

Bacalao Cluster

Ellingsøy, Norway

An illustration of the social field approach to rural innovation can be found in Floysand's and Jakobsen's case study of the salt fish producers of Ellingsøy. Ellingsøy is a small island located in western Norway with a population of 1700 people. The main source of employment on the island comes from the twelve family firms producing salt fish where a total of 300 people work. This represents about 20% of the workforce of the island. All of the firms except one were established before 1970. All of the firms specialize in producing dried salt fish, also known as bacalao. Almost the entire product is exported and most of this goes to Brazil and Portugal.

The region has a strong multi-generational connection to international markets through marketing agents in Brazil and Portugal. This has led to an understanding of what the marketplace for bacalao is looking for in terms of quality, dryness and texture. Market and product innovations have happened incrementally in Ellingsøy to produce a high quality product with increased productivity that has allowed the region to continue to compete on quality and price. The firms have been innovative over the past few decades, significantly increasing production levels and market share through a time of increasing competition and industry consolidation.

The case study demonstrated three fields of social relations: the bacalao, the family firm and community fields. Within these, practices were guided by field-specific informal knowledge of production that had considerable impact on industry innovation. This tacit knowledge of the products, process and organization of production as well as marketing of the bacalao to Brazil and Portugal, gives the region a competitive advantage over other regions who lack this tacit knowledge.

In the case study, Floysand and Jakobsen show that informal knowledge of the international bacalao field is shared between salt fish producers in Ellingsøy and the agents in Brazilian and Portuguese markets. The field went back several generations and significant knowledge and cultural capital came from being a member. The production process entailed three phases: salting, drying and classification. The understanding of the market preferences for the product and how to produce a superior product through the three phases of production was informal or tacit knowledge that the producers had been socialized into over generations. Most of the firms have their own export license that allows them to deal directly with the agents in the markets and not Norwegian agents. These close social relations with agents in Brazil and Portugal have led to their deeper understanding of the market needs.

Informal knowledge affecting the competitiveness of the firms is also embedded in the family firm field. Family members hold key positions in each of the firms. The family field socializes new members into the business of production. Here, tacit knowledge is transferred from one generation to another on, for example, how to run the firms, managing employees, and understanding market preferences. This tacit knowledge transfer leads to firm competitive advantages and ensures that these are maintained over long periods of time.

In the community field there has also been informal knowledge transfer. This field includes all the processing firms and other actors in the local production system including employees as well as suppliers, agents, importers, political authorities etc. Here tacit knowledge

passed on through the multiple players of the production process include employee training and mentoring, learning from suppliers of equipment, and movement of employees from firm to firm.

The Ellingsøy case demonstrates the development of knowledge and rules of conduct that help to ensure competitiveness and innovation in several overlapping fields.

The Ellingsøy case shows that innovation is an uncertain process of reflexive and dynamic interaction among actors operating in a given time-space context. To provide a definition of innovation as a relational phenomenon and an open-ended process, Floysand and Jakobsen have introduced an analytical framework based on multiple social fields at multiple scales of interaction. In this framework, it is believed that actors of all kinds, economic actors included, play out their economic practice in time-space relational systems of more or less interrelated, but observable social fields.

Many RIS studies are based on empirical evidence from highly advanced metropolitan areas or studies of high-tech industries. Consequently, they tend to prioritize formal knowledge of universities and research institutions over the informal and practical knowledge of individual firms and a given milieu. However, Floysand and Jakobsen argue that the social field approach shows that innovative practices are influenced by tacit knowledge and a strong corporate responsibility as well as commitment to the local community. Floysand and Jakobsen's work shows the need for more context sensitive approaches to innovation as well as a need to avoid simplification of the innovation systems approach to a recipe that repeats a simple message to build knowledge infrastructure to support the production system.

The case of Ellingsøy is different from the previous examples in two ways: first firms in the region did not cooperate but acted more as competitors; second links to universities and research institutions in this case study were negligible. These differences suggest that there are multiple ways to innovate and increase productivity in rural and peripheral areas. Together these cases illustrate a variety of approaches to rural innovation (All information for this case study was retrieved from Floysand and Jakobsen, 2010).

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