off the west coast, employs 1,500 men out of a total local population of about 10,000. Twenty years ago this yard had never built a ship larger than 1,000 tons. Recently, it has launched vessels larger than 200,000 tons. Shipbuilding is an unusual industry because it also creates all kinds of subsidiary industries to provide components, engines, cranes, electrical equipment, furnishings and so on. Norwegian success in shipbuilding is based on high technology and great skill in raising capital and in obtaining foreign orders and meeting delivery dates. A favorable tax system in Norway has also assisted.

Today, Norwegian shipping is suffering from an oversupply—there are too many ships available and some of the largest are tied up in fjords around the coast waiting for an upturn in world trade. This has seriously reduced work in the shipyards. The Norwegian government recognizes the importance of

shipbuilding to the national economy and, late in 1975, it provided generous financial help to companies in serious trouble. (The annual interest payable on the industry's debts was about \$250 million a year.) However, the situation has been less serious than it might have been because of the boom in the oil industry off western Norway, a boom that has required the construction of enormous drill rigs and drilling vessels that also give work to shipyards.

The availability of hydroelectrical power has been mentioned. This natural resource has had a profound effect on the pattern of industry in Norway. It has led to creation of industries in which large quantities of energy are needed and in which the cost of that energy is critical. Almost all Norway's energy is derived from hydro plants, whereas in West Europe about 75 percent of all electricity is provided from thermal plants using coal and oil. Thus the cost of Norway's energy has not risen appreciably in recent years.

Many industries are attracted to Norway because they need inexpensive power. As long ago as the end of the nineteenth century, Norway had two plants making calcium carbide out of readily available raw materials and using hydro-power. From this beginning rose the enormous fertilizer industry employing nitrogen and oxygen (from the air) and limestone. The next stage was production of aluminum from imported bauxite ore; then came magnesium and many other metals, particularly expensive metals like nickel (refined from concentrates imported from Canada). Other chemical industries followed, and eventually petrochemicals were manufactured from imported petroleum. This industry will expand greatly with the availability of Norwegian oil. As in Canada, the existence of plentiful electrical energy has led to a very large pulp and paper industry. Because Norway has large softwood forests, the raw materials for this industry are not imported.

OIL AND NATURAL GAS

The discovery of oil and natural gas in the North Sea between Norway and Britain led to a dramatic change in Norway's economic policy and to international agreements that assigned a large proportion of the oil and gas to Norway, which had no other domestic sources of fossil fuels. Because the petroleum industry requires use of advanced technologies, there has been an expansion of Norwegian industry and a rapid increase in highly paid jobs for the local labor force. The sudden good fortune has also confronted the Norwegian people with very serious economic, political and social problems. On the whole, they are being handled well.

A north-south line between Britain and Norway divides the resources of part of the continental shelf between them. On the eastern side of the line, Nor-

way has the authority over any resource allocation. For the present, the government has decided to use only that part of the area south of the 62° north latitude line. There are many reasons for this, not least that jobs in the oil industry are attractive to fishermen, farmers and others who are relatively poorly paid. If the industry were carried on in the far north, it would probably attract so many workers from existing jobs that the local economy would be seriously damaged. In addition, Norway wants to regulate the production of oil, to conserve the resources and control inflation. There is more than enough oil for the present south of the 62d parallel.

At first, the exploration and production of oil and gas were in the hands of the large multinational petroleum companies, most of them American controlled. However, Norway has created a government-owned petroleum authority, "Statoil," which will be active not only in the North Sea fields, but elsewhere in the world. In addition, the government has set up a company to sell and distribute oil products, and to operate refineries in competition with private companies.

Two major questions arose after the discovery of oil and gas in the North Sea area allocated to Norway; how should the large revenues from oil and gas be used and how is the oil industry to be owned or controlled? The government has announced that the industry and trade will be controlled in Norway, largely in Norwegian hands. Hence the creation of new government companies and the purchase of shares in other concerns. Meanwhile, agreements with private companies bring Norway something like 60 percent of the revenue derived from oil and gas production.

It is no accident that Norway (and, incidentally, Britain) are following policies of production control and state intervention in the oil and gas industry. Both these societies are regarded as "social democracies." Thus *The New York Times* in September, 1975, reported that "Premier Trygve Bratteli has placed a firm lid on oil production in Norway and tight controls on revenues from the exploitation of the country's oil reserves" under a heading "Norway sets limits on oil exploitation to preserve society." This report called attention to Norway's extraordinary situation. This small country, without any fuel resources, has already produced enough oil (9 million tons) to meet its own needs; in 1976, it will probably produce 25 million tons and by the beginning of the 1980's it will be producing about ten times its needs. Even if Norway "places a lid" on production at this level, 15 percent of her gross national product will be derived from this source alone, and \$2 billion a year will flow into a nation already enjoying a high living standard. And there may be greater reserves off the Norwegian coast than in the Persian Gulf.

That this remarkable change in fortune may ruin the country is a fear of the government and many of its more thoughtful citizens. What lies behind this attitude?

Norway is one of the original "welfare states," in which the overall quality and standard of living of the citizens are primary concerns of the government. In Norway, health insurance (a form of medicare) was introduced in 1911; insurance to protect people at work dates back farther, to 1895. Old age pensions for all were instituted in 1937, family allowances, in 1946 and many other social services in the 1950's, 1960's and 1970's; by 1971, many of the older, limited schemes were incorporated into a universal National Insurance Act that literally provides protection against hazards, seen and unseen, from cradle to grave.

Many Norwegians, facing the added wealth, industrial activity, and risk of disruption of what they regard as a satisfactory way of life, prefer to retain what they have. A recent Gallup Poll in Norway revealed that 76 percent of the population believe that their national standard of living is already too high. More than 80 percent concluded that better wages and increased productivity would not result in greater happiness, but rather in pollution and other problems. Norwegians also believe they should not try to make themselves richer while so many people in other parts of the world remain poor. They view the revenues from oil as a way to make it possible to aid those others.

Norway has long been aware of her relationships with remote parts of the world. Shipping, through which much of her national revenue has come in the past, made Norwegians familiar with conditions everywhere, as did the emigration of the population. Through long-established church missionary work and disaster relief work, Norway became all too aware of the distressing poverty in many countries. Norwegian foreign policies have been a matter of general public concern, not drafted in the secrecy of a foreign office. This makes it all the more remarkable that Norwegians voted to stay out of the European Common Market in 1972. The government favored joining and all three of the other countries given the choice joined. The usual explanation of this is that a major split developed within the country and most of its political parties, and that the government's recommendation to vote in favor of the move was defeated because groups in certain parts of Norway believed that they would suffer economically and in other ways. The decision not to join was no snap decision, but followed months of open discussion leading to the participation of more than three-fourths of the electorate in the poll. There were 54 "no" votes for each 46 "yes," giving a majority of about 150,000 votes against entry. Not all the anti-marketters were

hill-farmers, fishermen, very "left" young campaigners or very "right" older people. Some voters were afraid of commitment to a West European group that might restrict their freedom to act independently. Others preferred to retain the values of a small nation rather than to have them "homogenized" into some new mix composed predominantly of larger powers. Of course, Norway is not alone in Scandinavia in remaining outside the market, since her neighbors Sweden and Finland have followed the same course.

Norway should most certainly not be regarded as a small, perfectionist nation trying to remain isolated. It should not be forgotten that Norway joined the North Atlantic Treaty Organization at a time when she (alone of the members) had a common border with the Soviet Union and faced a constant risk of attack. She has encountered difficulties over Svalbard (Spitsbergen) with the U.S.S.R. and has never lacked courage in defending her point of view. Today, the division of the continental shelf north of Norway and between the mainland and Svalbard and Bear Island adds to difficulties with the Soviet Union.

Norway should be regarded as a small nation of about four million people, who admire their homeland and the way of life they have evolved. Compelled by the very nature of their environment to become industrious to survive, they achieved a satisfactory material living standard and developed a social and political system before most other countries. Norwegians like their way of life and believe in it; suddenly possessed of great wealth, they have no desire to alter it. It was no accident that the Norwegian Parliament is the trustee of the Nobel Peace Prize. Norway is a country that deserves study by nations East and West, great and small, as an example of what in the 1930's was considered to be an attribute of its neighbor Sweden—"The Middle Way." ■

SOURCES

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For current statistical data, see the most recent volume

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Trever Lloyd is a professor of geography at McGill University. He was the first editor of *Arctic*, the journal of the Arctic Institute of North America. In 1964, he served as vice president of the American Association for the Advancement of Science. He has traveled widely in northern lands, particularly in Canada, Scandinavia and Greenland, and has studied the winter operation of industry in northern Scandinavia. His special interests are the geography of northern lands and geographical aspects of international relations.

Mazlish reveals that the leaders of these movements have tended to be revolutionaries and ascetics, whose denial of personal pleasure and commitment have enabled them to command the allegiance of their followers.

DID MONETARY FORCES CAUSE THE GREAT DEPRESSION? BY PETER TEMIN. (New York: W. W. Norton and Company, Inc., 1976. 201 pages, bibliography and index, \$8.95.)

After an exhaustive analysis of the factors that caused the Great Depression of 1929, Temin concludes monetary pressure from the world banking system undoubtedly did not cause economic catastrophe and that any single cause of depression still remains to be uncovered.

MAO TSE-TUNG: THE MAN IN THE LEADER. BY LUCIAN W. PYE. (New York: Basic Books, 1976. 346 pages, notes and index, \$12.95.)

China specialist Pye shows how Mao's total development including his relationships with his family and friends have contributed to his leadership of the total revolution that is China's.

NIGHTMARE: THE UNDERSIDE OF THE NIXON YEARS. BY J. ANTHONY LUKAS. (New York: The Viking Press, Inc., 1976. 626 pages, notes and index, \$15.00.)

Journalist J. Anthony Lukas has pieced together a remarkably complete and most readable account of the Watergate story. The work should be of great help to students of an unusual period in our history.

GAME PLAN FOR DISASTER: AN OMBUDSMAN'S REPORT ON THE NIXON YEARS. BY CLARK R. MOLLENHOFF. (New York: W. W. Norton and Company, Inc., 1976. 384 pages and index, \$9.95.)

One-time counselor to President Richard Nixon, Mollenhoff writes a highly personal account of life inside the Nixon administration and of the men involved in Watergate.

INTEREST AND IDEOLOGY. BY BRUCE M. RUSSETT AND ELIZABETH C. HANSON. (Lexington: The University Press of Kentucky, 1975. 296 pages, appendix and index, \$11.95.)

This is a particularly interesting book in view of the current revelations about bribery and illegal manipulation by American business interests abroad. The authors come to the surprising conclusion that domestic ideological preconceptions influence the foreign policy beliefs of American business more than business economics.

INDIRA: A BIOGRAPHY OF PRIME MINISTER GANDHI. BY KRISHAN BHATIA. (New York: Praeger Publishers, 1974. 290 pages, bibliography and index, \$10.00.)

It was not so very long ago that Indira Gandhi was widely acclaimed throughout all of India and favorably compared with her illustrious father, Jawarharal Nehru. Economic stagnation and social unrest have eroded her once formidable popularity.

This straightforward, highly readable biography delves into her family background, education, in-

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This very useful little volume is updated periodically. Organization for Economic cooperation and Development *Norway, Annual Economic Survey*, 82 pp. Helvig, Magne and Johannessen, Viggo. *Norway, Land, People, Industries*. Oslo: Johan Grundt Tanum Forlag, 133 pp., was issued originally in 1966; this compact study is updated from time to time.

The swiftly evolving Norwegian scene is best recorded in periodicals and newspapers, which may be referred to by way of the usual bibliographic indexes held by reference libraries, e.g. *Social Science and Humanities Index*. A few standard sources only are mentioned here: *News of Norway* issued free by Norwegian Information Service, 825 Third Ave., New York, N.Y. 10022. This weekly four page leaflet is invaluable to anyone following current developments in Norway.

Another important source on Norway is *The Norseman*, a bi-monthly review, Oslo: Nordmanns-Forbundet. See: "Small is Beautiful," issue 6, 1975, pp. 174-5, a commentary on the November 15, 1975, issue of *The Economist* dealing with Norway.

The New York Times, *The Economist* (London) are primary sources for current information and interpretation. The technical literature of the oil industry is the best up to the minute source for details on production and other information about North Sea operations (e.g. *World Oil*).

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