1.4 Local governance and crisis management in Gamvik Municipality, in Northern Norway: The role and participation of local authorities and voluntary organizations.

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DOI: [http://dx.doi.org/10.7557/5.3200](http://dx.doi.org/10.7557/5.3200)

Introduction

This chapter looks at the role of local authorities and civil society in responding to a severe economic crisis in a resource dependent municipality in northern Norway. In response to the challenges of globalization, the long-term community development goal is for such resource-based places to become more resilient, more sustainable, and more diverse. The paper first introduces the municipality of Gamvik in northern Norway, and reviews its historical development and economic challenges. The next part examines the response to this economic crisis by the local government, local economy, and civil society. The paper concludes with a discussion reviewing how the interconnections between economic transition, community transition, and the need to supply supports is crucial for transforming small resource dependent communities.

The Municipality of Gamvik

The Municipality of Gamvik (71° 8’1”N) is situated on the coast of Finnmark, the northernmost county of Norway. It was established in January 1914, with a land area of approximately 1400 km² ([Gamvik kommune - på toppen av Norge](http://www.gamvik-kommune.no)). Before this, the territory was part of Tana, a huge municipality covering most of Eastern Finnmark. The population in the newly established municipality was close to 1400. On June 30, 2014, 100 years later, the number of inhabitants of Gamvik municipality was 1116. Today most of the people live in the administrative center, Mehamn (approx. 800). Apart from Mehamn, the municipality is made up by three smaller communities, Gamvik (200), Sjånes (70) and Nervei (40). Fishing and fish processing is the dominant economic activities in all the communities.
Gamvik, the most important fishing community after Mehamn, was the administrative center of the municipality from 1914 until 1968. From early Stone Age people living in this rough northern location have depended on the fisheries for their subsistence and survival. Although life and living conditions for the inhabitants of Gamvik Municipality have changed considerably in the last 100 years, the strong dependence on the fish resources in the nearby Barents Sea is still there.

For the last forty years, more or less, there have been successive openings and closings of fish processing facilities in the municipality, mainly in Mehamn. As a result of this economic uncertainty, the Municipality has periodically suffered high unemployment and outmigration, especially after a series of bankruptcies in the main fish industries in the beginning of the 1990s. Although this has been a common trend for most of the fishing communities on the coast of northern Norway, the way they have handled the following social and economic crisis has varied considerably, from total dependency on help from outside (mainly the State) to solve their problems, to different strategies of self-determination and self-reliance. In the case of Gamvik, the coping strategies chosen by local authorities have evolved slowly along this continuum from dependency to self-reliance. The learning process has been both long and difficult. Until 2005, the main strategy was to find another external owner, preferably Norwegian, with the right knowledge, capacity, and capital to run the business. Heavy state subsidies were usually part of the rescue package.

But there were alternative views among people in the community on how to deal with the fishing industry crisis. Already in 1992, after yet another bankruptcy in a foreign owned (Danish) fish plant in Mehamn, where 200 workers lost their jobs, a local entrepreneur invited some close friends to invest in a small business for buying and selling fresh fish to the market, complemented with some limited seasonal production of salt fish. While the local authorities again were looking for somebody from outside to solve the social and economic problems caused by the fish industry crisis, on his own this person started to build, stone upon stone, what soon turned out to be the most successful fish processing industry in the Municipality. From the start with a handful of workers, he now employs more than 70 persons working two shifts in two modern fish processing plants in Mehamn, with a broad production line from fresh high quality fish, via filet, dried, and salted fish, to sushi toppings. Not once have these locally owned businesses gone bankrupt or been closed, and the profit margins of the two businesses are not only good enough to continue, but also to expand and modernize. Plans are underway
for a new fully automated plant. The owner follows closely the development of new technology in this sector of the economy, knowing that the use of it gives him a competitive advantage.

This entrepreneur is highly respected, not mainly because of his success as a businessman, but for everything else he has done for the community. In addition to two fish processing plants, he is the owner of a bakery, café, and hotel in Mehamn. These additional businesses are important for the social well-being and sustainability of the community. The café, recently built in connection with the bakery, is the most popular gathering place in Mehamn. According to many of the local inhabitants we spoke with, this person has done more for the survival and development of the community than anybody else, including the local authorities. As he said at the local development workshop Finnmark University College ran in Mehamn in June 2005, together with the Municipality; “What is good for the community, is good for business”. He is a creative and resourceful social and economic entrepreneur.

The diversification of the local economy that started in 1992 with the establishment of two new locally owned fish businesses. This helped to mitigate the social and economic impact of the 2005 bankruptcy of the main fish processing plant in Mehamn (Nordkyn Products). Most of the 45 workers that were laid off when the industry closed, were soon absorbed by the other fish industries in Mehamn and the nearby fishing community of Kjøllefjord. In spite of the new situation and understanding in the local business community, the municipal authorities again went for an external takeover of the main Mehamn fish processing plant, this time by Aker Seafood, a multinational company located in Oslo, Norway. In addition to the local fish processing plant, the company also got 4 new fishing quotas from the Ministry of Fisheries, as part of the deal, 2 of them were so-called community quotas conditioned on the delivery of fish to the Mehamn plant. This requirement was never fulfilled, and as a consequence most of the year there was no production at the plant. Most of the fish catch through the new quotas was fileted and frozen on board the trawlers owned by Aker Seafood, and exported directly to China. The municipal authorities of Gamvik felt they had been cheated by the company, and asked the Ministry of Fisheries to intervene. This did not happen and a long, troublesome, and costly legal battle to recover the community fishing quotas and the local fish processing plant from Aker Seafood started in 2007. In two consecutive rounds through the court system in 2008-09 the municipality lost their case against the company, and the state, for not fulfilling their obligations in the three-party agreement signed in 2005. They were left with a debt of 2,7
million NOK and a feeling of being cheated and let down not only by Aker Seafood, but also the national government.

Resource globalization

Like other communities in rural regions of developed nations, Gamvik Municipality has been increasingly exposed to the global economy. One of the responses by the national government to economic challenge was to create community quotas around offshore fishing. In 1998, Jørgensen Holding Company, the external owners of the main fish industries in Mehamn, got 8 ‘community’ quotas from the Norwegian Ministry of Fisheries to secure a continuous supply of fish to the newly built top modern filet plant. In spite of this generous support from the central government, the business went bankrupt a couple of years later.

In January 2005, after two years of inactivity and failed attempts by the municipal leaders to re-finance and sell the main fish processing plant in Mehamn, a large trawling company, Norway Seafood, part of Aker, a multinational industrial consortium with headquarters in Oslo, Norway, purchased it. The community quota included in the deal secured access to fish resources in the Barents Sea. However, rather than directing fish to the local filet plant, they soon began to processes and freeze fish at sea for exported directly to Asia. As a consequence, the main fish industry had to close and the workers were laid off.

In contrast, a locally owned fish company, Nordkyn Seafood, has not only managed to survive during these difficult years of restructuring, but has expanded its activities and number of employees. The globalization process is not homogenous. In relation to the fisheries and fish industry, it brings with it new opportunities as well as problems or challenges. Both local ownership of fishing boats and companies, and control of fish resources, seem to be important requirements for profitable and sustainable businesses. Even if the local economy is very much conditioned by global trends and forces, there is space for a great variation of responses to the challenges of the global market and economy: “Producing communities scramble to reposition themselves either through finding niches in a new global economy or through resistance to global pressures” (McMichael, 1996, p. 45). In the business community of Gamvik we find both strategies in use. Diversification of the local economy seems to be a good strategy of survival in a world characterized by growing complexity, dynamics and fragmentation.
Response to crisis

The long term and ongoing crisis around resource dependence was accelerated by an increasing exposure to the global economy. Whenever the fish processing industry in the Municipality of Gamvik got into troubles, the main strategy of the local authorities had been to find another ‘competent’ and financially strong external buyer and owner. All the bankruptcies they had experienced in the foreign owned plants did not seem to frighten them. But in the local communities, including the business community, more and more people questioned this strategy. It just increased the communities’ dependency on external actors, both private and public agencies. Instead of relying so much on ‘rescue operation’ from outside, from benevolent capitalists and the central government, they should try to solve their own problems by becoming more self-reliant and self-sufficient. This they could obtain by increasing local control of fish resources, improving the services and living conditions for the local fishermen, stimulating local ownership of fishing boats and industry, in short, by implementing a series of measures meant to diversify and strengthen the local economy.

This new problem-solving approach among the people of Gamvik came through as a clear message at the local development workshops Finnmark University College and the Municipality of Gamvik organized together with the local communities in May-June 2005, after Aker Seafood’s take-over of the main fish processing plant in Mehamn. People wanted to use the development workshop to reduce their dependency on one strong external actor by creating new alternative businesses, mainly based on the knowledge and competence they had achieved through their principal economic activities in relation to the fish industry. The title we chose for the last common workshop; “From FISHindustry to fishTOURISM, to….?”, reflected the change of opinion that had taken place in the community. While the political leadership of Gamvik was underrepresented at the workshop, the youth in the local communities we visited was overrepresented. All the main local voluntary organizations were represented. The strong participation of local businessmen and women, among them the much respected social entrepreneur, came as a positive surprise to the organizers of the development workshops. ‘Time is money’ they say, and, therefore, it is usually more difficult to get representatives of the business community to participate in this kind of event. The majority of the suggestions, including the most realistic and concrete, for change and development came from youth and business people. Many of them were related to the main economic activities of fishing and fish processing, including improvement of the basic infrastructure in the harbour with focus on the
working and living conditions of the fishermen and fish industry workers. The youth came up with several interesting tourism projects, involving schools and voluntary organizations in all the local communities. Most of the suggestions that came up at the local development workshops in 2005 were followed up by the Municipality - little by little. Retrospectively, we can say that the main functions of the development workshops were to be a meeting place and forum for discussion of issues of common interests, and an important ‘tool’ and venue for problem-solving, and basis for implementation of social and economic change and development.

The social and economic difficulties mentioned before, restrained the administrative and financial capacity of the Municipality so much that, little to nothing was left for long term planning and development work. The few extra resources available to the Municipality were used to put out ‘fires’ that popped up almost on a daily basis. This critical situation, which dominated from 1994, started slowly to change in 2007 when Gamvik obtained special status from the Ministry of Municipal and Regional Affairs as a Development Municipality (“Omstillingskommune”). For a five years period, the Municipality had close to 3 million NOK every year in extra state funding earmarked for social and economic development projects. The key change occurred in 2009, when the local politicians after pressure from competent state authorities decided to establish a new independent municipal development agency, Nordkyn Development (“Nordkyn Utvikling”). The agency was directed by a board of five, with a majority of external business representatives, including the owner of a local fish industry. The new director of Nordkyn Development was a socially engaged and resourceful young ‘returnee’, who worked closely with the political and administrative leadership of the Municipality, the local business community, and the voluntary sector. As many others among his colleagues in the municipal administration, he is an active member of various voluntary organizations. Most of the projects supported by the new development agency were related to fishing and fish processing, including funding of local fishing quotas and fishing boats. One of the most successful projects, Young Fishermen (“Ungdomsfiske”) initiated in 2011, resulted in the recruitment of 14 youth to a special theory and praxis based training. Two of them have already have their own fishing boats and quotas thanks to the financial and logistic support from Nordkyn Development. The director and the board have introduced not only new ways of joining forces and working together to obtain the social and economic development the communities want, across public, private, and voluntary sector interests, they have also
promoted awareness and understanding of the strong connection and dependency the people and communities of Gamvik have with the sea and its fish resources.

In 2007, Gamvik got a new mayor and political regime. The new leader, a young successful businessman from Mehamn, wanted to ‘speed up’ the process of political, organizational, and economic transformation that he felt necessary to be able to meet the external challenges they were facing. One of his main concerns was to increase the level of education, knowledge, and capacity building among young and old. A first decision was to open two video studios in Mehamn, at the health center and secondary school. Lack of patience, political experience and most serious, control of budgetary spending soon brought him into trouble, both with the administration of the Municipality and state control agencies. As a consequence of overspending Gamvik Municipality was again put on the “ROBEC” list in 2008, i.e. under direct state administration. In spite of (or because of?) his great ambition and impatience his period as mayor (2007-11), ended in the most severe social and economic crisis in the community in the last twenty years. The optimism created at the initiation of the new ‘regime’ was almost all gone. After a slow but steady growth in the local population, people were again leaving the Municipality.

Another factor that contributed heavily to the widespread loss of faith in the community was the negative outcome of the two court cases the Municipality initiated against the Aker Seafood and the state, in 2006 and 2008, for not fulfilling their part of the agreement they signed in January 2005 when Aker bought the main local fish processing plant. As part of the deal, Aker Seafood got 4 fishing quotas given to the community earlier (1998), plus 2 new fishing quotas. The only condition made by the Ministry of Fisheries was local delivery of the fish caught through these additional quotas. It did not take long before the new owners broke this part of the agreement and the local plant closed.

Discussion

The voluntary organisations, and civil society in general, are important for sustaining and developing communities, culturally and socially. They also have a strong impact on the political and economic life of the communities. The great varieties of voluntary organizations we find in this small, rural municipality have something to offer to everybody. They help solve all kind of practical problems, very often in close cooperation with the Municipality and/or the local
business community. In difficult times, they help people to ‘keep up the spirit’ and mobilize in defense of their common interests. In this way they also contribute to the development of a common problem-solving orientation and common local identity. Civil society and the voluntary organizations in Gamvik have been directly involved and played an important, if not decisive, role in the Municipality’s relatively successful handling of the social and economic crisis caused by the frequent bankruptcies in the local fish industry the last 20-30 years.

The explication and main reason for this success is, according to the leaders of both the main voluntary organizations and the Municipality, the close contact and cooperation that exist between the two and with representatives of the local business community. These mostly informal relations have been strengthened because of the crises in the local fish industry, the court cases against the owners and the state, and the political mobilization in relation to “Kystopprøret”, the new protest movement initiated early in 2014 to regain the community’s control of fish quotas and fish resources. What we witnessed here resembles in many ways what is described as ‘network governance’ by Sørensen and Torfing (2007), and even ‘meta-governance’, in the way it is practiced by local authorities and other political and economic agencies (Triantafillou, O’Toole, Jr., 2007). O’Toole that is mainly interested in the outcome of governance network “analyses the interaction between governance networks and public authorities, particularly with regard to the latter’s effort to regulate or otherwise influence policy outputs and outcomes in network settings” (pp. 215). Until the bankruptcy in the main local fish industry in 2005, the local authorities played a relatively small and passive role in handling the social and economic crisis that followed. They expected somebody from outside, the state and/or some other national or foreign company, to come and solve their problems. This attitude was part of a dependency culture, with roots a long way back in history.

The negative experiences with the takeover of Aker Seafood, the resulting court cases, and dealings with regional and national government and bureaucracy, have radically changed the situation in Gamvik. We have seen how the local authorities, both political and administrative, have shown leadership through the latest social and economic crisis and have taken a more direct and active role, both in relation to their partners in local business community and voluntary sector, and vis-à-vis their external ‘enemies’ or opponents. The protest movement initiated by political and administrative leaders of the Municipality earlier this year, is perhaps the best example of this change in approach, and a good example of ‘meta-governance’ practiced by the local authorities. The relationships established between the political
authorities and the actors in the private and voluntary sector in Gamvik are not characterized by hierarchical steering, but rather by coordination and cooperation between equal partners. This makes the local governance networks stronger and more efficient. By connecting local (horizontal) networks with external (vertical) ones, they are practicing what Aarsæther and Bærenholdt (2001a and 2001b) are defining as ‘diagonal’ networking (see also Aarsæther 2004).

In a study of Berlevåg, a neighbouring fishing community to the east, Aarsæther (2008) concludes; “In summary, a series of constructive developments, changes and transformations have been observed in Berlevåg. No doubt there are a number of key players within the fields of politics, administration, the service sector, business life and voluntary organizations, but there are no visible top leaders or local elite running the place…. Despite a series of successful community and business innovations, population numbers show no relief: during the last decade of the twentieth century Berlevåg suffered an annual loss of 13 individuals” (pp. 156). The Municipality of Gamvik, in comparison, has both a visible and strong leadership. Even if this is an important factor, the main explanation of the relative success they have achieved dealing with social and economic problems is the close cooperation between local authorities, the business community, and the voluntary sector. This new approach has its roots in the development workshops organized by the Municipality and Finnmark University College.

In “Transforming the local” Aarsæther and Bærenholdt (2001) use ‘coping’ and ‘coping strategies’ as concepts to analyse and describe how people living in small remote rural communities can respond to challenges caused by externally imposed processes of social and environmental transformations. They define coping strategy as a set of practices defined in three dimensions, economic, social, and cultural:

1. **Innovation**: The process of change in economic structure that includes new solutions to local problems, as responses to the transformations of a globalizing and increasingly knowledge-based economy,
2. **Networking**: The development of interpersonal relations that are transcending the limits of institutionalized social fields (connection local and external networks, creating social capital),
3. **Formation of identity**: The active formation of identities, both individual and collective, that reflect cultural discourses from the local to the global.
In our Gamvik study, these concepts explain the relative success of the Municipality in dealing with social and economic crises. The latest crisis in the fisheries triggered innovative activities in all sectors of the local community, in the public (Municipality), the private (business community), as well as in the voluntary sector. Most important, there were new relationships created between actors in the different sectors. The best example of inter-organizational innovation is the way the new “Mehamn rebellion” came about, the initiation, planning and organization of the protest movement. Local and extra-local networking, as well as collective identity formation, was also part of this successful initiative.

Diversification of the local economy has been another successful coping strategy used in Gamvik, as in many other rural communities challenged by globalization. It was first used by actors inside the local business community and was later adopted by the local authorities. This was one of the main issues discussed at the June 2005 local development workshop in Mehamn. In addition to a necessary upgrading of the existing fish processing plants and related infrastructure, we recommended improvement of harbour facilities, the working and living conditions for industry workers and fishermen, and special projects and incentives for the recruitment of youth into this important sector of the local economy. The workshop also focussed on the necessity to support fishing and fish processing activities in all the communities of the Municipality, not only in Mehamn. The local economy and community would be less vulnerable if they had more than one fish processing plant. The tradition with ‘corner stone’ industries in the fishing communities along the coast of Norway had to be broken, to be able to establish sustainable, robust, and resilient local communities. Local ownership would also help create more stability in the industry, as well as the community. The recommendation of the workshop also included introduction of new fish products, and more efficient use of the fish resource, new production technology, and organization of the production process, etc.

Most of the 2005 development workshop recommendations concerning the fisheries and fish industry have been followed up by the local authorities and business community. Today, there are activities at 6 fish processing plants in Gamvik, 3 in Mehamn, and 1 in each of the 3 remaining communities in the Municipality. Half of the plants are locally owned. Two of them, the most stable and economically successful ones, have been run by the one and the same owner for more than 20 years, the social entrepreneur and innovator presented earlier in the study. In all these years he has been a key player in the development of the whole community, not only his own businesses. As the owner of the only bakery, café and hotel in Mehamn,
important parts of the community’s social infrastructure, he contribute greatly to the well-being of the local population, in addition to the employment of close to 80 residents.

The 2005 development workshop also recommended building on traditional knowledge and competences, for instance some locally embedded variants of fishing tourism. This strategy has been less successful. Today, there are only 4 fishing tourism enterprises operating on a yearly basis, two in combination with other tourist activities and overnight accommodations. The owners of one of these enterprises, from Switzerland and South Africa, have to work part time in the municipal administration and in a local fish processing plant to ‘make ends meet’. Tourism has not been the panacea, that is, the solution to all economic problems in the community, which many participants of the workshop, including local politicians and bureaucrats, thought. It seems to work only in combination with other economic activities and/or wage labour.

The last part of the recommended differentiation strategy was to help establish new productive activities and businesses outside the fisheries, mainly in local services and trades, and to provide assistance to the existing businesses. After all, close to 70 % of the local workforce, including those working in the Municipality, were employed in this sector. The potential for establishing new businesses in these sectors did not turn out well. The 2005 economic crisis resulted in bankruptcies in the service and trade sector too. This vicious circle seems to have been reversed lately, mainly thanks to the establishment of new service and trade businesses by immigrants from abroad, for example a local clothing shop, and a combined hairdressing and spa establishment. Even if the fisheries and fish industry still are the most important part of the local economy, through the combined differentiation strategy the local authorities also support the other economic sectors of the community. One of the objectives of Nordkyn Development and the Municipality of Gamvik put down in the community development plan for 2012 reflect the new economic strategy and priorities; the establishment of minimum 10 new workplaces in the private sector, 2 in the fishing fleet, 2 in the fish industry, and 6 in the service, trade and tourism sectors. The goals are being realized.

Apart from differentiation of the local economy, and other initiatives to increase the robustness and resilience of the community in a globalized world, the municipal strategy for survival and development include a whole repertoire of different means and activities, all with the expressed intention to enhance the well-being and quality of life of the local inhabitants.
This has included everything from the improvement of public services, in education, social work and health - for young and old, to promotion packages to ‘sell’ the Municipality at home and abroad, including a special welcoming programs for the new citizens from abroad, so important for the future development of the local communities. In addition to the recent upgrading of the harbour, the Municipality has put some effort into the ‘embellishment’ of the local communities, first of all in Mehamn, including a central park (‘Place de Concorde’). The rough climatic conditions we have on the coast of Finnmark, on 71 degree north, does not give much room for ‘green’ experimentation, even if it is a bit ameliorated by the Gulf Stream. The esthetic and physical upgrading of the community is done not only for the local inhabitants to enjoy, but also to attract others from outside, tourists, and more important, potential new immigrants. To change the other communities of Gamvik into more attractive and interesting places, including the recompilation and presentation of local history, was another recommendation put forward at the 2005 development workshops.

The elaboration of a new rough and ‘rebellious’ image of the Municipality of Gamvik and its inhabitants is part and parcel of the same promotion strategy. It both fits and works, it seems. “Kystopprøret”, the new “Mehamn rebellion” is attracting a lot of attention from media and people all over the country, and even abroad. Combined with the celebration of the first hundred years of the Municipality, it has really put the small fishing community on the map. How much it will help in the realization of the goals of the new protest movement to regain control of the fishing quotas and the fish resources is still an open question. However, the inhabitants of Gamvik feel invigorated by all the sympathy and support they and their protest have received. Nobody we spoke to in Mehamn during the last interview round in May 2014 are willing to give up the struggle, even if they know very well that it is against almost all odds. The only viable alternative is to continue the fight until they get back their historical collective fishing rights. Without these, it will be hard to survive.

Conclusion

As far as we know, civil society, and more specifically voluntary organizations, has been involved in handling the social and economic crises that has visited Gamvik regularly through its history. They have seldom been in the front of the stage, not even during the latest political events such as the new “Mehamn rebellion” and the protest movement that came out of it. But they have been the backbone of most of the cultural, social, and political mobilization that has
taken place on the local arena, and as such played an important, and sometimes decisive, role in the process.

Until well after the Second World War, the task of ‘crisis management’ in the local economy was mainly handled by the business community itself, with minimum involvement by the Municipality or other political authorities. The few direct government interventions that occurred, were seldom in favour of the local community and its inhabitants. The outcome of the two court cases the Municipality of Gamvik raised against Aker Seafood and the state, in 2006 and 2008, shows that the distribution of power has not changed very much during the last hundred years. In ‘the Mehamn rebellion’ in June 1903, where local fishermen destroyed a whaling station in the community, owned by the famous Norwegian whaler, Svein Foyn, the national government sent in the army to crush the rebellion. Then as today, the conflict was about access to and local control of the fish resources in the Barents Sea.

This new radical understanding has affected the social and political organization in the communities of Gamvik dramatically, especially in Mehamn. The best example and illustration of that is no doubt the ‘new Mehamn rebellion’, a local and national protest movement initiated February 11, 2014, by former and present political and administrative leaders of the Municipality, to regain and secure the community’s access to and control of fish resources. Approximately 250 of the inhabitants, that is more than 1/3 of the local population, took part in the public meeting and the torch march organized at the beginning of the protest movement. Seemingly fruitless petitioning of central government and court litigations were almost overnight replaced with direct action and massive popular mobilization. It is still too early to say if the new coping strategy chosen by the leadership of Gamvik will be more effective than the first one. For the time being, most of the odds are still pointing against them.

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