KNOWLEDGE FORMATION IN NATURAL RESOURCE BASED REGIONS IN OLD INDUSTRIALISED NATIONS: IS AN ACADEMIC DEGREE A PANACEA TO OFFSET THE IMPACT OF INDUSTRIAL RESTRUCTURING?

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Abstract

Economic development is an uneven phenomenon where there are both losers and winners not only at the national levels but also when put in the context of regions in a specific country. Following the process of globalisation and the subsequent arrival of the knowledge economy paradigm debate, there has been an academic and policy agreement on the need for a rethinking of regional development strategies in old industrialised nations [3],[4],[5] [10]. In contrast to the old policy of counterbalancing regional disparities through, for instance, incentivised schemes to induce industrial location, there has been a “scientification” of regional policy [1],[2] with emphasis on the promotion of endogenous growth processes [6],[9],[11]. This new regional growth policy focuses on the importance of knowledge building processes, learning and innovations viewed as mechanisms of regional development in the era of the knowledge economy. In this context, we have witnessed a policy discourse in which concepts such as “Triple Helix” [7], “Innovation systems”[8], “Clusters” [14] have become a natural point of departure for regional development strategies.

In old industrialised countries, the impact of industrial restructuring as a consequence of technological and market forces is almost always felt at the regional level. In the literature, concepts such as “lagging” “inferior” and “peripheral” [13] have been developed and have been used interchangeably to describe regional economic disparities and the socio-economic consequences. In old industrialised nations, the process of globalisation has created new peripheries and new core regions. Rather simplified the core is made of regions that are urbanised, have diverse economic activities and have institutions of higher education. At the opposite end of the spectrum is the new periphery which simplified could be argued to consist of sparsely populated regions, monolithic industrial regions and regions where institutions of higher education such as universities are absent. In recent years, these peripheral regions have witnessed dwindling populations as a result of outward migrations, have relatively lower levels of inhabitants with higher education compared to the core regions and depend on one or a few employers. Paradoxically, the new periphery was once the core and had contributed to the competitiveness of old industrialised nations, decades ago by their virtue of being homes to industries that exploited natural resources. However, today they face the challenges of meeting the prerequisites of modern economic activities such as human capital formation, entrepreneurship and knowledge formation mechanisms that foster innovations viewed as the levers of industrial and regional growth.

In old industrialised nations such as Sweden, Canada, Australia, Finland and the USA, the policy and academic discourse has in recent years centred on the presence of high-tech companies that have academic knowledge base 12. However, although this is certainly true, these countries have also maintained strong international competitiveness with a relative specialization in what normally is labelled “low and medium tech” industries, many of which have a knowledge base strongly related to the natural resource based sector. Primary extraction activities e.g. mining, forestry and preparatory and processing e.g. steel making and paper and pulping account for a significant part of economic activities of this nations. At the same time, these sectors are generally located in the new periphery and have recently found themselves in an industrial and policy debate which views higher education as a panacea of industrial competitiveness and regional development. Manifested among others in concepts such as the “Knowledge Economy”, “Triple Helix” and “Innovation Systems”, Knowledge Society” etc there is an assumption that the acquisition of academic knowledge is a crucial aspect in regional as well as industrial development.

Against this background, the aim of this paper is to put higher education in the context of natural resource based peripheral regions in old industrialised nations. Though two case studies of two
natural resource rich regions in Sweden, we discuss knowledge formation and argue that although higher education plays an important role in industrial and regional development, this should be put in the context of the regional needs and matched with industrial needs.

ACKNOWLEDGEMENTS

This study was made possible by the Knowledge Foundation and through a generous grant from the Marianne and Marcus Wallenberg Foundation (grant No. MMW 2013.0194).

REFERENCES


