

THE DIVERSE IMPACT OF RELATEDNESS ON EMERGING INDUSTRIES: COMPETITION FOR SHARED SKILL SETS

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Abstract

Skill relatedness has become one of the most widely used concepts for explaining regional economic diversification and inter-industry linkages. It has also been embedded at the core of regional innovation policies, such as in smart specialisation strategies. A central tenet in the relatedness perspective is that industries sharing similar capabilities with emerging sectors can support their development, thereby facilitating regional path creation and diversification. Universities has been increasingly recognised as important actors developing the pool of related skills. While existing literature provides evidence that skill relatedness within a region can foster the growth of emerging industries, it has not yet addressed the challenge that arises when multiple emerging sectors simultaneously depend on the capabilities of a single incumbent industry. In this study, we examine the skill relatedness of oil and gas industry and its impact on development of carbon capturing and storage (CCS), hydrogen and offshore wind sector in Norway’s Vestland region. We have conducted semi-structured interviews with key regional actors including energy firms, universities, industrial clusters and local authorities and analysed key documents. The preliminary findings indicate competition among emerging industries for subsea-related skill sets and show that skill relatedness has had heterogeneous impact on their development. Furthermore, the findings show that universities face difficulties in attracting students to degree programs intended to develop subsea-related skills despite emerging job opportunities. These results contribute to ongoing debates on relatedness in economic geography and offer useful insights for the role of universities in regional sustainability transitions.