Islands and oil – locality and structure

The consequences of larger oil investments in two local communities, Shetland in Great Britain and Øygarden in Norway

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ABSTRACT: This paper analyses the meeting between the international petroleum industry and two local communities. The building of an oil terminal in a local community is both a major event, and a generator of processes on the local level. Three different angles is used to enlighten these processes: categorised as as “place”, “people” and “mind”. The “place” analysis concentrates on the effects on population and workforce development, the “people” analysis look at the institutional and planning processes, and the “mind” analysis the effects on the feeling of local identification. The paper demonstrates that local factors are of crucial importance even for the international petroleum industry.

Introduction

For almost a hundred years men have travelled to remote parts of the world in search for the precious black liquid upon which industrialised nations have come to depend. No one suspected that it would one day be found in Western Europe, and of all places, at the bottom of the North Sea (Nicholson 1975:47).

The meeting between the oil industry and local communities as hosts for oil developments will here be viewed from the local angle. The main question will be: How do oil developments affect local communities?

In the two local communities presented, one on each side of the North Sea, the meeting with the oil developments will be analysed through three different angles: Through the effects on general economic and population processes in the two communities, through the experiences of the local authorities, and through the oil developments effect on the local identification. This text is based on information mostly collected during field work in the two local communities in 1993 and 1994.

Geographical presentation

Both Øygarden and Shetland have municipal authority, and they are both island communities. Shetland also holds County Council status. The Shetland Islands are located 200 miles north of Aberdeen, while Øygarden is within one hour driving distance from Norway’s second largest city, Bergen.

In 1972 it was decided that oil and gas from the Brent field were to be taken ashore in Shetland. The construction of the terminal at Sullom Voe started in 1974, and was finished in 1982 (Figure 1). The terminal has now passed its peak production, and will approach its end if not new field developments are opened west of Shetland. In Øygarden the Sture terminal was built in the period from 1984 to 1989, and still holds a high activity. In addition a gas terminal for the Troll field is presently being finished at Kollsnes (Figure 2). The effects of this last development is, however, not studied in this contribution.

How to approach two different local communities?

The oil industry is a part of the international energy supply system, and also a part of the international capitalism. The industry is a part of a different logic than the local communities. In this meeting between islands and oil, the oil industry is the generator of events in the two local communities. The oil industry and the structure of which it is a part, activate a set of mechanisms affecting the two local communities.
The local outcome or events responding to the mechanisms can not be generalised; the events are clearly dependent on the local context. The importance of local context is central in this text. Social phenomena (actions, institutions, etc.) are dependent on context. This means that one can not reach an understanding by only studying the visible consequences, one must also study their meaning, the mediations between structural forces and outcomes (Sayer 1992).

In the study of the local context, or how local communities respond to the mechanisms released by the oil industry, the local communities have to be the study object. In the approach to an object as complex as “community”, a simplification is necessary. An approach based on Eyles (1984) is used. Eyles uses three different angles to enlighten the study object, which are categorised as “place”, “people” and “mind”.

“Place” holds the geographical context. The aim for this part of the operationalisation is to describe the arena where the events are taking place. In this text “place” follows the two communities from the time before oil was decided to be taken ashore, to the time after the main activities were over, and the local paste once again was visible. Key words in “place” are population and labour.

The second angle, “people” consists of the social and administrative framework and actions. The core is people and their institutions. It is not possible to approach all institutionalised networks in the two local communities. In the following it is the reactions of the formal local institutions to the oil industry which are analysed. Key words are planning horizon.