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MASTER THESIS

Cooperation between the Northern Norwegian counties: The “Swan”, the “Pike” and the “Crab”?

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ABSTRACT

This is a study of the cooperation between the three counties in Northern Norway, and we aim to identify factors which promote or hinder cooperation between the counties.

The closeness to the large opportunities in the Arctic, possible oil and gas developments outside the coast of Lofoten and Vesterålen, and the opening of Barents Sea South-West attract national and international attention towards Northern-Norway. Visible examples of this are the High North Policy, the entry of Statoil, Aker Solutions, the Arctic Council and other significant companies which have established themselves in the region.

In the wake of the great opportunities in Northern Norway, it is and has for years been a debate in the media about the relationship between Nordland, Troms and Finnmark County. It is described as constrained, and after Landsdelsutvalget (LU) was discontinued, this picture amplified.

Should counties cooperate on the opportunities that are in the North, or should they compete for the resources? We will shed light on these issues through a theoretical foundation which consist of four theories, institutional theory, o-management, CSR theory and cooperation. The theories and methodology will be applied to abstract main tendencies from the collected data. The data consist of in-depth interviews with relevant people from the three counties. In addition, strategic reports, government documents and articles from media are applied to ensure relevance.

We suggest that knowledge partnerships, broader industry by industry cooperation between the counties and continua of subsidies from the Central Government will increase Northern Norway's position and development in the years ahead.

SAMMENDRAG

Dette er en studie av samarbeidet mellom de tre fylkene i Nord-Norge, hvor vi tar sikte på å identifisere faktorer som fremmer eller hemmer dette samarbeidet.

Nærheten til de store mulighetene i Arktis, mulig olje og gass utvinning utenfor kysten av Lofoten og Vesterålen og åpning av Barents sørøst tiltrekker nasjonal og internasjonal oppmerksomhet. Synlige eksempler på dette er Nordområdepolitiken, Statoil, Aker Solutions og Arctic Councils etablering i Nord-Norge.

I kjølevannet av de store mulighetene det snakkes om, er det og har det i flere år vært en debatt i media om forholdet mellom Nordland, Troms og Finnmark fylkeskommune. Det beskrives som anstrengt, og etter at Landsdelsutvalget (LU) ble avviklet ble dette bilde forsterket.

Bør fylkene samarbeide om de mulighetene som er i nord, eller bør de konkurrere om de ressursene som er? Vi setter søkelyset på disse temaene gjennom fire teorier; institutional theory, co-management, CSR- theory og coopetition. Teoriene og forskningsmetoden har dannet grunnlaget for analysen av de empiriske data. De empiriske data er hovedsakelig basert på dybdeintervjuer med relevante personer fra alle tre fylkene. For å aktualisere samt sikre reliabilitet er sekundære data som strategirapporter, stortingsmeldinger og artikler fra media anvendt.

Vi foreslår et kunnskapssamarbeid, og bredere samarbeid fra industri til industri mellom fylkene, for å øke Nord-Norge sin posisjon og utvikling i årene fremover.

PREFACE

As we now are about to complete our education and this master thesis there are someone we would like to thank for their contribution to our work. Firstly, a great thanks to all the respondents who participated and shared their experiences with us. We appreciate that we got the opportunity to travel to these counties, and meet so many people who shared their impression and opinions related to the topic.

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ABBREVIATIONS

| | |
|------------|---|
| HiF | Finnmark University College |
| HiN | Narvik University College |
| EEA | European Environment Agency |
| FC | Finnmark County |
| KS | The Norwegian Association of Local and Regional Authorities |
| NC | Nordland County |
| NHO | Confederation of Norwegian Enterprises |
| NNR | North Norwegian Tourist Board |
| RDA | Regional Differentiated Employment Fee |
| TC | Troms County |
| UiT | University of Tromsø |
| UiN | University of Nordland |

1 INTRODUCTION AND PROBLEM STATEMENT

We would like to introduce with a poem written by the Norwegian poet and author, Rolf Jacobsen,

“North”

Look more often towards North.

Go against the wind, your chin is red.

Find the rugged track. Hold it.

It is shorter.

North is best.

The winters flame of skies.

The summer nights sun miracle.

Go against the wind. Climb rocks.

Look North.

More often.

This country is far.

Mostly of it is North.

(Jacobsen, 1996, p. 326)

Jacobsen’s poem relates to what we are about to present in this paper. From our point of view, the poem depicts that to achieve goals, one have to struggle and work hard. “Find the rugged track” and “go against the wind” indicates that one has to find paths which never have been walked before, and these ways are not easy to find, it is a difficult area. We relate this to the large geographical area Northern Norway consist of and the new opportunities and challenges the region face when it comes to oil and gas development.

In this respect is seems appropriate to state that the point of departure for this thesis is the launch of “The High North- Visions and Strategies” in 2006 and the closure of LU in 2011.

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“The High North is Norway’s number one foreign policy priority, as set out in the Government’s first and second policy platforms”(Utenriksdepartementet, 2011a).

The Foreign Ministry (UD) in Norway reviews Northern Norway as the most important strategic priority for Norway in the years ahead (Utenriksdepartementet, 2011b). The latest strategy from UD underpins the important role Northern Norway has, not just domestic, but also in a global perspective. The melting ice in the Arctic has set the world leaders eyes towards the Arctic and consequently to Northern Norway.

Oil and gas activities are moving North. National and international companies want to establish themselves in Northern Norway. This generates a higher demand for human capital and will give significant ripple effects for the region. In this respect the counties have difficulties in coordinating and facilitation them in between for such development. The closure of LU was the end to a long cooperation between the four northernmost counties. Media’s representation of the closure of LU gives the impression that it was a messy process with major conflicts and talk behind each other’s backs. Johnny Ingebrigtsen representing Finnmark Socialist Left Party spoke during the closure meeting “...*this is a regionalization battle with two regional capitals Tromsø and Bodø in the lead*” (Nordnytt, 18.10.2011). Some claim that the conflicts are media- created, and does not reflect reality.

Media portrays Northern Norway as a region of rivalry where the two largest cities Tromsø and Bodø, respectively in Troms (TC) and Nordland County (NC), argue of attracting large companies and businesses to their city. Top politicians in Troms and Nordland are involved in this “localization battle”, and the politicians are given part of the responsibility of why there is a problem of cooperation in the North (iTromsø, 2011).

The localization battle regarding the Air Force Base in 2011 and 2012 exemplifies the problem of cooperating. There were three alternative locations for the new Air Force Base, two of them were in Northern Norway, in two different counties, Troms and Nordland. Neither were lucky to win this “game”, and the Air Force Base will be moved from Northern Norway to Trøndelag (Børstad, 2012). If NC and TC decided upon one of the options in Northern Norway, and together fronted this option, we question whether this could have influenced the decision taken by the Central Government.

At the same time as LU closed, further south in the country, politicians were conducting a strategy drawing up the future of the Northern Norway. A paradox one might say, that the authorities in Oslo announces a joint Northern message with clear visions and instruments for

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the region, while the one political cooperative body in Northern Norway is being closed down.

The Norwegian Association of Local and Regional Authorities (KS) indicate that the people who live in the Northern Norway must “grab the wheel” and join the management of the communities in the North. To achieve this, greater willingness and stronger commitment to work together must be prioritized. Furthermore, KS state that it is an interesting debate going on at the moment between the Northern counties. Businesses which have good cooperative traditions across boundaries of municipalities and counties are calling for political voices and initiatives to strengthen the cooperation. KS’s office in Northern Norway aim to contribute to achieve this development, and challenge local politicians to debate on the areas and issues where it is possible to cooperate (Hansen, 2012).

1.1 Problem actualization and relevance

Seen emerging from the presentation above, the relationship between Northern Norway’s counties is relevant because of the current public media publications and political debates. We aim to put some analytical ‘flesh’ on the bones of claims from media regarding the image they present.

Based on these events and statements we chose to examine the following problem statement:

What are the factors which promote or hinder cooperation between Northern-Norwegian counties?

As the problem statement has a twofold focus, on the one hand to promote and on the other hand to hinder, we found it adequate to split the problem into smaller research questions and connect them to theory. These will be presented in the theoretical framework.

1.2 Background

“Northern Norway” includes a large geographical area and it was in “Nordlændingernes Forening” (The Northerners association that the term was suggested as a name for the three northernmost counties of composer Ole Tobias Olsen in 1884. It is a “design” that was

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created in the capital by a group of northerners who had moved South. The association wanted to ensure justice for the region, economically, socially and culturally. They worked for development in Northern Norway and needed a unified name for the three counties (Jaklin & Åsheim, 2004).

1.2.1 The Governance in Norway

Norway is a constitutional monarchy and parliamentary democracy and consists of 19 counties and 428 municipalities. The county is politically controlled by the County Council, and the committees it appoints. The County Council is an elected body that is appointed for four years (Holter, Hamnes, & Vederhus, 2012). Furthermore, the County Council determines the framework for the industrial development in the county. This occurs through decisions on county, finance plan and annual budget (Johnsen, 2013). In addition the county assists municipalities with advice in planning, providing support to small businesses. Northern Norway consists of three counties: Nordland (NC), Troms (TC) and Finnmark (FC).

In the debate about oil and gas development in the North politicians in the South argue that northerners must now stand together and speak with one voice. Historically the counties in Northern Norway have cooperated well. Northern Norway as a common political identity had its best years from 1950-1970's. The region had, despite significant internal differences, common interests in terms of regional development, government transfers and improving welfare, which in many cases were far behind the rest of the country. However, the political power is in the South¹. Some may feel that they are “controlling the North”, and mean that there is a need for a stronger political voice from the North.

1.3 Structure

In order to answer the problem statement we have chosen to structure the thesis as shown in Figure 1. In chapter 2, the theoretical framework will be discussed. The thesis is structured around four theories which will be connected to four research questions, these questions have made up four topics in the interview guide from chapter 3, methods and research design. Further, we have formed the thesis around four main concepts, and the contexts related to them are presented in chapter 4 in the empirical part of the thesis. The discussions around the

¹ When we talk about South, we are referring to the centers in the South of Norway; mainly Oslo because it is here the political power is situated.

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main findings will be presented in the analytical part (chapter 5) and conclusions and further research will be the in chapter 6.

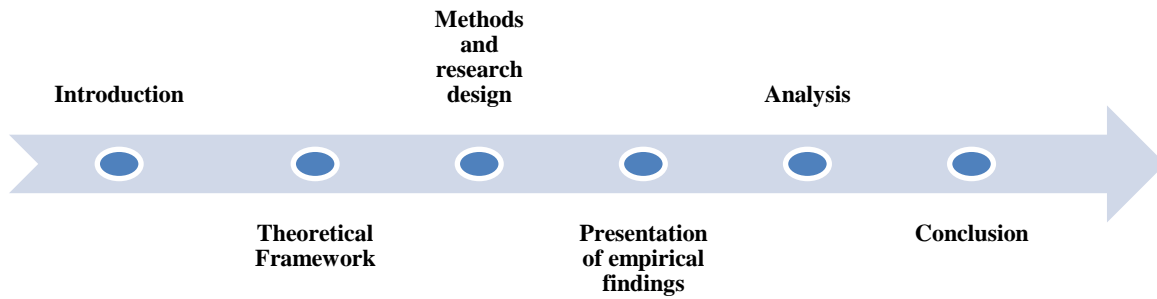


Figure 1: Structure of the thesis

2 THEORETICAL FRAMEWORK

The theory presented in the following will provide a necessary basis for the analysis of the data in the empirical section. Roness (1997) defines theory as: "a relatively systematically set of beliefs from the connections between different phenomena..." (Roness, 1997, p. 11).

The first theory applied is cooperation as an institutional process. The theory is relevant because it can explain how cooperation can be dysfunctional because of difficulties associated with procedures in the organization. Czarniawska and Joerges model "travel of ideas" has been chosen to shed light on the dynamics of cooperation. The model is derived from institutional theory and will be applied to explain how an "idea" materializes into "action/institution". Secondly, the theory of co-management will explore the managing of relationships and will concentrate upon four different aspects of co-management which is related to building knowledge and bridges between actors. Thirdly, CSR- theory will be applied to study the aspect of cooperation as a responsibility. CSR is one of the most well-known theories here, and Carroll's pyramid of responsibility is very fruitful for the reason that it is divided into different levels of responsibility, which are important in the organizational field. Finally, we will explain cooperation theory, which builds on the grounds for both cooperation and competition as a strategy and as social relationships. These two concepts are commonly known within organizational theory, thus it is interesting to look at how it is possible to compete and cooperate at the same time.

In the section below, we would like to present the definition of cooperation, and look at six common bases on how to form cooperative advantage.

2.1 Cooperation

There are various definitions of what constitutes the term cooperation, hereafter the term cooperation will refer to a situation where two or more actors work to achieve a common goal, whereby they work across organizational boundaries (Huxham & Vangen, 2005).

Cooperation occurs when an individual outcome are dependent not only on its own behavior, but also on the behavior of others in a dynamic interaction. (Dillenbourg, 1999, p.

1). Outcomes is usually tangible and beneficial events such as gaining access to food or money. From the standpoint of evolution, such outcomes are surrogates for gains in fitness.

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Moreover, the evolution of cooperation is also predicted when access to beneficial outcomes results in a gain in fitness for all participants (*Axelrod, 1984*).

Cooperation is commonly explained from an economic point of view, and the desired outcome of cooperation is revenue maximizing (Schuster & Perelberg, 2004). In the public sector, however, the desired outcome is rather different.. The counties have economic responsibilities, but they are not driven purely by maximization of revenue, rather maximizing welfare. When the outcome of cooperation is applied in examples it is important for the reader to have this aspect in mind.

This implies that we need to broaden the perspective and include social phenomena. Considering the current situation in Northern Norway we question what the main priority in the context of outcome in Northern Norway should be. In contrast to counties with steady population growth, NC, TC and FC, have a different set of challenges for example concerning securing jobs for their inhabitants.

2.1.1 Why and how cooperate?

Cooperative relationships can take form in multitude of ways; joint ventures, strategic alliances, networks and other cooperative alliances. The idea of cooperation is as diverse as the multitude was of cooperative relationships; advanced of a shared vision, economies of scale benefits, shared production costs, relationships aimed to pursue a set of agreed upon goals or to meet common goals. In sum one can say that cooperation is entered into order to achieve something that is not possible (or harder) to achieve without cooperation.

Cooperative relationships occur because two or more organizations want to achieve cooperative advantage. Huxham and Vangen (2005) describe six common bases to form cooperative advantage, five of them will briefly be presented in the following Figure 2.

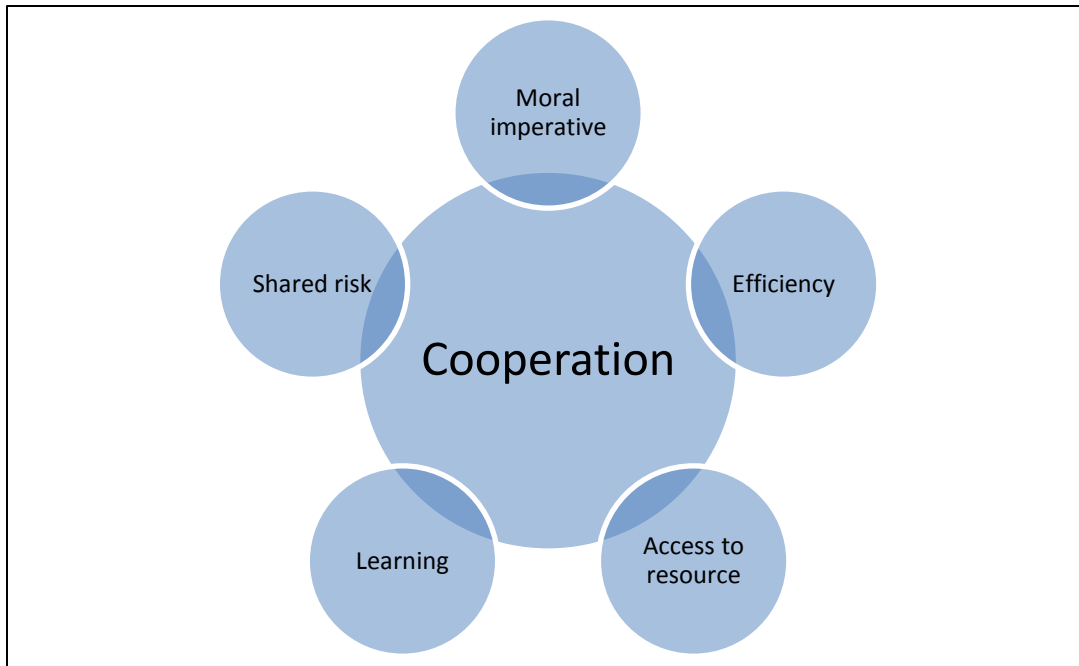


Figure 2: Bases of why to cooperate (Source: own production based on Huxham and Vangen, 2005).

2.1.1.1 Access to resources

Organizations might cooperate if they are unable to achieve their objectives with their own resources. Bringing together resources and pooling financial or human resources are typical examples. Cooperation in the public sector is often expected to share resources and expertise, knowledge and connections. Counties typically cooperate over locality development issues (Huxham & Vangen, 2005).

2.1.1.2 Shared risk

The common goal of the cooperative relationship is to share the risk of a project which is too high to take on alone. This is common within the research and development industry, where large investments might fail. Cost-intensive research and development cooperation between organizations with similar resources are usually of this sort (Huxham & Vangen, 2005).

2.1.1.3 Efficiency

Increasing efficiency is a common argument for cooperating. Counties can cooperate over the provision of a service, for example public services as health care and public transport as one can see between NC, TC and FC. Furthermore outsourcing of services is frequently used by public organizations. As an example two counties can cooperate with organizations which are more efficient in one of the production processes, in order to increase the efficiency of a

project. Governments have often argued that commercial organizations are more efficient providers of services than public ones, and so have promoted public-private partnerships for public service delivery (Huxham & Vangen, 2005).

2.1.1.4 Learning

The aim of mutual learning, are created of the face of it more modest. Huxham and Vangen (2005) call this “learning partnerships”, which we later describe as knowledge partnership. Networks of organizations can form clusters where they exchange knowledge, and use a “let’s-see-how-they-do-it-there” approach.

2.1.1.5 The moral imperative- there is no other way

Some argue that the most important reason for being concerned with cooperation is a moral one. The moral perspective of cooperation rests on the belief that the really important role of the organization, such as poverty, crime, drug abuse, conflict, health promotion, economic development and so on, cannot be tackled alone (Huxham & Vangen, 2005). Today, the moral imperative can be seen in many organizations, and these issues have consequences for so many aspects of society that they are inherently multi-organizational.

2.1.2 Why not cooperate?

Huxham and Vangen (2005) conclude in their research that cooperation does not necessary give cooperative advantage. Cooperative relationships is a “...resource- consuming activity ‘ and unless’... the stakes are really worth pursuing.” (Huxham & Vangen, 2005, p. 13), one should not go into a cooperative relationship. Moreover justification of cooperation can be a time consuming process whereby the result of cooperation is not tangible (Schuster & Perelberg, 2004). As most organizations must justify their actions in tangible results, research show that managers use this as an excuse to not cooperate (Kooiman, 2003).

Cassar’s (2007) notion of how private incentives affect cooperative relationships is worth mentioning in this context.

The problem of cooperation, abstractly formulated as the prisoner’s dilemma, is that individuals realize the existence of an overall benefit from cooperation, but their private incentives draw them away from it, locking them into sub-optimal actions (Cassar, 2007, p. 7).

2.2 Cooperation as an materialization of ideas

At some point along the way, the three counties must have initiated the idea to move into some kind of closer relationship. Why did they do so? The institutional theory can explain the procedures in the organizational field. Furthermore, Czarniawska and Joerges' "travel of ideas" (1996) can explain how the idea of cooperation have traveled thorough time and space and materialized into action or institution.

Institutional theory represents "a major research paradigm in organizational sociology." (Lounsbury, 1997, p. 465) and emphasizes the survival value of conformity with the institutional environment. Such conformity can for example lead to increased stability, legitimacy, and access to resources. Institutional theory approve to external rules and norms (Lounsbury, 1997, p. 465). Moreover Greenwood and Hinings argue that "institutional theory is not usually regarded as a theory of organizational change, but usually as an explanation of the similarity (isomorphism) and stability of organizational arrangements in a given population or field of organizations" (Greenwood & Hinings, 1996, p. 1023). However, Powell and DiMaggio (1991) have noted that the goal of efforts to come to terms with politics and conflict must be based on a sounder multidimensional theory, rather than an one-sidedly cognitive one. In the language of institutional theory, for example, valuing engagement with practice is an attempt to introduce new "rules of the game" and to leverage influence in organizational fields (Jepperson, 1991).

What is an organizational change? Czarniawska and Joerges (1996) presents organizational change, the crux of organizational life, as a story of ideas turning into actions in new localities. They present another view on organizational change than the two dominant images of organizational change presented, as a *planned innovation*, such as strategic choice, decision-making and organizational development or an *environmental adaption*, such as contingency theory and neo-institutionalism (Czarniawska & Joerges, 1996). They argue that these two descriptions leave out important aspects of how the changes emerge and developed. "Unexpected results" and "unintended consequences" of the planned or adapted changes occur,

Czarniawska and Joerges (1996) seek why these unexpected and unintended changes occur. They claim that traditional theories on organizational change do not tell us anything about the *materialization* of ideas in general or unexpected change in the process of change. They

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suggest an approach “where the organizational theorist does not don a stance of categorical superiority but rather a kind of sideways perspective.”(Czarniawska & Joerges, 1996, p. 15) .

Czarniawska and Joerges (1996) explain travel of ideas as a phenomena that search for a deeper meaning of organizational change than gaining strategic advantage “... they do not introduce change to attract losses.”(1996, p. 16). Figure 3 shows Czarniawska and Joerges travel of ideas illustrated:

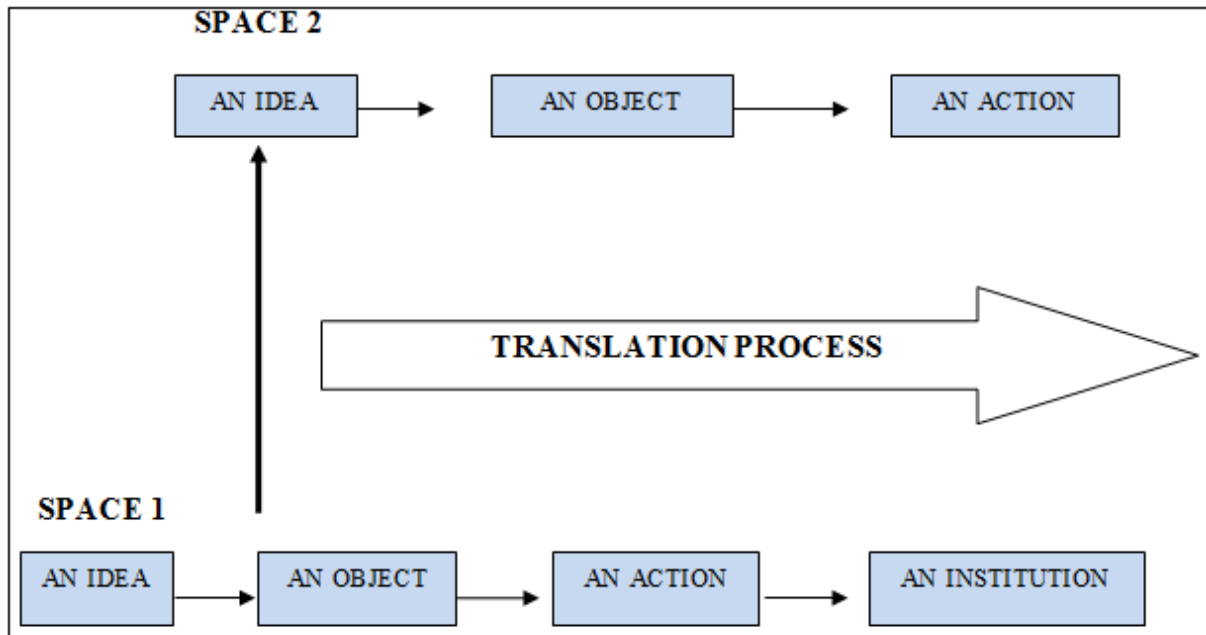


Figure 3: Translation model (Holter et al., 2012) based on Czarniawska & Joerges, 1996

The figure describes the translation from idea to object or institution: At a space 1 there could be an idea that is translated in time by people and at some point becomes an object. The translation process takes place when the people use an idea for their own or others use. The object could be a text, a prototype or a picture. After some time, this idea might move from being an object and further to be an action. From here it can further go on and become an institution. The model also shows that a similar translation process might evolve from the objectification of the first idea, and as a consequence travels from space 1 to space 2. The translation process is useful in explaining why ideas become materialized into an institution or action and further in explaining what is needed to understand what organizational change is; what exists and what is created? Here we find the relationship between human and ideas, ideas and objects, and human and objects particularly interesting. (Czarniawska & Joerges, 1996) . Furthermore, Czarniawska and Joerges (1996) discuss how fashion influence institutionalization. Why do some ideas travel in time and space longer than others?

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They argue that it is the presentation of the idea, and further argue that the ideas that become fashionable; thereby move longer, are those ideas who are “turned around and about”. Then become an object which in turn has relevance to some organizational problem. The point is the process, the translation process, from idea to action or institution should be our concern, not the properties of the idea.

If we take a step back, and look at the context of this paper, we can ask where the idea cooperation come from? Where does the idea of cooperation turn into an object, and more important how is an object translated into an action? According to Czarniawska and Joerges, such a process must be carried out through a promising idea, and a cognitive process prompted by acts of will. It is a question of moving from images of action to plans of action. Action is the moment where the idea is being materialized (Czarniawska & Joerges, 1996)

2.3 Co-management

Co- management can be applied to explain the phenomena that occur when two or more actors cooperate on the management of natural resources, hence help to understand the implications of cooperation between the three counties. Co-management theory is based on underlying assumptions of cooperation, and the theory shares many features with other kinds of partnerships, and co-operative environmental governance arrangements involving multiple actors (Armitage, Berkes, & Doubleday, 2007).

Although, co-management theory is mostly used within the field of environmental research, we find the theory applicable in this analysis, because it can be discussed that there is a need for co-management of the natural resources in Northern Norway.

2.3.1 Co-management and sharing of responsibilities

Pomeroy and Berkes define co-management as: “Co-management covers various partnership arrangements and degrees of power-sharing and integration of local and centralized management systems.” (Pomeroy & Berkes, 1997, p. 446). In a report from the World Bank, co-management is defined as: “The sharing of responsibilities, rights and duties between the primary stakeholders, in particular, local communities and the nation state; a decentralized approach to decision making that involves the local users with the nation-state.”(TheWorldBank, 1998, p. 11).

Theoretical Framework

Co-management constitutes to an initialization of collective action, which refer to intensive actions by groups of people that share a common interest and act to achieve it. Collective actions is often based in specific local institutions (but can also operate on national level), concentrated around specific issues, and uses a given set of tools or means in order to arrive at specific goals, that cannot be achieved individually. Collective action is the coordination mechanism of the preferred management approach, namely local community-based management (TheWorldBank, 1998).

Co-management does in a way overlap several terms, according the authors of the report from the World Bank. Other terms which are used are collaborative management, joint management or shared management. Co-management will hereafter be understood as a generic term which compromises coherent management arrangements, as exemplified in figure 4. In this context local governments will be understood as the counties Nordland, Troms and Finnmark. Secondly, the central government is the Norwegian Government and the Parliament. Thirdly, the commercial private sector which is business/industrial institutions and organizations, and finally the local communities will be the citizens of each county.

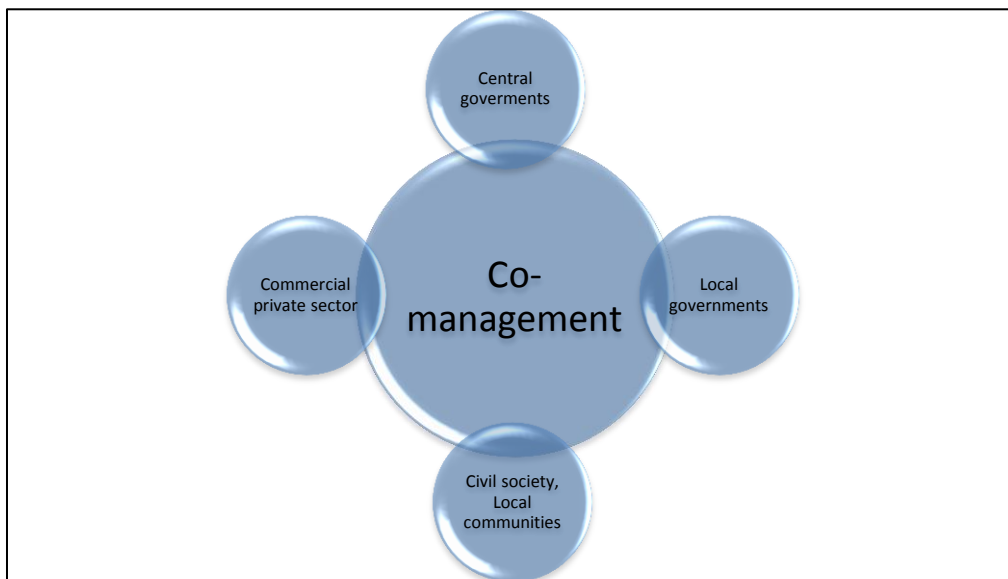


Figure 4: Key stakeholder categories and co-management (TheWorldBank, 1998)

Rather focusing on the local communities as the report from the World Bank does, we chose to look closer to the counties. Counties implement control and authority over decisions and resources in agreement with their comparative advantages. Counties do not operate in separation, but in collaboration with and support from, other actors, municipalities, central government agencies, NGOs, and the private sector. Furthermore, central agencies engage

Theoretical Framework

counties in larger resource management, while at the same time seeking ways for them to become better rewarded; and central agencies are prepared to accommodate local interests, needs, and norms that are compatible with larger resource management (TheWorldBank, 1998).

Kooiman (2003) identifies three models of governance: hierarchical governance characterized by state intervention, self-governance, and co-governance consisting of cooperation and relations among different actors. Co-governance is mainly appropriate when user involvement leads to more legitimate management measures and to increasing compliance (Kooiman, 2003). In addition to legitimacy and compliance, justice, equity, and empowerment are also relevant because the basic idea behind the co-management theory is that people whose livelihoods are affected by management decisions should have a say in how those decisions are made. For this reason, co-management is not merely about resources; it is about managing relationships (Natcher, Davies, & Hickey, 2005).

According to Berkes (2008), many resources are too complex to be governed effectively by a single organization. Governance of many kinds of fisheries, forests, grazing lands, watersheds, wildlife, protected areas and other resources, requires the joint action of multiple parties. The idea of governance suggests that we look beyond government, but rather toward public private civil society partnerships. There is a sharing of power and responsibility between the government and local resource users and is an arrangement where such partnerships can be established (Kooiman, 2003; Pierre & Peters, 2000).

2.3.2 “Faces” of co-management

In this section we wish to stick closer to the definition from Pomeroy and Berkes, and go more deeply into four of their “faces” within co-management. Berkes (2008) argue in his literature that co-management has many “faces“ or different aspects. These four “faces” is relevant to link up to the problem statement, and see co-management as power sharing, as institution building, as trust and social capital, and as process.

Resource management falls under the control of the central or state government in most counties today. However, *power sharing* and responsibility arrangements can still be conducted with users. Kruse et al., (1998) argue that measures of power sharing may be used as criteria in assessing co-management success, but on the other side it is the nature of power sharing that often makes partnerships problematic. Co-management as power sharing can strengthen by institution and capacity building and knowledge sharing.

Theoretical Framework

According to Borrini-Feyerabend et al., (2004, p. 175) the literature deals with power imbalances, and the barriers embedded in broader social relationships. Further, that "...in a nutshell, some measure of effective dialogue, discussion of issues and participatory democracy internal to all relevant social actors."

The second face is co-management as *institution building*. Some authors mean that the idea of co-management can develop through feedback-learning over time from simple systems of management. Ostrom (2005) have concentrated on identifying appropriate local institutions and building on their strengths. Further she means that another possibility is to craft new institutions where the existing ones do not work or are not appropriate. The general from the international literature is that the two-way feedback between government policy and local institutions is necessary for the evolution of co-management and that networking play a major role (Armitage et al., 2007).

To construct an effective co-management arrangement, building *trust* between the parties and *social capital* in general are important. This is Berkes third face, where trust appears to be a determinant of success in many cases of co-management, as a start to build a working relationship. According, Ostrom and Ahn, collective social capital is based on the density of interactions, where mutual trust is the central factor in facilitating voluntary cooperation. It arises from norms of exchange and networks. Furthermore, Ostrom and Ahn (2008) indicate that some authors, such as Hardin (2002), view trust mainly as an effect of networks and ongoing relationships. However, there are not all aspects of trust that are reducible to structural incentives. Intrinsic values can also constitute an independent reason for behaving cooperatively (Elinor Ostrom, 2000; Elinor Ostrom & Ahn, 2001, 2003, 2008). Kruse et al. (1998) have been studying the relationship between user involvement and caribou management effectiveness in Alaska and Northern- Canada. Opposite to expectations, they found that direct user involvement in joint management boards did not increase the likelihood of cooperation. Rather, the key factor was the frequent presence of government biologists in native communities.

The fourth face of co-management presupposes that parties have, in a formal or semi-formal way, agreed on a *process* for sharing management rights and responsibilities. Getting to co-management involves institution building, development of trust and social capital, and are in general a long journey on a bumpy road, as Berkes (2008) explains it. Co-management appears out of comprehensive discussion and negotiation, and the actual arrangement itself develops over time. Co-management is path-dependent, the outcome is strongly influenced by

the history of the case (Chuenpagdee & Jentoft, 2007). Long-term studies characterize co-management as a process where relationships among the parties are constantly changing over time (Pinkerton, 1992). Changes might be political (change in the management in the local governments, from Høyre to AP for instance), industry findings such as oil and gas, people in the top management in the local governments, and influences by the Central Government. The length of time needed for this development process may be quite substantial, sometimes as long as a decade. According Berkes (2008) recent studies has an increased the focus on co-management as a process of involving social learning and problem solving. Furthermore, that successful co-management is a knowledge partnership, where different levels of organizations generate unlike kinds of knowledge and mobilize comparative advantages.

As this section presents, co-management is relevant for finding many “already discovered” areas for cooperation. However, the choices of using co-management in the theoretical framework lie in the facts that there are many central approaches which fit into this thesis problem statement. Co-management can be examined as a problem solving process (rather than a static arrangement) involving negotiation, deliberation, knowledge generation and joint learning. Successful co-management is a knowledge partnership. Bridging knowledge and bridging different levels of organizations are closely related processes. Success in one can lead to success in the other. However, combining different kinds of knowledge is a difficult process that still is emerging (Reid, Berkes, Wilbanks, & Capistrano, 2006).

2.4 Cooperation as responsibility

An organizations core objectives and responsibilities go beyond the financial bottom line (Åsjord, 2003). Increased expectation regarding social responsibility from society has given the responsibilities of the organization a new dimension. The theory of corporate social responsibility (CSR), conceptualize these responsibilities.

CSR is seen as “essentially contested concept” (Moon, Crane, & Matten, 2004), considering the newness of the concept CSR, the definition is also somewhat disputed, (Husted & Allen, 2006). Carroll and Buchholtz, who have made significant contributions to the field, (2009, p. 44) define CSR as: “... the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time.”

Theoretical Framework

According to Carroll (1991), CSR builds on four levels of responsibilities that organizations have towards their stakeholders; economic, legal, ethical and philanthropic. Carroll's (1991) pyramid gives a clear picture of these four components:



Figure 5: The pyramid of Corporate Social Responsibility (1991)

The model is based on what is defined as the “corporate social role” that includes all the commitments and expectations which needs to be included in such role.

The two first components in Carroll's pyramid (1991), economic and legal responsibility, are prime conditions to be socially responsible and are required activities

The last two responsibilities lies within societal mission, distinguish between right and wrong, and being a good corporate citizen.

The *social responsibility* of the organization has been very heavily debated, but it is now accepted that organizations have a responsibility towards shareholders and stakeholders. Thus, profit is not the only goal of an organization. Adam Smith (1793) believed that ethics and economics do not mix; it is the governments responsible to society, not the organization. Michael Porter believed that economics and ethics belong together and that the organization may have a number of benefits to taking responsibility (Porter, 1980). Organizations that take social responsibility could be considered more acceptable and in the long run gain more profit than firms that are not. For example more satisfied customers, the higher profit; if the company takes responsibility organization will achieve a better reputation and thus a larger and perhaps more satisfied customer base. Moreover, counties do also have a responsibility to

Theoretical Framework

their citizen's responsibility to maintain infrastructure, good schools, good health services and last but not least workplaces. Carroll and Buchholtz (2009), as mentioned initially proposed a "four part model of corporate social responsibility."

How does CSR and cooperation connect? Government institutions have a responsibility to ensure that their citizens are satisfied. In that way, we consider it to be a responsibility for the counties to cooperate. So how can they cooperate? And how do they cooperate today? Government institutions are not solely dependent on profits and therefore do not compete in the same manner as the private sector. So what explains the competition and what explains the cooperation? Counties are driven by if they do so what is the motive to do so? Is this on the basis of an ethical responsibility, which they see as necessary for them to achieve or is it a philanthropic responsibility. What are the motives for cooperation, and to cooperation or no cooperation? We will bring these questions further in the empirical part and the analysis, and search for factors that hinder or promote cooperation.

Two economists have made significant, yet contradicting, contributions to the field. Freeman (known for his stakeholder theory) defines the organizations stakeholder as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46). Milton Friedman argued against Freeman's view in his article "The Social Responsibility of business is to increase its profits", saying that social responsibility and business has nothing to do with each other. He had three main arguments for his view: Firstly, only human beings have moral responsibility for their actions, secondly the only responsibility the managers have is to act in their shareholders' interests, and finally he states that social problems are the governments, and not the corporations responsibility (Crane & Matten, 2010).

So, the counties have a responsibility to their citizens. In this way, CSR theory can help to describe the responsibility to cooperate, and to find what the motives for cooperation is.

2.5 Coopetition

When discussing the term cooperation, it is often talked about the opposite direction, namely competition. We earlier defined cooperation as a situation where two or more actors work to achieve a common goal, whereby they work across organizational boundaries (Huxham & Vangen, 2005). Both cooperation and competition has advantages and disadvantages.

Theoretical Framework

Gomes-Casseres writes: “The line between competition and collaboration is a thin one.” (Gomes- Casseres, 1999, p. 70). He uses the concept of collective competition and argues that it is hard to separate between rivals and allies.

Gomes-Casseres recognizes that there is a stream of research arguing that the dividing line between cooperation and competition is fading and that we therefore need a new concept to describe the situation. This concept is called cooptation. According to Gomes-Casseres (1999), the term cooptation was first mentioned by Raymond Noorda, former president and chief executive officer of Novell in the 1980s. Noorda argued that you have to compete and cooperate at the same time. This term is characterized by participants who both compete and cooperate (Tidström, 2008).

Doz and Hamel (1998) use cooptation to describe a situation when potential rivals are neutralized as threats by joining each other in an alliance, and uses the metaphor of princes and warriors. It were many centuries ago recognized that the easiest way of neutralizing potential enemies was to invite them into their own camp. “Today’s ally may be tomorrow’s rival- or may be a current rival in some other market.” (Doz & Hamel, 1998, p. xv). Other scientist like Bengtsson and Kock (1999) argue that actors or in this case organizations must compete to a certain extent in order for the organizational network to be effective. They mean further that there is a demand for cooperation, because the actors must establish god long-term relationships. Bengtsson and Kock (1999) view cooptation as a strategy. However, the definition of Luo is different because it indicates that cooptation not necessarily would be something that is strategically planned. He defines cooptation as “...a mindset, process, or phenomenon of combining cooperation and competition.” (Luo, 2005, p. 72).

Furthermore, the idea of cooptation has been put forward within social sciences Deutsch (1973) argue that it is possible for individuals to be interdependent concerning one goal and not dependent on each other considering another goal, so that situations involve sets of goals and subgoals.

Tidströms (2008) study distinguishes between two different perspectives of cooptation: 1) cooptation as a natural part of business relationships and 2) cooptation as a deliberate strategy. “The balance between competition and collaboration is delicate and needs to be managed constantly.” (Gomes- Casseres, 1999, p. 213). This view of cooptation is in line with a strategic view of cooptation, which means that cooptation is something that can be managed, planned, followed up, and directed toward a certain goal.

Theoretical Framework

Nalebuff and Brandenburger (1996) view competition as a “game”. This also indicates that competition is related to strategy. Usually, when playing a game, the players are choosing a certain strategy in order to reach a certain goal.

According to Porter (1985), the basic of strategy and strategic management is competition. A central task for each organization is to gain and sustain competitive advantage through strategic choices and decisions. A contrasting view is related to cooperation, and a need for companies to cooperate in order to survive and reach their goals. The nature of cooperation between organizations is, for example, stressed within the industrial and business network approach. It has been argued that both competition and cooperation is needed and therefore a strategy of competition. Czakon writes as follows: “Cooperation is a strategy designed and implemented to achieve better performance levels and ultimately above average profitability in the long term through cooperation with a firm’s competitors.” (2007, p. 2). This quotation indicates that competition is both a strategy and that it occurs in relationships between competing companies.

2.5.1 Intensity of competition

It has been researched on how much intensity in the competition and how simultaneous cooperation and competition among actors in these terms have been. Organization and educational managements have suggested two different approaches to the degree of competition where it is based on one dimension or two dimensions (termed continua) (Damayanti, Scott, & Ruhanen, 2013). These are illustrated in figure 6 and 7 below.

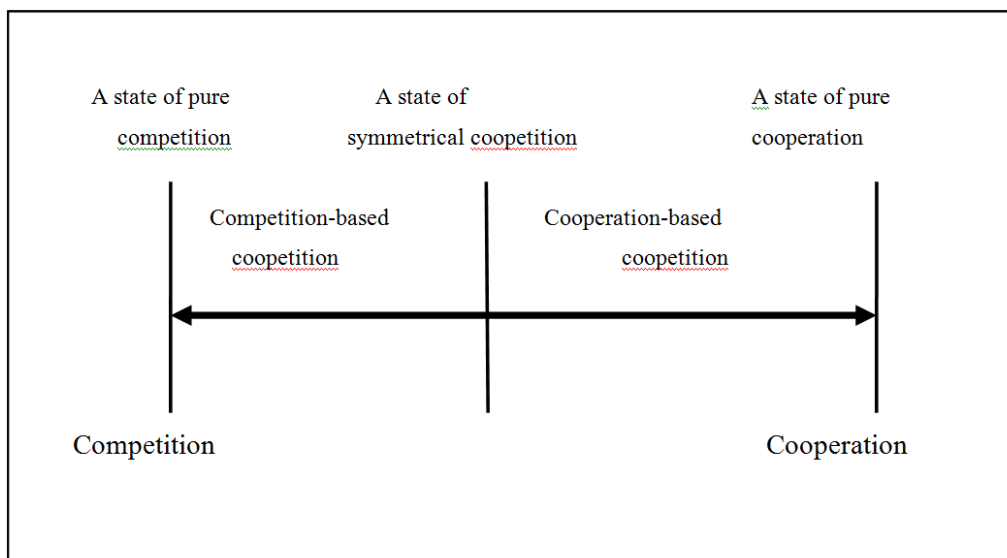


Figure 6: Competition one continuum (Bengtsson, Erikson, & Wincent, 2010, p. 199) and (Eriksson, 2008, p. 431).

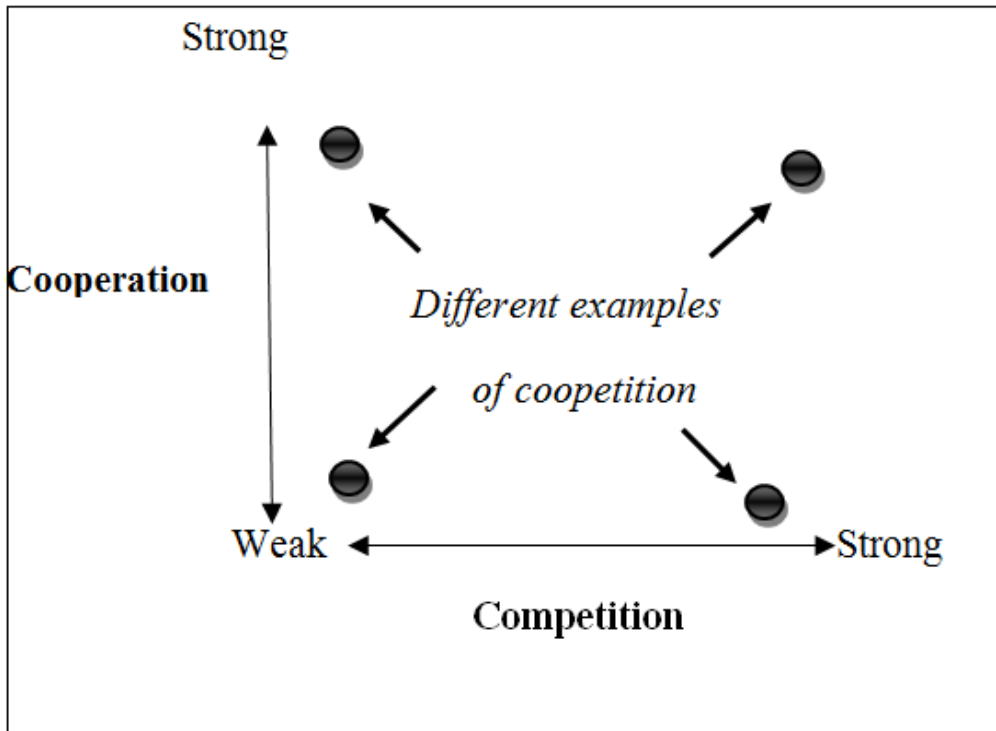


Figure 7: Cooperation two continua (Bengtsson et al., 2010, p. 199) and (Eriksson, 2008, p. 431)

The one continuum in figure 6 approach to cooperation is based on the concept that cooperation is “between” pure cooperation and pure competition. The mix of cooperation and competition can be equal (symmetrical), highly competitive, or highly cooperative. From this perspective an actors’ decision to cooperate will reduce the degree of competition with other actors, and opposite, their decision to compete will decrease the degree of cooperation among them as it is possible to see in figure 6 (Bengtsson et al., 2010; Eriksson, 2008; Padula & Dagnino, 2007).

On the other hand, the two continua cooperation approach is derived from the perspective that competition and cooperation activities co-exist in cooperation. Hence, strong competition and strong cooperation can occur as can weak cooperation and weak competition. Further, it can be strong competition and weak cooperation, or weak competition and strong cooperation as illustrated in figure 7. This approach offers an opportunity to study the interplay of competitive and cooperative behaviors of competitive actors. Cooperation will be at the highest

Theoretical Framework

level where competition and cooperation is strongest. However, the researchers cannot state that the highest level is the best strategic choice for organizations (Bengtsson et al., 2010).

The mix of cooperation and competition may not be constant over time, because dynamic cooperation behaviors could develop. External and internal factors can influence competitors' desires and behaviors related to cooperation (Bonel & Rocco, 2007). Hence, cooperation may be seen as complex behavior among actors that is determined not only by their behavior but also by their external factors. It is possible to illustrate this in a four quadrant table in figure 8. Quadrant A represents the situation where cooperation succeeds; B- along-term balance of cooperation and competition; C – a short term balance of cooperation and competition: and D – where competition succeeds (Kylanen & Mariani, 2012).

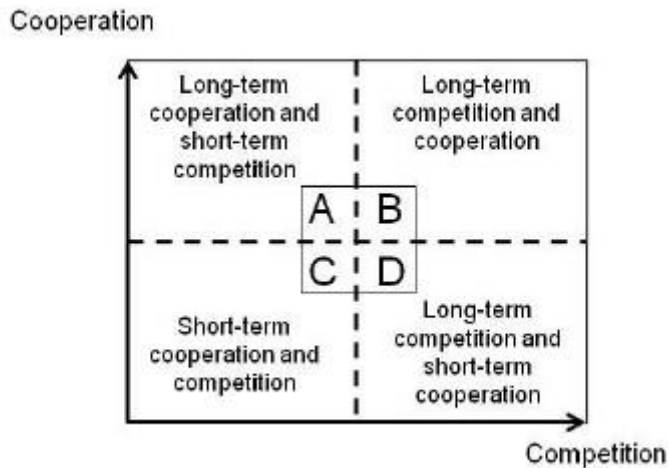


Figure 8: Temporal dimensions of cooperation (Kylanen & Mariani, 2012, p. 69).

2.6 Summary

Based on the theoretical review we have fragmented the problem statement in four subsidiary research questions, which are presented below.

Theoretical Framework

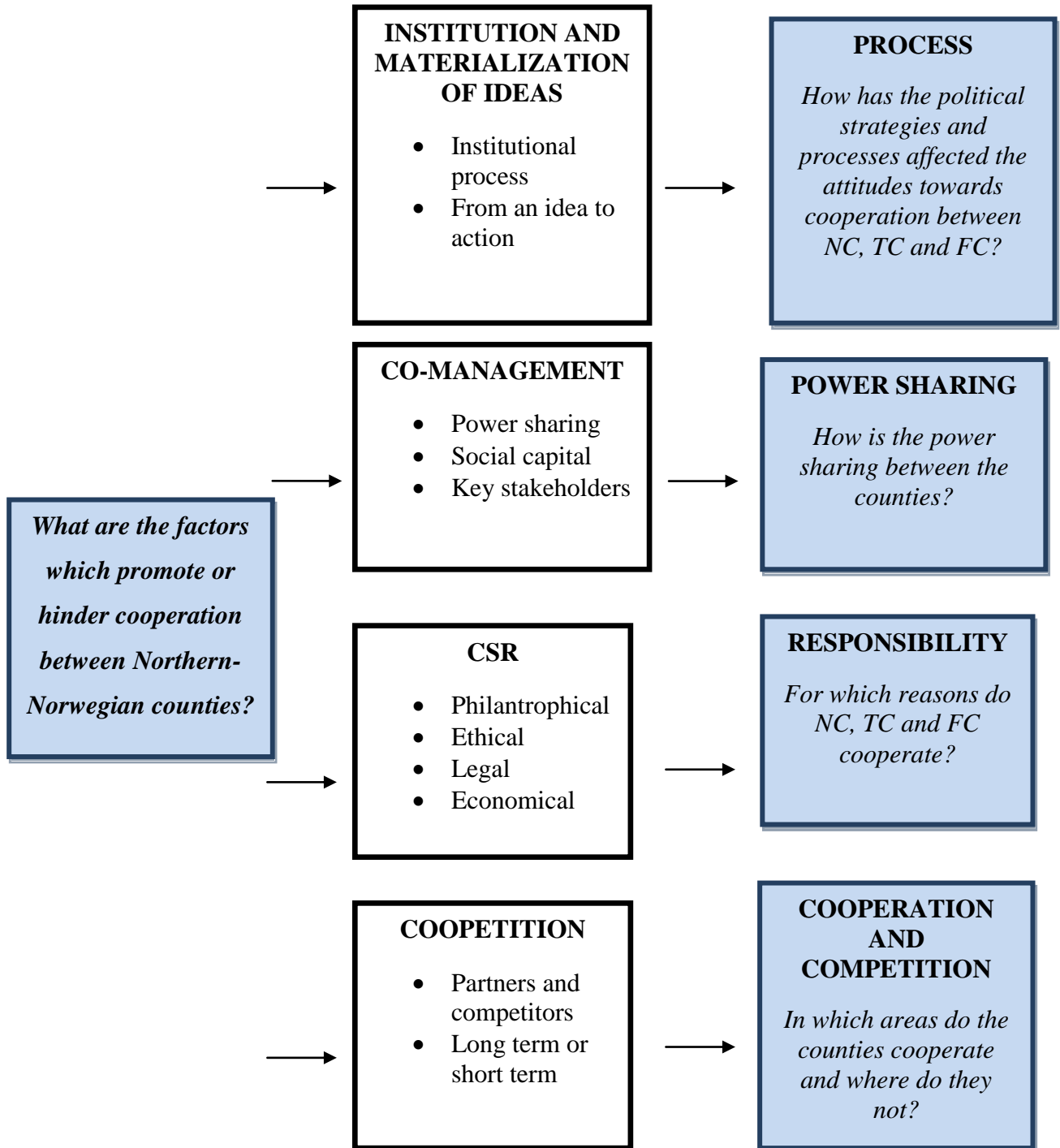


Figure 9: Theoretical model with research questions

From the theories four topics emerged, these will be applied in the methods section and later in the empirical section.

The four theories presented; institutional theory and travel of ideas, co-management, CSR and cooperation will be applied in the analysis to explain the empirical findings. It may be useful for the reader to refer back to figure 9 while reading.

Theoretical Framework

The institutional perspective and “the travel of ideas” give an organizational “lens”, and have a focus on the various elements that will be studied within the counties. The researchers have used co-management to describe how cooperation with stakeholders surrounding the local governments, central government, local communities and private industry/business can be carried out. Further how the “faces” of co-management can be applied within the bridging of the three counties, such as for example power sharing and social capital. All these aspects will be applied later in the analysis.

CSR and Carroll’s pyramid will be applied to illustrate which areas the counties actually cooperate; do they cooperate simply to fulfill a responsibility to comply with (legal), responsibility to increase profit (economical), or if they do it voluntarily (ethical and philanthropic). Finally, cooptation explains how it is possible to be rivals, but also partners at the same time, and is a concept which is highly relevant for this thesis research.

3 METHODS AND RESEARCH DESIGN

In this chapter the methodological choices, scientific paradigm and applied research design will be presented. Moreover, the chapter will present the tools for collecting and analyzing the data. To ensure a self-reflective attitude, the choices made during collection and structuring of data will be accounted for by identifying and justifying along the way. Ethical aspects and questions of reliability and validity of the thesis will be presented to the reader in the end of the chapter.

3.1 Theory of scheme

The following section will establish the methodological choices and consequently the scientific paradigm of this thesis. In broad terms one can understand a paradigm as any philosophical or theoretical framework (Anfindsen, 2010). More concrete it is defined as “a basic set of values that control our actions – everyday actions and actions connected to disciplinary investigations.” (Nygaard, 2012, p. 12). Furthermore, when incorporating the notion of paradigms in a scientific setting, it is defined as “a pattern or model for research” (Denscombe & Denscombe, 2010, p. 130). From this definition one can understand the scientific paradigm as the general guideline of how scientific work is carried out and handled. Thus, the establishment of a paradigm is vital as it affects and guides both the choice of theory and the methodology.

Besides the choice of research paradigm, the choice of research traditions decides what knowledge can be achieved on the basis of the ontology. The choice of research method and perspective is usually conscious. This means that we consciously decide on a specific “set of glasses” to see the reality. A choice that will often be determined by various traditions and fashions in science, and is a choice which of course will have impact on what kind of reality we discover.

The methodological choice is a result of the researcher’s ontological perspective. Ontology is the “...views about the nature of reality” (Easterby-Smith, Thorpe, & Jackson, 2008, p. 331). Two contrasting ontologies will be described here; positivism and social constructivism. Positivism observe the nature of reality as external and objective, the researcher stand on the outside studying reality as an object. Social constructivism assumes, however, that the nature

of reality is socially constructed and given meaning by people (Easterby-Smith et al., 2008). Positivist methodological methods are explorative and quantitative, with a pre-determined hypothesis. Moreover these methods are rather inflexible and artificial, Easterby-Smith et al. puts it this way: “they are not very effective in understanding the processes or significance that people attach to actions” (Easterby-Smith et al., 2008, p. 71). Further, the epistemology enables the researcher to “adopt methods that are characteristic for their ontological position”(Easterby-Smith et al., 2008, p. 62). While the ontology is the study of being, the epistemology is more about the study of how we know, and how we can find answers on the ontology (Gripsrud, Olsson, & Silkoset, 2004). These methodological implications of different epistemologies within social science implies that our research belong within the social constructionism.

Because the setting that is being inquired is highly reliant upon the respondents and their participation in the project, there is little doubt that the social being has been in focus during this research. The project was an arranged setting that involved actors such as political and governmental figures who all have different tasks, expectations and qualities. Accordingly, one can argue that this in a complex arena, searching for complex results. Further, the interpretive scientist approaches science with a personal perspective and pre-understanding. The thoughts, impressions, feelings and knowledge the scientist has about the topic in question, is seen as a resource and not as an obstacle. Opposed to the positivist who often researches the topic bit by bit, the interpretivist strives to see the big picture and along the way uses personal pre-understanding as a tool in the interpretation (Dalland, 2012). Since both of us live in Northern Norway, and both have a personal interest in the topic of research, it comes naturally that a pre-understanding of the project were present during the research process. Consequently, this is thesis has an interpretive approach.

The choice of reference frames is related to the research questions that are intended to search for factors which promotes or hinders cooperation between the three counties. Perspectives from the selected philosophical framework are suitable to achieve this. Positivist science vision assumes that the researcher can stand on the outside studying reality as an object and aims to measure the world thorough experiments. The constructivist science vision assumes, however, that the researcher is a part of the same social reality, and aims to understand the meanings of happenings in the world.

The research philosophy guides how knowledge is created. The philosophical position of the researchers, the reference frames, are crucial to how we understand and interpret what we

observe. Identifying the philosophical position is therefore central when deciding upon research design (Easterby-Smith et al., 2008).

3.2 Choices of research design

3.2.1 Qualitative research method

Qualitative methods are particularly useful when you want to go in depth on anything, seek to explain something, or want knowledge from someone in your interest (Easterby-Smith et al., 2008). Brinkmann and Kvale ask: “If you want to know how people perceive the world, why not ask them?” (2009, p. 19). Qualitative research is beneficial when the researcher wants to gain an understanding of a social phenomenon, and is the main instrument in the work.

Qualitative research opens up for a diverse set of methods to collect data; natural language data, ethnographic approaches and understanding through interaction. In this thesis we will identify and explore people’s perceptions and abstract data which can answer the problem statement. Consequently, this thesis is a qualitative study. Thus, establishing that the study is qualitative makes the process of establishing data collection method easier. We will collect natural language data, and conduct in- depth interviews (Thagaard, 2009).

A group of research design which fit into constructionist research design has been given the general label of narrative methods (Easterby-Smith et al., 2008). These contain both ontological and epistemological elements. The ontological view recommends that stories and myths form a central element of organizational reality, and therefore organizational research that ignores stories is necessarily incomplete. The epistemological position argues that it is only by collecting organizational stories that the researcher will gain understandings into organizational life which could not be reached by more conventional means. These can be collected from interviews by asking people for stories about particular events. According to Hatch’s (1996) literary theory which relies on this method in essence, both the position of the narrator and the role of the analyst are very important. Narrative methods are particularly useful in developing social histories of identity and development, they are useful in helping to examine relationships between individuals and the wider organization, and they introduce values into the research process, which is relatively close to what is done in this research (Hatch, 1996).

3.3 Selection

The selection of respondents is based on the desire to maximize the input according to the problem statement. Ottar Hellevik (1980) distinguishes between two types selection criteria; probability sampling and non-probability sampling. Probability sampling means that all individuals which fit the criterias have the same probability to be chosen. We have applied non-probability sampling and selected through what Hellevik (1980) call “discretionary selection” (Hellevik, 1980, p. 81). By attending conferences and discussing our research in various settings, we achieved contact with people in many spheres of the industries and counties. These contacts recommended us and gave us useful contact information to people who were highly relevant for our research (Easterby-Smith et al., 2008). Thus snowball sampling became an important part of the interviewing process. This is done with assistance from respondents who meet the criteria for inclusion in a study, one recommend another person that fit the criteria and so on (Easterby-Smith et al., 2008).

The assessment of actual respondents was done with the following criteria; the respondents must have good knowledge of the region and its challenges.

A problem related to generalizability is the use of a selection criterion based on non-probability sampling. There is a danger that the units in the sample differs systematically from the units in the universe, so that the selection is biased (Hellevik, 1980). This problem is sought by interviewing people from different positions in the three counties, and applying secondary data as strategic reports, government documents and articles from media (Hellevik, 1980) to ensure that the data corresponds to reality.

The respondents were selected based on an (subjective) assessment of how typical they are for the universe of devices. Amongst the available population and the assessment criteria we set, the respondents we were able to interview fit the criteria. We were fortunate to interview people from both public and public sector, who represented the top management and the lower administration, thus we achieved a representative population.

The respondents were between 30-60 years are employed as politicians, people working in significant industries and NHO (the Confederation of Norwegian Enterprise). All of them are from Nordland, Troms and Finnmark. They have different educational backgrounds and experience in the local fields. The respondents from NHO represent Norwegian enterprises: NHO is the largest trade association for companies in Norway, and are working to better the

Methods and Research Design

framework for member companies. They are committed to corporate interests in a numbers of areas of society. The NHO community consists of 15 region associations which cover all counties in Norway, some of these are merged example NHO inland (NHO, 2013). Thus, we were able to inquire a large group of enterprises through these interviews. It was also of an interest to interview a representative from the Sami Parliament, because the indigenous people also have a voice in the development of the regions in the North.

In total 16 respondents were interviewed; 5 from NC, 6 from TC and 5 from FC. The respondents are denoted from 1-16. The respondents are presented in table 1.

| Respondent | County/Organization | Field | Location |
|------------|---|--|--------------|
| 1 | The Confederation of Norwegian Enterprise (NHO), Nordland | Regional development | Bodø |
| 2 | Nordland County | Industrial and regional department | Bodø |
| 3 | Industrial cluster at Helgeland, Nordland | Petroleum and local politic | Sandnessjøen |
| 4 | Nordland County | Politician | Bodø |
| 5 | Nordland County | Politician | Bodø |
| 6 | The Confederation of Norwegian Enterprise (NHO), Troms | Regional development | Tromsø |
| 7 | Troms County | Plan and industrial department | Tromsø |
| 8 | Troms County | Plan and industrial department: Fishery and aquaculture | Tromsø |
| 9 | Troms County | Plan and industrial department: Petroleum | Tromsø |
| 10 | Troms County | Culture department | Tromsø |
| 11 | Troms County | Politician | Tromsø |
| 12 | Finnmark County | Plan and culture department | Vadsø |
| 13 | Finnmark County | Plan and culture department | Vadsø |
| 14 | The Sami Parliament, Finnmark | Politician | Karasjok |
| 15 | The Confederation of Norwegian Enterprise, Finnmark | Regional development | Vadsø |
| 16 | The Sami Parliament, Finnmark | Politician | Karasjok |

Table 1: List of respondents

3.4 Interviews and analysis

The interview is semi-structured. We conducted an interview guide with open questions and according to Easterby-Smith et al., a so-called topic-guide. The topic guide can be used as a loose structure for the questions. We split the interview into four sections. This was useful to maintain focus in the frames of the research questions during the interview.

Derived from the theoretical foundation, the following concepts were established:

- Process
- Power sharing
- Responsibility
- Cooperation and competition

Semi-structured interviews give a higher degree of confidentiality, because the interview is personal in nature. We wanted to understand the constructs that the respondent have for his or her opinions about the cooperation within the development of the industry between counties in the North (Easterby-Smith et al., 2008). Furthermore, the semi-structured interview contributed to increase the amount of information from each question by using the so-called laddering technique where you get to know *what* is important to the respondents and *why* it is important (Easterby-Smith et al., 2008).

To avoid the respondents being leaded in one or another direction, the questions were quite open. It is a common phenomenon that people adopt answers to questions depending on who ask them. We wanted to avoid such bias, thus the questions is very open. This helped to avoid bias the questions asked (Easterby-Smith et al., 2008). Furthermore, it was easier to come with follow-up questions and create a good relationship between the interviewee and respondent which is important when trying to understand a meaning.

3.4.1 In-depth interviews

We conducted in depth interviews when collecting the natural language data. In depth interviews are useful when one want to identify information that would open new dimensions to a problem, thus give information which were meaningful according to our problem statement and research questions. Furthermore, Kvale (1996) explain that interviews should collect information that captures the meaning and interpretation.

However, there are some aspects the researcher should keep in mind when collecting natural language data. We will go into these aspects in this section, and explain our implications.

Johannesen et al. (2004) emphasize that the relation between the interviewer and respondent influences the degree of information from interviews. To ensure a good relationship, moreover a two- way trust, we strived to create a good relation primary and during the interview. In our case, we interviewed experienced people, thus we tried to be professional in terms of language and behavior. Although, a good relationship can increase the amount of

data one can obtain, it is not purely strength. It can also weaken the objectiveness because the researcher connects with the respondent, and move out of the role of being a researcher. We strived to keep a balance with the two aspects of the relationship in mind.

The setting for the interview can both open and close doors (Easterby-Smith et al., 2008). Easterby-Smith et. al (2008) emphasize that one should not underestimate this factor. We conducted the interviews in the offices respondents because meet them face to face in their own environment.

Another factor that influences the relationship between the interviewers is the language used. We conducted the interviews in Norwegian, and later transcribed them into English. Although, this might have decreased the quality of some of the citations we present in the empirical part, we believe that using the native language makes it easier for the respondent to be honest in his or her answers (Easterby-Smith et al., 2008). We tape recorded the interviews, and we acknowledge that this, in some cases, can make the respondent somewhat nervous. We asked the respondents in advance, and they agreed. Thus, less time was spent on each interview and we did not notice any insecurity as the dialogue went fluently. Following the interviews, the tape recordings were transcribed.

As mentioned, the interview guide was designed in advance of the interviews (Appendix B). Moreover, the questions were made in order to obtain the desired information from the respondents. In advance of the interviews we did a test on one interdependent person in order to see whether the questions were understandable and clear. We received positive feedback, but still made some adjustments. The interview guide was followed as much as possible, in order to ensure that we were able to collect the desired information from each respondent.

3.4.2 Data analysis

In the following section we will explain the process of interpreting the data. As this is a qualitative study, where the question of reliability often is raised, we want to be as transparent as possible and therefore consider it important to include the reader into this process (Kvale, 1996).

Inspired by *constant comparative method*, we attempt to find patterns in the interview that help us identify the factors which can promote or hinder cooperation between the Northern Norwegian counties. This method is mostly applied when the researcher uses grounded theory as theoretical frame of reference. Grounded theory is a holistic approach and often takes

cultural and historical dimensions into account when analyzing data (Esterby-Smith et al., 2008, p. 173). The approach offers insights that help to make structured reflections in order to compare sets of data. The analysis goes on while coding, thus the process is inductive. However, we find it important to stress that we are *inspired* by this method, because of the insights one can achieve by applying this methods. Grounded theorists let the theory emerge from the data, and the researcher do not have any a-priory understanding regarding the topic of research, while for this research, topic of research, theoretical framework and preliminary problem statement was set in advance before we began coding and categorizing.

We applied Easterby-Smith et.al (2008) seven steps as *guidance* when conducting constant comparative analysis: familiarization, reflection, conceptualization, cataloguing concepts, re-coding, linking and findings.

We already established four main concepts (see Appendix A) from the interview guide, these make up our main categories. In the familiarization face, which Easterby-Smith et al. (2008) state is the most important step in the analyzing process; we transcribed the interviews and read through them in plural. “Glaser (1978) suggest that at this stage researchers should remind themselves just what the focus of study is, what the data suggests and whose point of view is being expressed.” (Esterby-Smith et al., 2008, p. 178).

In the next step of *reflection*, we searched for patterns and reflected upon what we could abstract from the data, could this be connected to theory and could it be generalized? We spent a significant amount of time at this work; the amount of data opened up for many topics, and as we re-read the interviews, we merged and moved patterns and sub- categories continuously.

Easterby-Smith et.al (2008, p. 178) put forward five questions researchers might ask themselves at this stage:

- Does it support existing knowledge?
- Does it challenge it?
- Does it answer previously unanswered questions?
- What is different?
- Is it different?

With these questions in mind, we *conceptualized* sub-categories and organized the data into the four main categories. These categories represent a picture of what the overall objectives from the interviews were. We did a word count which initially was done in order to see in

what context each word was mentioned. A high or low frequency of a word might not give a true picture of the data; words can be expressed in different ways, and words have different meaning to different people (Esterby-Smith et al., 2008). After establishing sub- categories, we started *coding* the interviews; we used the system we made while conceptualizing, and tried to get an overview of the core of the data. This is a time consuming task, but we decided in advance that we wanted to explore the coding process in great detail, because we consider this face as crucial to the outcome of the analysis. We started questioning the topics while we were coding; could the topics we had chosen provide a picture of the interview? What is the relevance of this, and are we abstracting? We re-coded once again merged and moved some categories and ended up with main sub-categories within each of the four concepts. In the next step of the analysis concept and relationships in the data began to form explanations, and patterns which were relevant to theory and the empirical data (Easterby-Smith et al., 2008). While exploring these questions again we became aware that some of the categories did not give the insights or the correct meaning. The conceptualizing and coding process were very rewarding, as both of us interpreted the interviews and in that respect we compared and highlighted aspects both of us had discovered.

We ended the analysis by linking the categories and delimiting the data, (Glaser and Strauss, 1967, p. 109) . We narrowed the data into categories within each concept, and these will be presented in chapter 4, empirical findings.

3.5 Validity, reliability and generalizability

Verification of knowledge is usually discussed in relation to validity, reliability and generalizability (Kvale, 1996). Kvale (1996) explain validity and reliability as if something is valid and reliable, thus trustworthy. There are both strengths and weaknesses within the social constructivism research methods. In qualitative methods, reliability and validity are dependent on credibility, transferability and conformability. Strengths are the ability to look at how processes change over time, understand people's meanings, to adjust to issues and ideas as they emerge, and to contribute to the evolution of new theories. However, there are some evident weaknesses to this paradigm. As the research design of social constructivism is qualitative, the questions related to reliability and validity related to qualitative research also applies for social constructionism. It is harder to obtain credibility, because the research is not numeric (Easterby-Smith et al., 2008). Easterby-smith et al., (2008, p. 97) own view is that: "... the result of constructionist research should be believable, and they should be reached

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through methods that are transparent.” This give reason to explain how we gained access to the particular organization is gained and which processes that led to the selection of informants.

Further, how data was created and recorded, what processes were used to summarize or collect it, and how the data became transformed into ideas and explanations is important in relation to ensuring validity and reliability(Easterby-Smith et al., 2008, p. 97). Golden-Biddle and Locke (1993) identify three key criteria: authenticity, plausibility and criticality in the terms of a constructionist design. The first one, authenticity, implies convincing the readers through their text that the researcher has actually “been to the field” and has “understood the meaning of the subjects’ world”. This implies that for authenticity to be present, one must as researchers not only physically be there but also show that the phenomenon is understood from the perspective of the subjects. We strived to be objective and look at the nature of reality from the point of view of the respondents. In example, politicians and administrative workers have different perspectives; we have tried to include this in the interpretation.

For criteria two, plausibility, it is implied that the text makes a “distinctive contribution to issues of common concern”, and requires the research to link into some ongoing interest among other researchers. The last criteria, criticality, encourages readers to question their taken-for-granted assumptions, and thus offer something genuinely novel. It is difficult for the researchers to remove completely from his or her own expectations; hence we consider it a benefit of being two researchers (Golden-Biddle, 1993, pp. 595-616). As we discussed our different interpretations during the data analyzing process we think we were able to obtain an objective role.

We have already accounted for some issues regarding reliability, such as leading questions which can affect the answers. Another aspect is how the coding process is conducted, is the process reliable, and is the abstracted data reliable? To avoid this, the data derived from interviews are, where it was possible, supplied by existing data from strategic reports, government documents and articles from media.

In relation to generalizability one should ask whether the research conducted can be applied in other similar research. Will the other research generate the same knowledge and conclusions as we obtained? One might argue that the situation we are inquiring is unique, and whether our conclusions are generalizable. To ensure generalizability we kept in mind if our method of study could be used in other settings, in example when inquiring other organizations with the same characteristics as the counties. Can the hindering and promoting factors be applied to

solve difficulties of cooperation between other organizations? These questions made the analysis process significantly affected, and we argue that our findings can be generalized.

3.6 Ethical considerations

In any research, ethical considerations are important to have in mind during the whole process. In this study, ethical guidelines as to how one should conduct research have been followed. It has been important for us to ensure that the ethical considerations especially towards the respondents have been kept during the process of working with the data they provided us.

3.7 Summary

We want to understand how people in a given situation create meaning and express them and a variety of qualitative methods can be applied to increase this understanding of social phenomena. Gripsrud et al. (2004) emphasize that one cannot break phenomena into smaller parts without losing the entirety of sight and concepts. This can be done by extensive in-depth interviews, hence this is an appropriate method to apply in this research, because we want to understand a phenomena. (Gripsrud et al., 2004). Basically, we rely on assumptions about how the world looks like (ontology), and how we can best provide us with knowledge about this world (epistemology). On this basis, one can plan the best course of action in a particular situation (methodology), which means that use of a variety of methodological techniques for data collection and data analysis.

16 in-depth interviews are the primary data for further analysis. The respondents are from the three counties, in different positions. In this chapter we have presented and justified our philosophical standpoint, explained the importance of the relationship between philosophy and methodology. Furthermore, we have described the data collection process and how we have performed data analysis.

4 EMPIRICAL PART

The following chapter will present the empirical findings derived from primary and secondary data that was collected for the research.

Main tendencies and factors derived from the interviews (primary data) will be given relevance to current reports, strategies and articles from media (secondary data). The tables of the findings are marked with colors where we want to highlight data. The presentation is divided into four categories which have their origin in the theories and topics from the interviews:

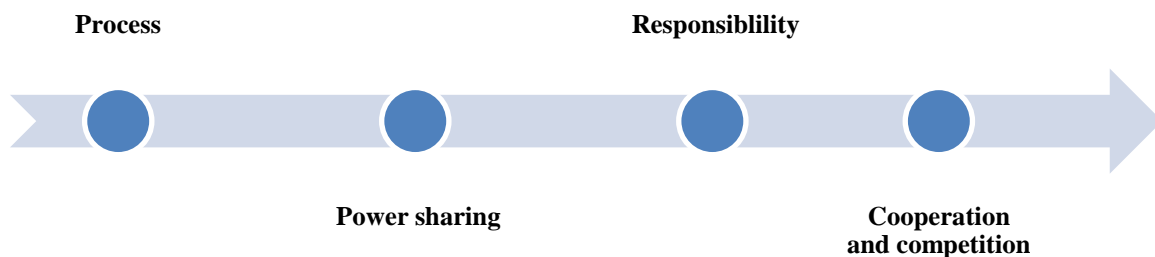


Figure 10: Structure of empirical part and analysis

4.1 Process

Institutional theory and the model of “travel of ideas” gives us grounds to believe that the idea of cooperation between the three counties must have been created or emerged from some event or happening.

In this section we wanted to find promoting and hindering factors by highlighting the research question: How are the political strategies and processes such as High North Policy and

important events such as closure of LU affected the attitudes towards cooperation between NC, TC and FC?

The term Northern Norway was introduced in 1884, and the idea behind the common name was to appear stronger in the South (Jaklin & Åsheim, 2004). Thus, it was with the meeting with the South that the term and the idea of Northern Norway as “*one unit*” became relevant. In order to be one unit, one must work together. As written earlier, working together is a condition for cooperation. We believe the idea of cooperation between the three counties stems from the thought of promoting the political interests of Northern Norway in the South. Since 2006 the Norwegian Ministry of Foreign Affairs has published a High North Policy. The policy is a strategic document which sets out goal for the future in the North. The main target is to ensure peace, stability and predictability. Furthermore, to ensure a comprehensive ecosystem-based management that takes care of biodiversity and provides a basis for sustainable exploitation of resources. Moreover, the strategy aims at making the national cooperation and legal order stronger, strengthen the basis for employment, wealth creation and prosperity in the entire country through regional and national initiatives (Utenriksdepartementet, 2011a). Within this is a prerequisite that the three counties cooperate, in order to ensure that the strategy meet its objectives.

4.1.1 Closure of LU

The Central Government in Norway states in the High North Policy that the region must have one voice in the matter of exploiting natural resources in the region (Utenriksdepartementet, 2011a). “One voice” implies that the three counties need to cooperate and find solutions to reach common goal. LU was meant to be a regional body for the four northernmost counties including Svalbard. LU’s primary purpose was to highlight the area’s value creation potential, identify, coordinate and solve problems of common interest in the North. The aim was to find powerful commonalities of the four members; Nord-Trøndelag, NC, TC and FC. LU was established in 1974, the long distance to the political power in Oslo meant that the region had to work together as “one voice” from the North (LU, 2008). But, the one voice disappeared, and the 28 of November 2011, LU was closed (Røiseland & Olsen, 2011). According to a report from LU, Northern-Norway is “the region of contrasts and possibilities (LU, 2008). We wished to determine the attitudes the respondents had to the closure of LU, because the closure made a change in the institutional cooperation between the counties. The results are presented in table 2. The category «positive» represents the respondents which were optimistic that LU closed, and believe that the counties works better without the cooperative

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body. The category “negative” are the respondents who believed LU was a necessary body and process for the counties to cooperate better. Some of the respondents never mentioned LU, they are categorized under “did not mention”.

| Attitudes to the closure of LU | | | | |
|--------------------------------|--------|--------|--------|---------|
| | NC (5) | TC (6) | FC (5) | SUM(16) |
| Positive | 0 | 4 | 2 | 6 |
| Negative | 5 | 1 | 1 | 7 |
| Did not mention | 0 | 1 | 2 | 3 |

Table 2: Attitudes to closure of LU

As we can see, all the respondents from NC were negative to the closure of LU. The first impression is that we have to keep in mind that the respondents have different roles (i.e. profession, political role) within the county. Thus it is interesting that all from NC agreed that LU was beneficial for the entire region. Secondly, these findings correspond with published materials from the media. Looking through available articles from the 10 past years, politicians from NC are often perceived very positive to the LU, while TC is perceived as the “big bad wolf” who was the first to signal that they wanted to leave LU. Politician Daniel Bjarmann-Simonsen in Bodø Høyre, had the following to say to the closure of LU:

“If one is to ensure growth in Northern Norway, which has so few inhabitants, you have to have a political leadership in all three counties, who are willing to cooperate.” (Røiseland & Olsen, 2011).

Four out of six respondents from TC were positive to the closure. Respondent 11, from TC thought it was important to emphasize that it was not one person from TC who had chosen that TC should leave LU, as media often present the case. Further the respondent stated:

There was a group of representatives from TC who agreed upon this.

The respondent stated further that LU had many decisions which did not fit into the county’s policy. One statement was:

I feel that it works where it is natural to cooperate. But one doesn’t need to consolidate it in many agreements on what to do etc... This is why LU closed, because of the many double appointments. LU made many decisions that were completely astray in relation to what the county said.

The respondent felt that it was wrong that another body made decision for four counties which were so different. Respondent 6 from TC was not happy with the fact that no one ever has analyzed the work LU did:

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Instead of evaluating the work that LU did, they just closed it down! They did not even make a report from the work that LU created!

The respondent meant that this is incompetent, and helped to destroy the cooperation between the counties.

The findings are relatively alike with what the media has presented. Respondents from NC have a negative attitude to the closure of LU, while TC has a positive. Where NC believe that the cooperation was better during the LU, TC means the cooperation only was a lot of double work. FC do not has a clear answer.

4.1.2 Impressions of the politicians

The politicians are the ones that make decisions and set objects, and decide how the county should allocate money on industrial development. Former Foreign Minister Jonas Gahr Støre, said in an interview with the newspaper Nordlys, that he was missing a stronger “common” political voice in the North. One of his statements was:

“It would have increased the regions profile, if there was an agreement around one common political message.” (Jensen, 2012).

In the interview he said that he wished to have a closer communication with the Northern Norwegian politicians, about the visions and the priorities. Furthermore, he explained that he understand that a degree of competition between municipalities and counties is unavoidable, according priorities and localizations. Beyond this, Støre means that it will strengthen the regions political system if the counties have a common message. We wished to explore the impression from the respondents regarding the politicians in the counties, and asked the respondents in which areas the regional politicians could get greater influence. Out of this we got an impression of what the respondents meant about the political process in their county.

Table 3 shows the main findings from the counties:

| What steps should the regional politican actors take to achieve greater influence? | | | | |
|--|--------|--------|--------|----------|
| | NC (5) | TC (6) | FC (5) | SUM (16) |
| Satisfied with the political process in the county | 4 | 4 | 4 | 12 |
| Not satisfied: need to be more involved | 1 | 1 | 1 | 3 |
| No reply | 0 | 1 | 0 | 1 |

Table 3: Influence from regional political actors, presented by each county

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12 of 16 respondents are satisfied with the political process in the county; the respondents mean that the politicians prioritize right when allocating funds they have at their disposal. The answers from each county in total are quite similar, and no one stands out. For this reason we wanted to check if there were any differences concerning what role the respondents had. This is presented in the following table 4:

| What steps should the regional politician actors take to achieve greater influence? | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|-----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | SUM |
| Satisfied with the political process in the county | | | 1 | 1 | 1 | | 1 | | 1 | 1 | 1 | | 1 | 1 | | 1 | 12 |
| Not satisfied: need to be more involved | 1 | | | | | 1 | | | | | | | | | 1 | | 3 |
| No reply | | | | | | | | 1 | | | | | | | | | 1 |

Table 4: Influence from regional political actors, from each respondent

All six politicians (respondents marked with green) answered they were satisfied with the political process. The respondents that answered “bad,” stated that the politicians were to “weak” and “never agree”. All respondents from NHO (respondents marked with red) had a negatively answer to the regional politicians. One statement was:

The politicians are uncoordinated and too weak in the North.

Another statement was:

The politicians are as hopeless in each county.....Most politicians in the north need to have a job, they are not suitable for anything else. They are very interested in being elected again, and for this reason they are very cynical related to that.

Other respondents do also mention that politicians use too much time on unnecessary discussions and too little time on acting on them. Tor Husjord, Manager of Maritime Forum, concluded in his speech during the Conference for Maritime Opportunities in the North, in February 2013, that political authorities do not have the same political toolbox as they had in the 1970s and 1980s. He meant that without the right political decisions, the ripple effects from petroleum activity in Northern Norway, might be less than then anticipated. Further, he states that we have to go into a political process, where licensing must be replaced by an assimilation policy that makes it attractive for the supply industry to establish in the Northern Norway (Husjord, 2013).

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The main findings from this category are that most of respondents are satisfied with the work politicians are proceeding within their county. All three respondents from NHO mean the opposite; the regional politicians should show more political power above the central authorities. This is also some of the impressions we got from people working in different industries.

4.1.3 Ripple effects

“Ripple effect” is a term one often heard in political processes and discussions regarding petroleum activities in Northern Norway. A ripple effect occur when the establishment of one company, influences or effects the community or an specific area or population (Businessdictionary, 2013a). To mention one example: If it opens up for oil and gas activities of the coast of Lofoten and Vesterålen, will the region get the ripple effects? One of the respondents pointed out the discussion on where the helicopter base should be. For small communities, a helicopter base gives enormous ripple effects.

Considering that large companies already have started to establish in Harstad in Troms, and Harstad both is located close to Vesterålen and Lofoten, but also Tromsø, gives Harstad a strong position. On the other hand there are other major city centers that wish to attract these large companies and industries which can help to create ripple effects for the local community and the region.

For this reason we wanted to find out which actions the respondents meant could give ripple effects for the entire region and not only their own county. The results from this question are shown in table 5:

| Riple effects which gives positive effects on the entire region | | | | |
|--|--------------|--------------|--------------|----------------|
| | NC(5) | TC(6) | FC(5) | SUM(16) |
| Oil and gas development | 5 | 2 | 3 | 10 |
| Supply industry | 2 | 1 | 1 | 4 |
| Operational organizations | 1 | 1 | 0 | 2 |
| Infrastructure | 2 | 1 | 0 | 3 |
| Education | 1 | 3 | 2 | 6 |
| Cooperation in the Barents/ Russia | 0 | 1 | 2 | 3 |

Table 5: Ripple effects in the entire region

The category «oil and gas development» indicates that respondents believe that oil and gas development will increase the ripple effects for the entire region. Respondents mention that an

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opening of the field Nordland VI and VII and Troms II (map in Appendix 4) in Lofoten and Vesterålen will increase this.

As we see, 10 out of 16 respondents mainly talk about “oil and gas development” when they talk of ripple effects for the entire region. From NC all respondents, mentioned oil and gas. Respondent 4 had a very clear voice to the question:

Opening of petroleum activities in Nordland VI and VII and Troms II will have positive ripple effects for the entire region.

Not everyone agreed to open the Nordland VI, VII and Troms II. One of the respondents from TC meant that the county is conservative to the development within oil and gas. All three counties are governed by the Labor Party (AP), which implies that they initially should have similar politics when it comes to this question.

A respondent from TC expresses:

We do not wish to have too much development within oil and gas, we have for example said “no” to Nordland VI. And Tromsø has been saying “no” to more of these reports. While Nordland, would like to have everything, and Finnmark has its.

The respondent from TC continues saying that it is difficult when there is disagreement between the counties, because they (politicians) blame each other for not showing solidarity when they disagree. The respondent means that this is not about solidarity, and state:

If we needed to agree on everything, then we should have been one region, one county.

The respondents from the Sami Parliament were two of the few respondents which did not believe in the ripple effects of the oil and gas development. One of the arguments was that the “petroleum age” was too late in Northern Norway, because others have won this establishment which could help to raise competence environments and community development.

In a recent ripple effect analysis, conducted by Ministry of Petroleum and Energy, it is estimated that petroleum development in the North of Norway can provide an overall increase in employment in the region between 4000 and 6000 people from 2016 until 2043 (Olje-og-energidepartementet, 2010). Although this report has prosperous belief regarding workplaces, many of the respondents talk about the fear of becoming a “commuting region”, meaning that the major companies involved in the construction phase will bring “their workers”. The workers will essentially be living elsewhere, leaving out the ripple effects in Northern Norway. One of the politicians from NC stated that:

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The municipalities must facilitate, so that there will be no commuter traffic. An example is the field of Norne in the Norwegian Sea, it is important to make people willing to move to Helgeland.

Further, the respondent exemplifies that counties and municipalities must operate effectively to establish new houses, children gardens, schools and health so that people want to live in the areas. The Economic Barometer from Sparebanken 1 Nord-Norge reported that 5000 employees were commuting from the South to the North in 2012. There were also 3500 short-term contracts in the region. According the report, employment is the main source of value creation (Sparebank1, Spring, 2011).

Further, 4 of 16 respondents mentioned “supply industry”. Two of these were from NC, and meant that the supply industry can give ripple effects to the districts where small businesses has started to deliver equipment to the oil and gas industry for millions. Especially the cluster at Helgeland is mentioned in this context. The category “operational organizations” represents the respondents who think facilitation of a large organization like Aker Solutions or Statoil (as an example) gives ripple effects. The first of December 2011, Aker Solutions announced that they wanted to establish a large engineering office in Tromsø as a part of their strategy for Northern Norway, with 200-300 employees the next three to five years (AkerSolutions, 2011). This establishment generates huge ripple effects for TC, however only two respondents mentioned this, one from NC and one from TC in the context of ripple effects.

Furthermore, “infrastructure” is much debated in the entire Norway, especially after the White Paper on National Transport strategy was presented in April 2013. In Northern Norway proper infrastructure and communication facilities are important to the settlement and development, and gives positive ripple effects through tourism for example (NNR, 2013). This is especially important in Northern Norway, who is characterized by long distances between the regional capitals and poor infrastructure. The region has two railways; Nordlandsbanen and Ofot-banen. Ofot-banen is a freight traffic line and is a part of the Swedish railway network, while Nordlandsbanen has both passenger and freight traffic. Nordlandsbanen is connected to the Norwegian railway system. The long distances, and the fact that the railway stops in Bodø implies that the air transport is important. Within the growing industries increased demand creates a need for better infrastructure. Without the air transport many districts in Finnmark would not survive (see Appendix 3 for overview of the airports in Northern Norway). Only 3 of 16 respondents talked about infrastructure, respondent 3 argued:

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If we manage the fishery and aquaculture, oil and gas, or agriculture and other industries, and highlight let us say increased value creation by investing in infrastructure. Roads, flights and harbors, this will be a strength.

The categories “education” and “cooperation with Barents/Russia” indicates were the respondents talk about universities and higher education, and areas where competence can give ripples in the region. Further, that cooperation with Russia in the East can help with both employment and competence. 6 out of 16 meant that competence was important to give ripple effects.

Overall, we see that the categories which are made from the answers from the respondents can all be connected to the oil and gas industry. This observation was interesting, why did almost all the respondents talk only of oil and gas development when it comes to ripple effects? This indicates perhaps that oil and gas development are the business which is of the highest priorities at the moment.

4.1.4 Differences in the counties

During this question many of the respondents started to talk about cooperation in many of the industrial fields. However, some answered that this could be difficult in many areas because of the high differences within industry and politics.

Nordland for example is a typical industry county, while Troms has accomplished a lot within R & D. Finnmark is much alike Nordland when it comes to industries. This is not necessarily negative, from the interviews 9 of 16 respondents talk about high differences within the industries as a hinder to cooperation. Differences can also create positive synergies; for example within the oil and gas industry, knowledge sharing might contribute to greater outcome for the whole region.

The respondents claim that the differences in the three counties: demographic, geographical and political, makes it hard to maintain and create cooperation. Moreover, the respondents from FC endorses negatively that Northern Norway should agree in every matter. Respondent 12 stated that:

It should not be one of the expectations that the Northern Norway is a homogenous mass, which agrees in everything together.

Respondent 12, explains further that things which are beneficial for Bindal in the South of Nordland, might not be beneficial for Pasvik in the North of Finnmark. For this reason it can sometimes be different to find common arenas to work close together.

4.2 Power sharing

In this section we want to present our findings and factors related to power sharing. We want to see how the counties look at their own position compared to the other counties related to industrial development. How is the balance of power between the three counties?

Do any of the three counties have more power than the others? According to Berg & Knudsen (2013), one obtains power over someone if you make someone act in a way one would not do otherwise. Furthermore, we will present factors which could answer the research question:

How is the power sharing between the counties?

Firstly, we want to present a small fragment of the public’s opinion and the poor image the media have created;

“Claims that Troms fear Nordland and Finnmark.” (Høyning, 2011).

“There has long been a harsh battle, especially where Troms and Nordland is on a collision course.”(Eliseussen, 2011).

The two headlines from respectively Nordlys and NRK are two of many articles written about the relationship and cooperation between the counties.

4.2.1 The counties position compared to each other

Regarding position, we asked the respondents about their perception of their own role in relation to the other two counties. The respondents instinctively answered the question by listing up sectors they believe they perform better in than the other counties. Table 6 presents these four sectors, and the answers:

| Where do you look at your county's position compared to the other two counties in the North? | | | | |
|--|--------|--------|--------|----------|
| | NC (5) | TC (6) | FC (5) | SUM (16) |
| Knowledge /R&D | 3 | 6 | 1 | 10 |
| Industry | 5 | 1 | 3 | 9 |
| Fisheries & Aquaculture | 5 | 5 | 5 | 15 |
| Tourism | 3 | 5 | 2 | 10 |

Table 6: The counties positions compared

In this question respondents mentioned areas which were in the county’s focus, and where they saw their position as strong.

The overall impression is that all counties mean they have a strong position within fisheries and aquaculture, where 15 out of 16 respondents answer this. This is also where most of the

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respondents from FC see themselves as strong. The fishery industry was until World War II, the dominant industry in Northern Norway. Today, 6400 people have fishing as main source of income in the entire region, contrary to the 70 000 in 1950. There are fewer businesses; nevertheless the North Norwegian ownership is strong and the production is maintained (Sparebank1, Autumn 2011).

The respondents from NC mean that “industry” together with “fisheries and aquaculture” is their strongest position. Within the category “industry”, the petroleum and mineral industry are a part.

Six of six respondents from TC think that they have a stronger position than the other counties when it comes to knowledge and R&D. We conducted interviews early in 2013, at the same time the merger between Finnmark University College (HIF) and University of Tromsø (UiT) took place. Troms has a strong position in the North in knowledge and R & D. This merger strengthens this position. A representative from UiT said in a statement:

“We believe we can best meet the challenges and opportunities by joining forces and together create a new university with a broad regional base in Northern Norway.” (Olje-og-energidepartementet, 2010).

From table 6 and 16 Table 16: Competitive advantages in NC, TC and FC, we see that Tromsø are more concerned about this merger than Finnmark. Troms consciously wants to be the leading county in the North of the knowledge and R & D.

Five out of six respondents from TC mention tourism. Although FC have a good share of the tourist travelers in the North, only two out of five look at tourism as a strong position for the county. The tourism industry in Northern Norway is emerging as a major industry in the region. In 2010, 7.3 percent of the employment in the region was linked to tourism (Pettersen, 2012). In conjunction with the development of Northern Norway, tourism is mentioned as a sustainable industry worth pursuing. NNR has since it was established created a platform for enterprises who work towards tourism. Never has so many tourists been travelling to Northern Norway. Tourists want to see the Northern Light and experience the winter. Manager in NNR ,Arne Trengereid, says that during the three last years the tourism industry in Northern Norway has increased with 51,3 percent (Eilertsen, 2013).

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Table 7 represents the growth in the tourism in each county the first quarter of 2011:

| Tourists/ County | NC | TC | FC |
|-------------------------|----------------------|-----------|-----------|
| Norwegians | 11% (overall growth) | 17% | 11% |
| Foreigners | 15% | 27% | 10 % |

Table 7: Growth of tourists in the Northern Norwegian counties (Sparebank1, Spring, 2011)

In January and February 2011 there was stronger growth in tourism in Northern Norway, where Troms has the largest increase in total number of overnight stays (Sparebank1, Spring, 2011). This connects with the fact that five out of six respondents from TC, mentioned tourism as a competitive advantage.

Overall, all counties would say that they have a strong position compared to each other within fisheries and aquaculture. In addition, NC look at themselves as strong within industry and TC in R&D, competence and tourism.

4.2.2 Regional funding

As a compensation for the closure of differentiated social security contributions January 1st 2004, the Parliament voted to compensate for the tax increase. Firms with payroll above a certain level are affected, creating a foundation for industry-oriented funds for regional development (RDA funds). These funds are allocated to industrial initiatives on the basis of regional action plans. A portion of the funds go to the so-called open joint action in the areas of: infrastructure, human resource development and general industrial development in TC (RDATroms, 2010). In Northern Norway, only Bodø and Tromsø have been introduced to the compensating of this tax. Bodø and Tromsø, however, are the largest cities and have better prospects for growth than Northern Norway in general. With the challenges the region faces, the goal for RDA funds or DA-funds which they are called in NC will be used considering the ripple effects for the entire region. The program is supposed to stimulate value growth in small businesses in the municipalities which falls under this scheme.

From section 4.2.1: The counties position, we saw that TC means they are within a strong position related to R&D and competence. Moreover, since the two universities in Northern Norway is situated in NC and TC we are interested in finding numbers on how much TC use on R&D compared to the DA in NC.

In 2012 TC received 183 000 000 NOK from the Ministry of Local Government and Regional development. 25 percent of these funds were allocated to R&D related projects (RDATroms, 2012). Compared to how FC and NC allocate these money, Troms grant much more to this

knowledge and education. This is shown in the following table 8. This is an interesting finding, because TC allocates almost 40 percent more to R&D than NC.

| | NC (DA) | TC (RDA) |
|------------------------------------|------------|------------|
| Allocated to R&D in NOK | 27 687 000 | 45 750 000 |

Table 8: Allocation to R&D (Essarti, 2012; RDA Troms, 2012).

4.2.3 “One voice” - one stronger region?

The category presented here, is meant to illuminate how “the South” perceive “the North”, and how the northerners look at these perceptions themselves, do the region believe they stand in a stronger position by having “one voice”? Moreover, how can the counties share the power within the affected counties, and together stand stronger? These questions are essential in the next section.

The Central Government, politicians and general public have opinions concerning Northern Norway. Searching through media, one get an impression of how the population from the rest of the country considers the relationships in Northern Norway *are*, and how the relationships *should be*. Again we can refer to Jonas Gahr Støre, which stated that Northern Norway should “...think more collectively”, (Jensen, 2012). Further, he means that the region should have one voice.

However, county executive Pia Svensgaard from Troms expresses a different opinion in an interview with NRK in connection with the closure of LU:

“I do not understand the claim that we should speak with one voice. What other parts of the country are required to do so?”(Eliseussen, 2011).

Writer and debater, Bente Åsjord touch upon these issues in the article: “Who defines Northern Norway?” She argues that the Central Government definitions and descriptions of Northern Norway are not in accordance with reality. Further, she disagrees with Jonas Gahr Støre:

“... the notion of a homogenous Northern Norway, where the region is united on ‘common North Norwegian’ interests. But what is “the Northern Norwegian”, and who defines it?” (LU, 2008).

Analysis

After completing half of the interviews it became evident that “common identity”, “one voice”, “one region”, “collectively” and ”common voice” were concepts the respondents had great interest in talking about. Table 9 shows the tendency of how the counties look at these.

| Positive attitude collective concepts | | | | |
|---------------------------------------|--------|--------|--------|----------|
| | NC (5) | TC (6) | FC (7) | SUM (16) |
| Common Identity | 4 | 3 | 1 | 8 |
| One voice | 4 | 3 | 0 | 7 |
| One region | 4 | 3 | 1 | 8 |
| Together | 4 | 2 | 3 | 9 |
| Common strategy | 4 | 3 | 2 | 9 |

Table 9: Factors to collective concepts

Four out of five respondents from NC give a positive attitude to all the categories, and that it is important to have one voice when submitting cases to the Parliament. Respondent 1 give examples on how the counties in the South-West of Norway have cooperated towards a new road E39 from Kristiansand to Trondheim, which they managed to get thorough. Respondent 1 stated:

We (NC, TC, FC) must learn out of this, because it gets even worse when we fail to stand together.

The other respondents from NC share this view;

Respondent 5 expresses that:

We must stand together.

Furthermore, respondent 4:

... I've never seen the county boundaries that otherwise refine the administrative level.

Compared to NC, TC is divided and overall three of six respondents think that these words have a meaning to TC. Respondents from TC stated several times that the three counties need to cooperate where they *can* and compete where they *must*. Politicians were negative to a common identity, and the respondent from NHO Troms did either not see the purpose of cooperation if they did not *have to*.

Respondent 7 blame the large area, and that this makes it difficult to stand closer together:

On the one hand if I think in terms of key areas, it probably appears that Northern Norway can speak with one voice. On the other hand it is not that easy even if there are few people, it is a huge area.

Analysis

Respondent 8 states the opposite:

I think the more divided we are, the less influence you get on the national level, such as the aquaculture industry, now its created a new whitepaper on how Norway can be the world's leading seafood nation, and then the politicians sit on the government and decide. And the more divided and less coordinated you are the less exposure we get.

Respondents from FC had different opinions. Respondent 12 do not agree with Foreign Minister Jonas Gahr Støre's statement: "We cannot take a position on how the Government should invest in the North, before Northern Norway is agree."(Jensen, 2012). The respondent stated:

... there is an expectation of a North Norwegian identity, which I feel Jonas Gahr Støre and others say. Behind this statement I believe it is an understanding that North of Norway has a common identity. It's like saying that all of South Norway and Western Norway has a common identity.

Respondent 14 also thought the huge distances are a problem for standing together:

Nordland, Troms and Finnmark are very different. Huge differences, Northern Norway is over half of Norway.

Our impression is that respondents from FC were more concerned about their own identity and their own voice, rather than a North Norwegian identity. Respondent 12 and 13 consider FC to be in a special position, that they have a better relationship with politicians in the Central Government than Nordland and Troms. Respondent number 12 from Finnmark place this in a historical context:

... Finnmark is in a unique position, nationally. In the current system, the Government is very responsive to Finnmark, that's the way I see it, because of the history of Finnmark, and the way the Government ignored Finnmark earlier.

The overall impression is that NC's view corresponds with the view the rest of the country have (South of Norway). TC is more individualistic, and is quite content where they are situated politically, and FC does not have a significant tendency within the county.

4.2.4 National interests and regional interests

As mentioned in earlier sections, there has been much talk from the central politicians that Northern Norway must agree and stand stronger together. In this section we present statements from respondents in relation to this. Further, how the national and regional

interests are acted upon, and if the respondents consider it to be any conflicts in relation to this. How much power comes from central authorities?

4.2.4.1 Arguments from NC

In relation to oil and gas activities outside Lofoten and Vesterålen, respondent 1 was a part of the knowledge acquisition² from the Northeast Norwegian Sea (see map Appendix D):

It was a very interesting process to be a part of; consultants from Oslo interviewed us in the region, and these interviews became the knowledge acquisition. In my opinion we should have written it ourselves. We are the people who live here, and we know our region best.

Further, the respondent state:

Decisions are taken in Oslo, at least when it comes to some central decisions.

Further the respondent say that it is difficult to influence political decisions when so few representatives from Northern Norway take part in the political discussions in political sphere in Oslo. Northern Norway would have been able to influence political and central decisions in if they cooperated closer together. It is not easy to find good solutions for the central authorities either, when represents from the region do not know what they are agree and not agree about.

According to respondent 2 from NC, there is more freedom to how the county can allocate money today than earlier:

The state has taken a step back, and we have got more user control, and relatively freedom on things than before.

As long as the counties follow the state aid rules and other constraints, then it is relatively good possibilities to adapt the national policy into the regional policy, according to respondent 2.

Respondent 3, state that the central authorities must improve in relation to how they to follow up their strategies. The petroleum activity at Skarv in the North Sea, serves as a good example on this. The Parliament decided together with oil companies and afterwards discussed in the department, that the supply base should be in Sandnessjøen and the helicopter base should be in Brønnøysund. The respondent emphasizes that such decisions must be followed up by the

² The Ministry of Petroleum and Energy (MPE) completed a knowledge acquisition about the effects of petroleum activities in the unopened portions of Nordland IV, V, VI, VII and Troms II in 2011/2012 (Røiseland & Olsen, 2011)

Analysis

Central Government, and not just talked about. From here it is up to municipalities and perhaps regional level to build for example, infrastructure:

It seems like the central authorities just decide that here it will be activity, and then it just stops.

The respondent disagrees that the municipality needs to get public infrastructure in ordering, such as highways and airports, and that the state should help facilitating with this.

Respondent 4 means that it is too much bureaucratically decisions in Oslo. That it varies from minister to minister, from government to government. Respondent 5 agree, and mean NC requires political support from Oslo, so that people want to move to the North.

4.2.4.2 Arguments from TC

Respondents from TC are more focused within the local initiatives and the regional development, and talk less about the central authorities. Respondent 9, do not agree that there are any conflicts of interests between national and regional level. At the same time the respondent thinks that this is complicated, especially within the industry of minerals, because many hope a new mineral strategy will be announced. This can be conflicts around territories, indigenous people rights and there are overall many regional and local interests which should be included in this strategy.

4.2.4.3 Arguments from FC

Respondents from FC have another opinion, where respondent 12 express that:

There is a tension between the national interests and the regional and local interests.

Further the respondent express that it is the willingness and the ability to too accommodate from both parties, both dependent on the case and the political situation from period to period. From a national level, increased central control, the more national standards and regulations, and programs are in a way put across regions or counties:

The national standards do not necessary respect the regional differences. To put it simply, I think that this is why Innovation Norway could have achieved a lot more value, if you had taken greater account of regional differences.

Respondent 13 agree, and state that if one looks at the political parties in Norway, there are differences of opinion in what you want on a regional level. Both The Conservative Party of Norway (Høyre) and Progress Party (FRP) want the three Northern Norwegian counties to be one county. Moreover, the respondent wants to keep the regional level, but shut down the

Analysis

regional political level. The policy at regional level takes place through the counties, and a consequence of creating one region is the termination of the regional political level;

To me one region means that there will be more power and authority to the state through the County Governors.

So in sum, the respondent means that relations between regional and national level, have consequences in terms of how we want to govern our country.

Respondent 14 from the Sami Parliament praises Norway for having one of the best policies for local and regional development, even if the population in the districts is decreasing. The respondent compares Norway and Sweden and point out that North Norway have a higher population than Sweden in districts.

Respondent 15 means that there is a lot of ignorance from the Central Government, and that this might be caused by little knowledge about Finnmark,

Respondent 15 express those feelings in this way:

It is longer from Oslo to Finnmark, than from Finnmark to Oslo!

So, in this way to sum up, we see that there are different opinions related to national interests and regional interests between the respondents. However, some tendencies were identified; the respondents from FC are very focused on the regional policy, much more than respondents from TC and NC. Where respondents from NC are more concerned about that too much is governed from Oslo, FC is very concerned about keeping the regional policy. TC seems to not have any clear opinion about this

4.3 Responsibility

In this third topic, responsibility, we ask: *For which reasons do NC, TC and FC cooperate?*

With this in mind, we wanted to find factors which could identify specific areas or motives for cooperating between the Northern Norwegian counties.

To comprehend why the climate of cooperation is as it is, we can start by identifying how and in what way they cooperate today and in the past.

We connect responsibility and cooperative organizations, because we wish to identify if the structure and aim of the cooperative body has any influence of how the three counties cooperate. If the cooperation is functioning, why is it so?

4.3.1 Cooperative bodies

During the coding process, five cooperative organizations .These bodies differ in structure and purpose. The Barents Secretariat and The North Norway European Office purpose promote Northern Norway’s interests in respectively, Russia, Finland and Sweden and the EU, thus work to maintain external interests. The Norwegian Association of Local and Regional Authorities (KS) is an employers’ association and interest organization for municipalities and counties. NNR (Northern Norway’s Tourist board) are a cooperative body between the three counties when it comes to tourism. Finally, LU is as mentioned the cooperative organ for the four northernmost counties, and was closed in 2011. All cooperative organizations will be further described below:

In table 10 we have listed the mentioned bodies that include all three counties, as we see LU was the body that became mentioned mostly:

| Cooperative bodies mentioned during the interview | | | | |
|--|---------------|---------------|---------------|-----------------|
| | NC (5) | TC (6) | FC (5) | SUM (16) |
| The Norwegian Barents Secretariat | 1 | 2 | 2 | 5 |
| The North Norway European Office | 1 | 2 | 2 | 5 |
| NNR | 2 | 1 | 3 | 6 |
| KS | 0 | 0 | 2 | 2 |
| LU | 3 | 4 | 3 | 10 |

Table 10: Cooperative bodies mentioned during the interview

4.3.1.1 The Norwegian Barents secretariat

The Norwegian Barents secretariat was established in 1993, and was initiated to enhance the relationship between the northernmost counties in Norway, Finland, Sweden and Russia. This cooperation goes beyond the Norwegian borders, the work NC, TC and FC have done together in order to achieve the common goals to the Barents Secretariat is of great importance to the people in the North. One respondent (9) from Troms stated:

All three counties are members of the Barents Secretariat, and co-owners in the North Norway European office. Both are good collaborations.

The respondents who talked about this organ was positive to the work the three counties do in this organ.

4.3.1.2 The North Norway European Office

Five respondents talk about The North Norway European Office in connection with cooperating organizations. All five believe that this is a good example of functional cooperation across county boundaries. The office is owned by NC, TC and FC and was established in Brussels in 2005. The office's aim is to inform and influence the European Union with respect to the North Norwegian interests.

4.3.1.3 NNR

North Norwegian Tourist Board (NNR) is a merger between the former tourist companies in NC, TC and FC. The company's objective is to establish and develop Northern Norway as a year-round travel destination (NordnorskReiseliv, 2012). The merger is an interesting example of cooperation between the three counties. Firstly, the company was formed about a year after government in 2008 granted 215 million NOK to promote Norway as a tourist destination whereby 5 million of these was assigned for Northern Norway. These funds aimed at enhancing a collaborative partnership between NC, TC and FC are used to increase the interest in Northern Norway. This indicate that the cooperation took place because of the funds the three counties were granted. Secondly, in the initial phase, there were conflicts between the three former companies; in relation to the long term strategic objectives of the company. As emphasized by respondent 14:

Small issues as how many pictures from each county in commercials abroad were argued upon..., if Troms had two pictures and Nordland one picture, then Nordland would not join in on the campaign.

Further respondent 14 describe another picture of the situation today:

We (NC, TC and FC) work well together in tourism, we established the North Norwegian Tourist Board. And we tried to replace these county organizations, Tourism Nordland, Troms tourism etc. It has taken some time to get this to work, because we also need to compete in this arena.

Today, the cooperation is successful and the three counties cooperate well. 8 out of 16 respondents mentioned NNR as a good initiative and a good example of cooperation between the counties. The three county executive leaders signed and agreed upon this cooperation. One might ask why this is a successful cooperation. Further, which of the grounds for cooperation is fulfilled, and is the funding from the government the only reason? These questions are important to bring further for discussion in the analysis.

4.3.1.4 The Norwegian Association of Local and Regional Authorities (KS)

KS is the employer's association for all Norwegian municipalities and counties. KS North-Norway covers the counties of Nordland, Troms, Finnmark and Svalbard, a total of 450 000 residents (Bjørkli, 2012). KS is an important association, as they initiate and work directly with assisting the municipalities and counties to further develop cooperation. In 2012 KS arranged the first joint meeting between NC, TC and FC. Previous to this meeting, KS wrote on their web pages:

“... there is an interesting debate on cooperation in the north, ...KS challenge local and county politicians to debate on the areas and issues we can work together, and what obstacles we will face.” (KS, 2013).

Until this meeting the three counties only met occasionally. In 2013 the second meeting will be held. Politicians consider these meetings to be an important arena for future cooperation between the three counties. Nevertheless, there are some implications to these meetings, which some of our respondents reflect upon. They consider it to be difficult to chart out one direction and cooperate when each county council change every fourth year.

4.3.1.5 O6

In 2012 O6 was established. The organ has six members: the largest municipalities in Northern Norway. The vision of this organ is to create ripple effects for the North of Norway as a whole (Høgseth, 2012). Except of the organizational structure, the aims and visions of O6, do not differ much from what LU had. O6 has not been received much publicity, and during interviews none of the respondents mentioned this body. We will reflect upon this in the analysis. Today, five of six municipalities in O6 have a mayor representing The Conservative Party of Norway. Harstad is represented by the Labor Party.

4.3.1.6 LU

LU is mentioned most frequently; 10 of 16 respondents. And relative to the number of respondents the frequency does not vary between the counties. LU does not exist today, as it was dissolved in 2011, and as mentioned in the introduction, this event has had impact on the political cooperative climate in Northern Norway.

Media have speculated as to why and how LU could be dissolved. The parties involved claim that LU was an organization which only created more effort in relation administration and as a respondent from TC expressed:

...spending time on doing double work.

Analysis

The formal explanation, from LU's administration, explain us that TC wanted NC, TC and FC to work together without Nord- Trøndelag. NC wanted Nord- Trøndelag to still be a part of the body. But Tromsø argued that they had "no common interests" with Nord- Trøndelag. The respondents we have interviewed touch upon this subject with caution, and do not give a clear answer to why it was dissolved. They discuss matters as if it was necessary to have such a body or not. Our impression is that some claims that this whole conflict was created by two politicians who could not work together has some truth in it.

To summarize, most respondents mentioned the closure of LU. However, our overall impression is that the three counties consider The Norwegian Barents Secretariat and The North Norway European Office as the most functional bodies. These two bodies work directly to promote the regions interests in other organizations. NC, TC and FC do not compete in these arenas, but have an understanding that they will be stronger when they cooperate in arenas where it is beneficial to cooperate.

As to which cooperative bodies mentioned in the interviews, a clear tendency emerged; the mentioned cooperative bodies are initiated and subsidized by the government, not by the counties themselves. Only the North Norway European Office is subsidized from the three counties. Respondent 11 stated that:

...requirements obliged the three counties to establish NNR; it had to be a cooperative organization between NC, TC and FC. ... all parties realized that is was a good idea to create one product out of Northern Norway after it was "forced".

There is more cooperation between the public and private than the public agencies. It is not within this thesis to analyze private-public cooperation, but it is worth mentioning that such cooperation often is successful and that the public might learn from these.

4.3.2 Value creation

Businesses are dependent on good public services to attract skilled labor. According NHOs report from 2008, the municipalities' most important work is within the area planning and facilitation of new business establishments. For Northern- Norway to succeed it requires close cooperation between all parties involved. For the region, it is time to give up both the old and new territorial conflicts and bond behind the common goal of the increasing force of growth and value creation as well as regionally and globally (NHO, 2008). Value creation is the performance of actions that increase the worth of goods, services or even a business (Businessdictionary, 2013b). NHO consider it very important to focus on competitiveness in

Analysis

Norway. In 2005 it was a competition about development of industries in different Norwegian regions. Summarized, all the three Northern Norwegian counties was at the bottom of the result list, when it comes to profit, growth and R&D within the industry in the region (NHO, 2008).

According to Statistics Norway, Nordland, Troms and Finnmark remains the regions with the lowest number of businesses (44 705) and the lowest number of employees in these businesses; 267 670 persons per 1st of January 2011 (SSB, 2013).

Concerning value creation we wished to explore who the respondents think have a role in future value creation of industrial development in Northern Norway. Who is responsible for these factors such as value creation in the counties, according to our respondents? As table 11 shows, there is a clear factor; most respondents from all counties say that the regional/local authorities have the most important role of value creation in Northern Norway.

| Who do you think have a role in future value creation of industrial development in the Northern Norway? | | | | |
|---|--------|--------|--------|----------|
| | NC (5) | TC (6) | FC (5) | SUM (16) |
| Central authorities | 1 | 1 | 0 | 2 |
| Regional/ local authorities | 3 | 3 | 5 | 11 |
| The industry/companies | 3 | 2 | 0 | 5 |

Table 11: Role within industrial development

5 of 16 respondents meant that the industry and companies have the largest role. One respondent from TC stated that:

We will not make an effort to attract the large companies. If they will come to us, they are going to use money to facilitate for themselves. We have to prepare for those which do not have the same opportunities.

Many different actors are involved in the oil business in the North. For example, Statoil have invested approximately 50 billion NOK, and it is estimated that such investments from oil and gas companies will increase. Innovation Norway, Statkraft and Statnett are planning to invest 20 billion in the coming years in Northern Norway to increase the proportion of North Norwegian suppliers to the energy industry, the three companies stated:

We want to use the Northern Norwegian suppliers to a greater extent than we do today.

This is the typical example of North Norwegian initiative that will bring great positive effect on the entire region (Luen, 2012).

Analysis

Although all the North Norwegian counties have a common interest in the value creation for the region, there is a localization debate between the counties. Not everyone can get landing systems, databases, operating organizations and emergency services. Counties and municipalities are investing heavily in lobbying and facilitating companies to overcome these localization debates. This is perceived as a zero-sum game, where someone will get “everything” and others nothing (Arbo & Hersoug, 2010).

Both respondents from FC and TC were interested in this topic, and talked about how municipalities are investing and facilitating for business establishments. According to Arbo and Hersoug (2010), it applies as in earlier regional policy, where there was talk of relocation of industry to be as beautiful as possible, now the oil companies, service companies and other entrepreneurs from outside. It is important to be first. The de facto unable to establish a service that is heavy enough, in turn, will not be overlooked (Arbo & Hersoug, 2010). As earlier stated, companies establish where factors such as infrastructure, house prices and population match their requirements. The regional authorities cannot facilitate for all of these requirements, thus might not play a very important role when the companies “choose” localization. On the other hand, other respondents consider facilitation important and claim that Bodø have lost several localization battles because they have not been aggressive enough when companies such as Aker Solutions have initiated establishment.

Respondent 10, from TC stated the following:

Aker Solutions did a very careful analysis before they established themselves in Tromsø. It was about demographics, housing, infrastructure and population.

With this statement the respondent intended that it is no point to use a lot of money in small municipalities to arrange and facilitate for large companies, to for example make space and areas to oil bases. It is no point using money on things that maybe will come.

Furthermore, respondent 14 from the Sami Parliament made some important statements here:

I see that the counties role has been reduced, but their role within regional development has been extended. However, they are to kind. If we see at Finnmark for example, why do they sit with the hat in their hands (Norwegian expression when nothing is happening), when there is so much richness in the county?

The respondent discussed that the authorities in the regions should be stronger and that they do not stand up to the barricades at the Parliament. Furthermore, the respondent meant that the success of the Sami Parliament was due to constant fighting and push towards the Parliament.

Analysis

We at the Sami Parliament, we have never had any other role than an advisory role, but we have taken the power. In this way counties should also rise up and be stronger.

Overall, respondents from all three counties mean that it is the regional authorities which should facilitate for the value creation.

4.4 Cooperation and competition

In this section we will present our findings which can help us find factors to answer the research question: *In which areas do the three counties cooperate, and where do they not?* Furthermore, we will go deeper into various industries that exist in the different counties; these are also made as categories in the coding of the data. Before we do this we would like to present statistics from the workforce in the region, to make the picture clearer on how the situation is. We are catching up with each counties competitive advantage and illuminate where there are dissimilarities or similarities. We consider this important as the respondents represent three counties, and consequently have different grounds for their replies. Further, it is interesting to see if these competitive advantages could help bridge cooperation between the counties, or if it makes the competition stronger.

4.4.1 Workforce in Northern Norway

North Norway accounts for 35 percent of the mainland and 10 percent of the population in Norway (Slotfeldt-Ellingsen & Sandvik, 2009). The region experiences an overall negative population development. However, the regional centers Tromsø, Bodø and Alta experience positive population growth (SSB, 2011). Finnmark is the largest county in square kilometers in, yet the population is the lowest in Norway. Troms is the smallest county in Northern Norway, but relative to area and the two other counties, Troms has a high population density with 160 418 inhabitants. Nordland's area is close to the same size as Finnmark, but the population is as large as Finnmark and Troms population combined. Nordland's main sectors are manufacturing and trade, tourism and transport sector with about 43 billion in revenue (Bullvåg, 2013). Nordland accounts for 65 percent of exports from Northern Norway. The inequality obviously entails variation in the administration of the counties, both in terms of number of employees and in terms of financial resources.

Analysis

Northern Norway account for only nine percent of total workforce in Norway as we see in table 12:

| | |
|-------------------------|-------|
| Total Employment | 100 % |
| Rest of Norway | 91 % |
| Northern Norway | 9 % |

Table 12: Total Employment 15-75 years (Sjømatmeldingen, 2013)

Table 13, 14 and 15 shows three sectors that stand out from the rest of the country, and are the sectors where most people from Northern Norway has as employer. The numbers represent the percent of people working in each sector in relation to the total workforce in the county.

| | |
|----------------------|------|
| Public sector | |
| NC | 6 % |
| TC | 8 % |
| FC | 10 % |
| Norway | 6 % |

Table 13: Percent of people working in the public sector, related to the total workforce in the county. Data from SSB Arbeidskraftundersøkelsen (2012).

| | |
|--|------|
| Agriculture, forestry and fishing | |
| NC | 20 % |
| TC | 15 % |
| FC | 17 % |
| Norway | 20 % |

Table 14: Percent of people working in the sector, related to the total workforce in the county. Data from SSB Arbeidskraftundersøkelsen (2012).

| | |
|------------------------------|-----|
| Industrial activities | |
| NC | 4 % |
| TC | 4 % |
| FC | 7 % |
| Norway | 3 % |

Analysis

Table 15: Percent of people working in the sector, related to the total workforce in the county³. Data from SSB Arbeidskraftundersøkelsen (2012).

The amount of people working in the public sector in FC is higher than in the rest of the country, see Table 13table 13 Especially in Vadsø, where the county capital is situated, over 50 percent work in the public sector (Sjømatmeldingen, 2013). One of the respondents from FC emphasized that this is not healthy for the northernmost cities in FC;

If the three counties would become one region, with common administration, Vadsø would probably be a city of ghosts.

Comparing the relative percentage working in the public sector, agriculture, forestry and fishing, and industrial activities, NC have a tendency to be more similar to the rest of the country.

So, what do these tables tell us? Firstly, in spite of the large geographically area Northern Norway has, the population is low, and only nine percent of Norway's workforce are from here. Further, we consider it important to see how many people who work in each sector in relation to the workforce in each county, than how many percent who work in the sector compared to the total number in Norway. The public sector is important for the city centers in FC. And NC is more alike the rest of Norway in workforce structure than TC and FC.

4.4.2 Competitive advantage

Thorvald Stoltenberg, former Norwegian politician, said at the declaration of the Barents cooperation in Kirkenes in 1993:

“Northern Norway has only three resources: Cod, oil and Russians.” (Husjord, 2013).

Mr. Stoltenberg certainly was right when it comes to resources of great importance in today's business in the region, although Northern Norway has much more to offer than these three.

Regarding competitive advantage, we found it interesting to investigate how the respondents found their county unique. This category is somewhat alike the question in section 4.2.1; The counties position. In this category we wanted to identify factors which are similar and dissimilar, and try to find where the counties cooperate, but at the same time compete.

Moreover, if the counties refer to the same competitive advantages, how do they act on these similarities or dissimilarities?

³ In the latest version of the industry standard, SN2007 (Statistics Norway 2008) Industrial activities are defined as the physical or chemical transformation of materials, fabric or parts are new products, whether the products are sold from the place where they are produced.

Analysis

Another aspect of this category was to see if the respondents answered correspondingly to what we had found in reports and strategic documents from the counties. As an example, we anticipated prior to the interviews that the respondents from NC and FC would talk mostly about the petroleum industry and minerals and TC mostly about their advantage within competence. Furthermore, we also had an expectation that the respondent from the Sami Parliament would talk about their local interests, and respondents from FC would talk about their cooperation with Russia due to oil and gas activity in the Barents Sea.

As table 16 shows, many of these statements matched with our assumptions.

| What is your county's competitive advantage? | | | | |
|---|---------------|---------------|---------------|-----------------|
| | NC (5) | TC (6) | FC (5) | SUM (16) |
| The supply industry | 3 | 2 | 1 | 6 |
| Minerals | 5 | 2 | 3 | 10 |
| Oil and gas (petroleum) | 5 | 3 | 3 | 11 |
| Resource allocations | 2 | 2 | 1 | 5 |
| Reindeer farming, indigenous rights | 0 | 0 | 2 | 2 |
| Fishery and aquaculture | 3 | 4 | 3 | 10 |
| Focus on employment | 4 | 3 | 3 | 10 |
| Merging of UiT and HiFM | 0 | 1 | 2 | 3 |
| Cooperation with Russia | 1 | 4 | 3 | 8 |
| Tourism | 2 | 4 | 0 | 6 |
| Competence | 0 | 5 | 0 | 5 |

Table 16: Competitive advantages in NC, TC and FC

If we look at the overall result: minerals, oil and gas, fishery and aquaculture and focus on employment are the categories which are most frequently mentioned. Secondly, we see that the supply industry, cooperation with Russia and tourism are much mentioned. As expected five out of six respondents from TC talked about competence as their strongest competitive advantage. Both NC and FC talked much about minerals, and oil and gas. The respondents from the Sami Parliament, were more concerned about the indigenous right and the industry which can destroy for the reindeer farming.

4.4.2.1 Oil and gas industry

All the five respondents from the NC talked about oil and gas as a competitive advantage for the county. Oil and gas development in the North is a hot discussion topic nowadays. The industry has created development in all three counties, where the three H's: Helgeland, Harstad and Hammerfest can be mentioned especially.

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One of the respondents mentioned that you will get

...small cities like Stavanger,

in different parts of Northern Norway. There have been many different opinions on the topic, example how the oil and gas industry could give ripple effects to a region characterized by low population growth. 11 of 16 respondents from our research, believes largely that oil and gas is a competitive advantage for the counties. Arbo and Hersoug, means on the other side that there are several reasons why the North's role in oil and gas development never will be the same as in the Stavanger area (Arbo & Hersoug, 2010). They argue that the petroleum operations would never have the same outcome in the North as in the South. The ability to manage geographically investments is considerably restricted. This is due to several factors, but primarily that the state owned oil company, Statoil, is now partially a privatized multinational oil company, who make their own judgments about what is in the company's best interest. Also the changing governments have made it difficult to make a special petroleum policy for Northern Norway. Manager of Maritime-forum, Tor Husjord, agree upon this. At the Maritime Conference at the University in Nordland, February 2013, he stated that:

“There are tremendous value creations in the North, the activity in the Barents Sea for example. But will we get something in return for this development? Most likely not.”(Husjord, 2013).

With this statement he further claimed that Northern Norway has a lack of the physical and social infrastructure, required from the companies' side, because they will not come from North Norwegians companies, but from other parts in the country and foreign countries. This topic is also mentioned in section 4.1.3: Ripple effects, and seems to be a concern for the region in the following years of development in the petroleum industry.

Another issue is that the counties look in different directions. Finnmark looking North and prioritize development in the Barents Sea, and in time, on the Russian side. Nordland is oriented towards activities in the Norwegian Sea and seek cooperation with Trøndelag, which has much of the significant expertise when it comes to oil and gas research. One of the respondents from the industry cluster at Helgeland could confirm this information:

Culturally, the industry at Helgeland has been focusing South with suppliers, inventory and customers.

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The respondents argue that it is time to shift focus to the North, even if Helgeland are learning a lot from the supply and competence environments in Trøndelag. In spite of this, the respondent considers NC, TC and FC as one autonomous region.

Three of five respondents from NC mentioned the supply industry as a competitive advantage, mainly referring to the industry cluster at Helgeland, and that this cluster can give ripple effects for the entire region.

Arbo & Hersoug have another sight. They believe that Troms seeks to maintain Harstad as administrative capital of the oil industry in the North, but feel that the oil industry “leak” at both ends, that is, both South and North. Tromsø environment focusing on consulting and gradually more extensive research and development activities in relation to the Arctic in general and the oil industry in particular. This makes it difficult to claim a North Norwegian voice (Arbo & Hersoug, 2010).

4.4.2.2 Minerals

10 out of 16 respondents mentioned minerals during the interviews. All the respondents from NC were very interested in this. For centuries, mining with extraction and processing of ores, minerals and rocks has been an important industry in Northern Norway. The industry has over the years contributed to jobs and wealth creation (Kunnskapsparken, 2012). Geological Survey shows that there are large deposits of important minerals available in North Norway. The Central Government gave a grant of 100 million to the project Mineral Resources of Northern Norway (MINN), to determine the possibility of gold and other minerals in the North. This project will document potential for strategic mineral resources in Northern Norway, and is important in the development of the industry (Kunnskapsparken, 2012).

Strong competition for skills, particularly after the petroleum industry got its way in the region, has created a mismatch between available skills and the desire to invest (Kunnskapsparken, 2012). University in Tromsø offers education in geology. Moreover Narvik University College aims to establish studies in mining and mineral technology. It is important to strengthen the cooperation between companies and knowledge providers, both in terms of more extensive research and development tasks, as well as to establish and develop education at all levels in the region the industry needs (Kunnskapsparken, 2012). Table 17 show how many employees from Northern Norway of the total industry in Norway:

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| | NC | TC | FC |
|------------------|-----|----|-----|
| Employees | 12% | 2% | 13% |

Table 17: Employees in the Mineral industry, Northern Norway (Kunnskapsparken, 2012, p. 35)

The mineral industry is especially important for FC, and many argue that the industry is a gold mine for the county. As an example of the lack of expertise, the mining company Syd Varanger Gruve needs to attract many of their employees outside South- Varanger. The reason is that there are not enough qualified workers. Chair of Mineral Cluster North, Beate Bø Nilsen says:

“There is a lot to deal with and the time is ready for increased cooperation in the industry.” (Kunnskapsparken, 2012, p. 36).

In this way there is a strong desire among the players creating clusters cooperation with the aim of identifying common interests and challenges. So, minerals are an important resource for the development in NC and FC. Respondents from TC talk less about these resources, when they do; they are more interested in the part of competence related to the industry.

4.4.4.3 Fisheries and aquaculture

10 out of 16 respondents talked about fishery and aquaculture as their county's competitive advantage, most of these from TC. It landed fish in Northern Norway worth approximately 7 billion NOK, roughly equally divided between the three counties. Cod and cod fish constitutes about 75 percent of this and pelagic fish about 13 percent (Slotfeldt-Ellingsen & Sandvik, 2009). The White Paper for Seafood was published March this year, the Central Government points at three important areas: knowledge, profitability and sustainability. Many of the respondents talked about the importance of knowledge and education among the inhabitants in the region. Furthermore, the seafood sector in the entire Norway and the marine industries focused on a commitment to youth and science of fisheries and aquaculture as a theme. The fisheries and aquaculture industry in Norway has a large challenge to recruit enough young people with the right skills to the industry. This applies both to the traditional professions, as to exercise the profession as a fisherman, to the more heavy science disciplines (Sjømatmeldingen, 2013).

As mentioned before the aquaculture and fishery industry has been in the heart of Northern Norway for several of centuries. Respondent 8, who works with aquaculture and fisheries in TC, says that TC cooperates most with FC in this industry. However, emphasize that all three

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counties together share information and strategies between each other. The respondent says further that they look to both Nordland and Finnmark's practices. Through this cooperation and exchanging of knowledge, the respondent has seen that the three counties have much in common and have similar reasoning. However, more work is still needed for a better cooperation arena:

I think we have a job to do there, to get a more formal relationship at a higher level in the counties.

4.4.4.4 Cooperation with Russia

8 out of 16 respondents thought cooperation with Russia was important. Most of these respondents were from TC, where four out of six mentioned this. Through the research we realized that the common cooperation arenas in the international field such as the Barents secretariat (as an example) are of a high priority for the three counties. One of the respondent from TC, are working closely with international cooperation with Russia. The respondent said that:

It is important to cooperate on industrial development with Russia, and TC has a wide field with competence to handle this.

In spite of the already good cooperation between all the three counties and Russia, the respondent argues that it is going to be a crucial point in the following years. The respondent mentions that the cooperation is relatively good when it comes to joint cooperation arenas within international questions. But, that there are other arenas where the cooperation with Russia needs to be better.

4.4.4.5 Competence

Even if competence not was the category which gave highest score, we find it worth mentioning as five of the six respondents from TC talked about the competence as a competitive advantage. One respondent from Troms was very clear:

Aker Solutions moved to Tromsø because of the access to expertise. And the people that are moving here, they are coming because of the knowledge and expertise we have.

The respondent believed that Troms and especially Tromsø makes benefits of having such a strong expertise through the University of Tromsø (UiT). Tor Husjord did also mention this during the Maritime Conference:

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“Tromsø is the only city in the North of Norway which to some extent can compete with the major cities in the South.”(Husjord, 2013).

Finally, we would like to mention that some of the respondents, regardless of which county they represent, stated that emphasizing of the counties is destroying the cooperation between the counties. One politician from TC, said the following:

I do not think we should emphasize the counties so much... I think competition is unhealthy, because of the large challenges regarding population in many municipalities in the North

This may show that competitive advantages are not necessarily important, and that it can destroy new cooperation possibilities between the counties.

4.4.3 Cooperation within utilizing the resources

Concerning cooperation and competition, we asked the respondents how they thought the resources in the Northern Norway could be utilized best. Through this question we could identify if the counties has any specific similarities or dissimilarities. The media commonly presents the cooperation, especially between NC and TC, negatively. Headlines like:

“A region in conflict ”(Mogård, 2010)

“Blame Northern Norwegian politicians” (Jensen, 2012)

Are more visible than positive headlines like:

“A new cooperation in the North is taking form” (iTromsø, 2011)

During this question we established 11 categories, selected on the basis of the content the respondent talked about. Many talked about more than two categories, and some where more concentrated upon one of them. Example, the respondents which mentioned “national policy”, argued that the Central Government should be more responsible in the case of making strategies and guidelines on how the resources should be exploited. Furthermore, the respondents who mentioned “regional policy” meant that the regional and local politicians have a larger responsibility. Moreover, “long-term framework” and “strategic choices” was about the how people in the counties require the politicians in the counties to do right choices. Respondents who mentioned “value creation” meant that it is important that the resources were safeguarded and utilized so that they can create value (or ripple effects). One respondent talked about “market understanding”, and that it is important to know which area you are making decisions in. The results are presented in the following table 18:

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| What do you think is important to utilize the resources in Northern Norway? | | | | |
|---|----|----|----|-----|
| | NC | TC | FC | SUM |
| Cooperation | 5 | 6 | 2 | 13 |
| Competition | | 1 | 1 | 2 |
| Innovation | 1 | | 1 | 2 |
| National policy | 2 | | 2 | 4 |
| Long-term framework | 2 | 1 | | 3 |
| Regional policy | 2 | 1 | 4 | 7 |
| Distinctive culture | | 1 | 2 | 3 |
| Creation of value | 3 | 1 | 2 | 6 |
| Strategic choices | 1 | 2 | 2 | 5 |
| Competence/education | 5 | 5 | 5 | 15 |
| Market understanding | 1 | | | 1 |

Table 18 : Terms which respondents consider important to utilize resources in Northern Norway

Totally, 13 of 16 respondents talked about cooperation with other counties. Competition was mentioned by only 2 of 16 respondents. Table 18 **Feil! Fant ikke referanseilden.** shows that all the respondents from NC and TC discussed cooperation, and that cooperation is important when it comes to the developing of the resources in Northern Norway. Some respondents clearly started to answer the question by talking about cooperation. One of the statements was:

I think the most important is the ability and willingness to cooperate. Both within the public local, regional and national authorities, and the private local regional, national and international companies.

4.4.3.1 Regional policy

Overall, 7 out of 16 respondents meant that the regional policy play an important role in determining how resources should be utilized. Natural resources are the basis for employment and value creation in most rural areas in Norway through the history, but the foundation is dissimilar in the different areas and types of regions in the country. The regional policy deals with welfare and value creation where people live. According the White Paper nr 13, the Central Government will pursue a proactive and regionally differentiated policy to reach the objectives in the policy for the local government and regional development (Kommunal-og-regionaldepartementet, 2012).

The respondents from FC talked less about cooperation, but were more concerned about the regional policy, and that this has been important for the county during the last years. One

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respondent mentioned that Finnmark was totally dependent of the regional policy in the county to survive. In the spring 1990 it was established an action plan for Finnmark and Northern Troms because of the negative development within growth. The action plan accounted for 3.2 billion NOK in 2012. The most important with the plan is exemption from employer contributions, decreased personal taxes, zero or low electricity tax, cancellation of student loans and benefits for specific allowance. In addition the plan aims at strengthening the economy within the municipalities (Kommunal-og-regionaldepartementet, 2012).

Respondents from NC and FC also mentioned that the national policy could be an important tool in the industrial development. One respondent from NC pointed out that:

I actually think it would have been interesting that we had some national guidelines on how the resources should be utilized

With this statement the respondent argued that a national guideline could have made the process from idea to action faster. The respondent also made comparisons to the industry in Northern Sweden and Finland, and meant that the neighboring countries utilize industrial capabilities better than Norway. In Norway there are too many processes to go through, and when you finally want to start up for example a production plant, the government say “no” the final decision, the respondent expressed.

Overall, we see that many respondents consider the regional policy as important, especially respondents from FC. Further, this show that it is important that the regional politicians do their job, set proper goals and cooperate without making too much disagreements.

4.4.3.2 Competence and value creation

15 of 16 respondents believe that competence and education are important for further value creation in Northern Norway. One of the respondents was very clear when arguing that competence is the most important step to focus on in the future:

The lack of competence and the lack of people is the biggest problem for the development that will come in the Northern Norway.

The Ministry of Local Government and Regional Development facilitates the policy for regional development in North Norway. The resources and the rapid development in the North must be used for the benefit of those who live in the region (Kommunal-og-regionaldepartementet, 2012). The vision of the Central Government can only be realized if qualified people work in the public sector in the region.

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There is a high demand for skilled labor and people with higher education. However, compared to the rest of the country, there are less people with higher education in Northern Norway. In addition, the decline in secondary school is higher than the national average. This gap is primarily in Finnmark, but also in Troms and Nordland the decline is higher than in other counties. In Finnmark 30 percent of those who had started secondary school in 2006 to 2011 did not finish. The corresponding result for Oslo was 11 percent. There are also fewer who completed high school on standard time in North Norway than in the rest of the country (Kommunal-og-regionaldokumentet, 2012).

So, all three counties believe competence is important in relation to utilizing the resources in the region. The white paper from the Ministry of Local Government and Regional Development shows why this is necessary.

4.4.4 Raising the region as one unit

In the following question we wanted to identify factors which could raise the region, as one unit and how it is possible to implement this. We sorted out seven categories which could give us factors, both hindering and promoting. 13 out of 16 mentioned that it should be a “high cooperation arena”. The underlying here is that many of the respondents believe that there is an opportunity to create a greater cooperation arena than the one which exist today. There are common interests which could be a fundament for cooperation. In the category “priorities” the regions focus on specific areas are emphasized. This category is relative the same as “strategically initiatives”, except that the respondents also talked about competition here. 4 of 16 meant that “lobbyism” is necessary, and that the politicians from the North should be better at affect the Central Government. During this question many of the respondents started to talk about cooperation in many of the industrial fields. The results are presented below:

| How do you think that the three counties can raise the region together, as one unit? | | | | |
|---|-----------|-----------|-----------|------------|
| | NC | TC | FC | SUM |
| High cooperation arena | 5 | 5 | 3 | 13 |
| Priorities | 2 | 3 | | 5 |
| Lobbyism | 1 | 1 | 2 | 4 |
| Strategically initiatives | 1 | 3 | 2 | 6 |
| Creating interesting jobs | 5 | 4 | 5 | 14 |

Table 19: NC, TC and FC as one unit

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A “high cooperation arena” is important to raise the region. Numbers from these two categories are evenly on the counties. 13 of 16 respondents think that by creating a better cooperation arena between the counties will give positive contributions to raising the region.

4.4.4.1 Interesting jobs gives higher population

The last category “creating interesting jobs”, is important because jobs sustain population, 14 of 16 respondents stated that interesting jobs is a prerequisite to give higher population.

One of the politicians was saying that:

The problem is that when young people are finished with their higher education, we do not have employment for them, and they need to go to Stavanger or Moscow to work. This is very stupid, and for this reason I will create these jobs in the North, so that we can have use this as competitive advantage.

The respondents point is that with the great development and opportunities for higher education in Northern Norway, it is necessary to invest in securing jobs for students after graduation. For this reason it is necessary to facilitate for the education programs which are needed the following years according to what the community needs.

Furthermore, Hernes et al. (2007), means that during the operations it is more likely to have employed local workers, but it depends on whether they have the skills that are in demand.

This is also consistent with the Central Governments White Paper No. 7 from 2011 to 2012:

“Likewise, productivity and productivity growth is significantly lower in Northern Norway than in the rest of the country. Many large corporate companies, has their headquarters outside the regions, and the growth in value added in these companies’ operations in Northern Norway, the statistics are not recorded in the North, but where the main office is located.” (Utenriksdepartementet, 2011a).

Thus, the need for recruiting people with the right skills in the industrial life is increasing. There is also a close correlation between the localization city and where students find their first job. The Ministry has for 2013 set 20 billion NOK to industry-orientated capacity building, for the reason of making the education institutions better and able to supply labor with the right skills that is adapted for the regional industry (Kommunal-og-regionaldepartementet, 2012).

As mentioned in chapters before, some of the respondents were afraid that Northern Norway will be a commuter district. By this they mean that workers are coming from the South or other countries, doing their job, and then moving back to where they came from. Further, the

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respondents said that it is necessary to ensure that people will stay in the region, so that the population in the Northern Norway will increase in the future.

Overall, there is a strong engagement within all counties to create employment, and that interesting jobs will increase the willingness to live in the region, thus give higher population.

4.5 Summary

We have listed the main findings in table 20:

| |
|---|
| 4.1 FACTORS WITHIN PROCESS |
| <i>How has political strategies and processes affected the attitudes towards cooperation between NC, TC and FC?</i> |
| Hinder: Local political priorities, focus on local electorate, temporal focus; election period is too short Promote: Building common translation in local “time and space”, in the oil and gas industry |
| 4.2 FACTORS WITHIN POWER SHARING |
| <i>How is the power sharing between the counties?</i> |
| Hinder: A tendency that the counties want to be superior, tensions due to national decisions, mistrust between regions and national authorities (counties, regions and national interests). Promote: The interest around a common identity |
| 4.3 FACTORS WITHIN RESPONSIBILITY |
| <i>For which reasons do NC, TC and FC cooperate?</i> |
| Hinder: Subsidies from the Central Government. Promote: Subsidies from the Central Government. |
| 4.4 FACTORS WITHIN COOPERATION AND COMPETITION |
| <i>In which areas do the three counties cooperate, and where do they not?</i> |
| Hinder: The counties seek cooperation outside Northern Norway. Promote: Common interests to develop the region |

5 ANALYSIS AND DISCUSSION AROUND MAIN FINDINGS

The data presented in the empirical section showed that respondents have mixed views on cooperation. We identified some tendencies, and derived eight factors that may promote or hinder cooperation. These factors were presented in chapter 4 in table 20, and will be analyzed in the context of the theoretical framework in this section.

5.1 Process- from idea to institution

In the theoretical chapter we introduced how “travel of ideas” can explain how ideas become materialized into either action or institutions through a translation process. How can we understand the idea of cooperation in Northern Norway, and where does the idea come from? In this section we will look at cooperation as a materialization of an idea.

We identified that the idea of cooperation was initially undertaken for ambiguous reasons with the aim to increase the regions influence in the Central Government. As this idea travelled through time and space the idea materialized through a translation process and become institutionalized. Maybe this idea has different outcomes in different spheres.

Czarniawska and Joerges model explain how an idea translates in time and space, from idea to action/institution. We have identified three such spaces; local space, central space and private space. The idea travels in a space and become materialized, while internal and external factors affect this process. These factors vary in time and influence the translation process. Thus, the three spaces affect the travel of idea differently.

| Space | Attribute |
|---------|---------------------------|
| Local | Local and regional sphere |
| Central | National sphere |
| Private | Individually sphere |

Table 20: Spaces

Figure 4 from the theoretical chapter, show how these spaces; local, central and private can translate ideas into different objects or institutions influenced by internal and external factors. The idea becomes an institution in space 1, and an action in space 2. Because of the local politician’s priorities, the idea might not be translated into an action in space 2. There is a

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short term perspective and focus on local electorate that might cause that the idea stop before it becomes an action.

Two examples on how the spheres can be translated differently, because of different spaces is LU and High North Policy. As the idea is set out, many actions and institutions translated from idea can emerge; the idea of cooperation materialized into an institution as LU in 1974, and later into action as Barents 2020 in 2005⁴.

Cooperation demands a translation between the different spaces. A common interest in developing the oil and gas industry illustrates the importance of cooperation in all spaces as an idea, and argument on how it can be translated into common action. The factors which we have identified affect the translation process.

Cooperative relationships are formed in order to achieve competitive advantage. Huxham and Vangen (2005) describe five common bases to form cooperative advantage; (see figure 2, chapter 2). Organizations might cooperate if they are unable to achieve their objectives with their own resources. The respondents consider oil and gas development to be important in future value creation in Northern Norway. Lack of human capital; i.e. competence is emphasized as a hinder for value creation in the region; Northern Norway is resourceful, but lack people and competence. At the same time the industrial communities believe that oil and gas is the industry will provide the most ripple effects in the region. According to the respondents, the oil and gas are the main priorities for Northern Norway in the years ahead.

The interests toward oil and gas industry create a common goal and desire for the three northernmost counties in Norway. Might bridging together resources and pooling human resources create a basis for cooperation? We consider the desire to develop oil and gas to be a platform for cooperation. NC, TC and FC have different capabilities, and knowledge partnership might increase the comparative advantage for the whole region and not only the county itself. Cooperating to increase efficiency, learning and sharing of risk could be important for the three counties, and is a promotion.

A factor we have identified that hinder cooperation is inefficiency in the political processes. Huxham and Vangen (2005) reason that inefficiency is a common explanation to why cooperative relationships is terminated. In political processes the inefficiency might be emphasized because of continuously shifting “management”. Another aspect related to this is that the politicians are more interested in renewing their confidence in the population than to

⁴ Barents 2020 is the foundation to the High North Policies in 2006, 2008, 2011.

find the best solutions. Cassar (2007) argued that cooperation do not always have cooperative advantage because private incentives affect the working relationship. Cassar's (2007) statement can be connected with the county politicians, and how they did not manage to cooperate in LU. We think that shifting political governance every fourth year create instability, because politicians often choose core issues which will give them more votes. This is usual in the County Electoral, because voters have the opportunity to provide an additional vote to those who will be elected or re-elected to the County Council. This reduces the long term perspective, and therefore might influence the stability.

Institutional theory (Greenwood & Hinings, 1996, p. 1023) suggests that isomorphism and stability of organizational arrangements can give explanations of why organizations sustain. Here, it can give sense as to why LU did *not* sustain, that the closure of LU is a result of instability in the environment. The leaders of LU were politicians from each county, and changed several times. We think that these changes, and that shifting political focus contributed to unstable environment for cooperation, and that this might resulted in the closure of LU.

5.2 Power sharing- building knowledge and sharing capacity

In the theoretical framework we referred to Pomeroy and Berkes' (1997) faces of co-management and, how co-management can share responsibilities between the primary stakeholders which are the counties and the national state (TheWorldBank, 1998).

A hindering factor we want to discuss is the tendency that the counties want to be superior towards the other counties. Superiority can lead to mistrust, and thereby create tensions. The unwillingness from the counties to cooperate in the industries where they perform well highlights this, such as the rivalry among the two universities in Northern Norway. TC has a strong position within competence, a position they not wish to share with NC and UiN. Moreover, the problem related to power sharing is connected to the "fight" between the city centers; Bodø and Tromsø. We got the impression that each of them wants to achieve a "piece of the cake", and be attractive for new business establishments.

According Kruse et al., (1998) the sharing of power related to co-management can give advantage for the counties because of capacity building and knowledge sharing. This is especially important for building the future, and creating attractive jobs in the North. TC allocates more money to R&D than the other two counties. All counties mean that they stand

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strong within fisheries and aquaculture. There has been trust between the counties in this industry, and trust is important base for a successful cooperation. To construct an effective co-management arrangement, building trust between the parties and social capital in general are important. Social capital is important, because it is a prerequisite for collective action and social learning. According to Ostrom and Ahn mutual trust is the central factor in facilitating voluntary cooperation and building a working relationship. The fishery industry is embedded in the culture of Northern Norway and has been important for the basis of existence in the North, maybe this trust can grow forward in other contexts, such as the oil and gas industry if the counties recognize the importance and benefits of co-management of resources.

According to Pinkerton (1992), a successful co-management is a knowledge partnership, and we think this could generate different kind of knowledge between the three counties. The three counties have different industrial positions, hence they cannot agree upon everything, but build capacity and share knowledge as co-management theory suggest. The merging of UiT and HiF, exemplifies this. UiT used its strong power to expand its brand at the same time as they contributed to improve HiF's profile. The two counties have shared their power by building knowledge, which resulted to give them both a stronger position. This way, the synergy effect and power sharing is a promoting factor in the context of cooperation in the Northern region. There is a talk about power imbalances in the literature, embedded in broader social relationships; however these imbalances can create synergy effects if one i.e. look at the prospects of building knowledge together

From our primary data we identified that there is mistrust between national and regional authorities related to interests. The general lesson from the international literature is that the interplay, or two-way feedback, between government policy and local institutions is necessary for the evolution of co-management. Moreover, social capital has a major role to play (Armitage et al., 2007). National interests and policies can create tensions and conflicts within the regional interests. The definition of co-management from the World Bank said that especially between the local communities and the national state there is a sharing of responsibility. The theory says further that collective action is the coordination mechanism of the preferred management approach, namely local community-based management. If we look at figure 4 from the theoretical framework and concentrate upon the central authorities and the counties, counties implement control and have authority over decisions and resources in agreement with their comparative advantages. Counties do not operate in separation, but in collaboration with, and with support from municipalities, central government agencies,

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NGOs, and the private sector. Furthermore, central authorities make decisions for municipalities; which respondents valued; however, municipalities are missing capital to facilitate for the industry, in example infrastructure. Some do also criticize the lack of knowledge the central authorities have on Northern Norway.

Moreover, the County Governors must raise their political voice. One example is the airbase that the Central Government decided to move from Nordland to Ørlandet in Trøndelag. So, if the counties stand closer together in the North, they will have stronger authority in national decision making processes. However, Kruse et al., studied the management effectiveness in a native community in Canada, which showed that the involvement from the Central Government increased the likelihood of cooperation. This may indicate that it is necessary to have national guidelines. In our context, people who are not directly involved in the counties can impact and influence cooperation. Looking at LU and High North Policy, maybe the latter is successful due to this fact.

The promoting factor we want to highlight is the interest around a common identity. As we mentioned in the empirical part, voices in the South believe that that Northern Norway must decide and stay together. Even if some respondents meant that there is no “rule” that Northern Norway must speak with one voice, there topic was emphasized as important. This is a promoting factor because it creates unity, thereby trust, among the counties. Our findings showed that there actually was a positive view to a common identity among the respondents. If a common identity can create trust, and trust can lead to cooperation; perhaps the common identity can strengthen the promotion of industrial development in the future, and raise the Northern Norwegian voice in the Parliament.

5.3 Responsibility to cooperate

How can responsibility and cooperation be connected? Recalling the four part model of corporate social responsibility Carroll (1991) differentiates responsibility into four aspects: Economic, legal, ethical and philanthropically responsibility. We have identified that cooperation is not on the level of ethical and philanthropical, the cooperation that exist is on the legal and economical level.

In the theoretical part we established that the desired outcome of cooperation is revenue maximizing (Schuster & Perelberg, 2004), and further that the public sector has other goals than private organizations; in this case maximizing welfare. In the first section of this chapter,

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we revisited Huxham and Vangens bases of why to cooperate; we will again apply some of these bases in this section. If cooperation is a prerequisite for maximizing value creation in Northern Norway, then we argue that the counties have a responsibility to cooperate. In the context of cooperation, and in the process of identifying why the counties cooperate we apply CSR- theory in order to identify if the counties consider any responsibility to cooperate. The respondents consider regional authorities to be responsible for value creation, thus an economical responsibility.

Little indicate that counties act on an ethical and philanthropical responsibility for each other. Considering value creation, the counties do not take special consideration to other counties (do not avoid harm) in the decision making processes.

The cooperative bodies we identified cannot be placed in the ethical or philanthropical level of responsibility. The bodies are governed by central authorities, thus they cooperate only on the legal and economical levels, such as NNR who is 100 percent initiated and subsidized by the Central Government. NNR has increased the efficiency, because Northern Norway has been promoted as one unit and not as three different parts. This partnership in NNR was established because the Central Government allocated money for the establishing of the cooperation. We categorize this body as an economical and legal responsibility.

We identify subsidies and influence from the Central Government, as both a hinder and a promoter to cooperation. Increased governance from central authorities also decrease the level of influence the counties have in decision making processes regarding issues in the North. The involvement can therefore be positive and negative in relation to cooperation.

There is a link between subsidies and cooperative bodies respondents perceive as productive. Of the cooperative bodies, our overall impression is that the three counties consider The Norwegian Barents Secretariat and The North Norway European Office, as the most successful. We found that NC, TC and FC do not compete in the environment these organs operate in, and that they take responsibility to be a “good” cooperative partner in such cooperative bodies.

When the counties are responsible to the central authorities, the cooperation seems to work, and fail when the counties need to be responsible to each other. For this reason the control from the Central Government is a promotion for the cooperation between the counties.

5.4 Cooperation and competition turn into cooptition

In the developing of the industries in the North of Norway, all three counties share many of the same interests, but acts different to achieve them, sometimes in collective actions and sometimes not. All respondents stated that cooperation is an important element when it comes to the development of North Norway. However, “talk is cheap⁵”, and in practice it does not work that well.

In the theoretical framework we presented different concepts on coopetition. Doz and Hamel (1998) use coopetition to describe a situation when potential rivals are neutralized as threats by joining each other in an alliance. Coopetition is a good way to characterize the situation between the counties in Northern Norway.

Coopetition can be viewed as a “game”. Usually, when playing a game, the players choose a certain strategy in order to reach a goal. If we uses this game and put it together with Deutsch’s argument about being interdependent concerning one goal, and dependent concerning another goal we can relate NC, TC and FC with a handball team. The team cooperates aiming at winning the game while they are individually competing as to who is the best player of the team. Nordland, Troms and Finnmark tries to cooperate and set goals together as future developing region, at the same time as each county are competing against each other of building up their own industries. As mention above, the counties cooperate because they want to achieve better performance in a long term perspective, at the same time as they seek this relationship to their competitors. Thus, the coopetition between the three counties is both a strategy and a social relationship.

We now want to look at the level of cooperation and competition between the counties. Firstly, in the tourism industry, the cooperation is strong because of the establishment of NNR. They cooperate together by promoting the region, at the same time as they are competing towards the same customers, the tourists! However, they acknowledge that cooperation is beneficial in the long-run. Thus, coopetition is visible within the tourist industry.

Secondly, in the oil and gas industry, Nordland seeks cooperation with Trøndelag, and Finnmark seeks cooperation with Russia because of large oil and gas resources in the Barents

⁵ Expression which explain that it is easier to say you will do something than to actually do it (saying this in response to someone who promises you something implies that you do not believe that person will keep the promise (IdiomsandExpressions, 2013)).

Analysis

Sea. Thus, oil and gas industry in the North seems to be leaking at both ends. In relation to establishment of new companies, the localization battle is evident in this arena. The counties compete of attracting the largest companies, and other important activities related to the industry. There is a high level of competition on this arena, and from our data we have no examples which show cooperation between the counties. However, the central authorities also see advantages of long-term cooperation, hence the High North Policy.

Within competence we see both cooperation and competition, with a strong competitive level between TC and NC. Some cooperation between the counties exists, mostly between TC and FC. However, between NC and TC there is a rivalry to be the superior competence center in the North. Between the two, it seems to be important to be the first-mover, as facilitating for increased demand for competence in example within engineering. The respondents which are working with industrial development consider competence as the most difficult arena to cooperate on, and that one experience that the universities and colleges are arguing with each other. We consider there to be a high level of competition.

The fishery and aquaculture industry has a high degree of trust as mentioned earlier, and the counties cooperate well in relation to facilitating for this industry.

In relation to minerals the Central Government facilitates for cooperation, but there is a competition for skilled workers between the counties.

We have placed the main industries where the counties cooperate and where they compete:

| Industry | Cooperation | Competition |
|---------------------------|--------------------|--------------------|
| Oil and gas | | X |
| Minerals | X | X |
| Fisheries and aquaculture | X | |
| Tourism | X | X |
| Competence | | X |

Table 21: Cooperation and competition in main industries

Regarding the one continuum figure, previously discussed in the theoretical chapter, the three counties should reduce the competition and slowly start cooperating. However, the two continua figures suggest that there are more opportunities.

According to theory, coopetition is strongest were competition and cooperation is highest. However, one cannot state that this is the best strategic choice. In in the long-term a stronger cooperation between the counties comes to everyone's profit, because it creates stability.

Analysis

On the other hand, competition can increase the effectiveness in the counties. This paradox makes it hard to claim that one position is more beneficial than the other. The different sectors have different levels of competition and cooperation, and the best strategic choice for each sector is not necessarily the same.

From the discussion above, we find it reasonable to claim that the competition between NC, TC and FC's is strong. Cooperation is weak; there are few driving forces to build a cooperative community in the North, either from the politicians or others.

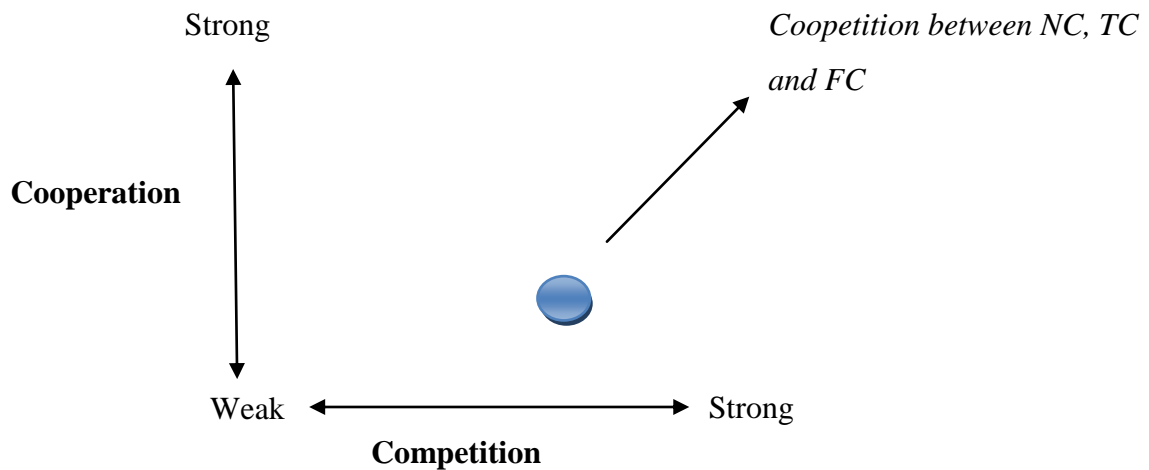


Figure 11: Coopetition between NC, TC and FC (Bengtsson et al., 2010, p. 199) and (Eriksson, 2008, p. 431).

Further, as mentioned in the theory chapter the mix of cooperation and competition may not be constant over time, and dynamic coopetition behaviors could develop. Bonel and Rocco (2007) talk of external and internal factors that can influence competitors' desires and behaviors related to cooperation.

Analysis

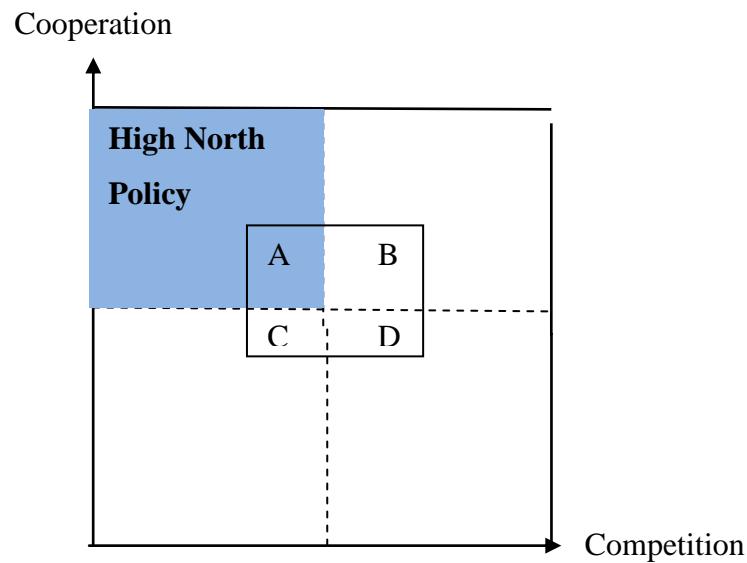


Figure 12: Temporal dimensions of cooperation (Kylanen & Mariani, 2012, p. 69).

- A: Long -term cooperation and short-term competition
- B: Long- term competition and cooperation
- C: Short- term cooperation and competition
- D: Long- term competition and short- term cooperation

External factors can influence NC, TC and FC's behavior towards cooperation. The hindering factor that the counties seek cooperation in different directions might be explained by this, and create uncertainty to cooperate between each other. The High North Policy is placed in box A; the policy is a long-term strategy for the future development in Northern-Norway. This implies long-term cooperation in the region; nevertheless short-term competition is needed to maintain effectiveness and development. The policy has achieved many of its objectives and has given many positive ripple effects to the North. However, there is no formula to what the best strategically choice is, but Czakon's definition mentions that competition in the long-term, quadrant B, are the most appropriate. However, this is not necessarily the best strategy for the three counties. We cannot place the counties in one of the boxes based on the current situation, but suggest that defining clear areas where each county is willing to cooperate and compete is necessary. Hence, box A and B where long-term cooperation is a common factor can create stability in the region and in turn might raise the

Analysis

regions voice. As the industries are too different, one cannot define whether long-term or short-term competition is beneficial. Maybe it is time to form more fragmented cooperative bodies, industry by industry such as NNR where only one industry is represented. In this way, the cooperation is more related to the businesses in each county, than to the political level.

6 CONCLUSIONS, CONTRIBUTIONS AND FURTHER RESEARCH

6.1 Conclusions

This research has studied hinders and promoting factors related to cooperation between the Northern Norwegian counties. Based on the four theories, we identified four concepts which formed a foundation to find these concepts: process, power sharing, responsibility and cooperation and competition.

We will now look back to the discussions in the analysis, and draw out the main findings, which will make up our conclusions. These are listed below:

Hindering factors:

1. Local political priorities decrease focus on cooperation between the counties.
2. Short term perspective and focus on local electorate hinder cooperation.
3. A tendency that the counties want to be superior, tensions due to national decisions and mistrust between regions and national authorities (counties, regions and national interests).
4. The counties seek cooperation in different directions.
5. Subsidizes from the Central government decrease influence on own decisions in the North.

Promoting factors:

6. Common interest to develop the region.
7. Involvement from the Central Government.
8. Building common translation in local “time and space”, in the oil and gas industry.

Below figure 13 illustrate the main factors:

Conclusions



Figure 13: Factors which promote and hinder cooperation between the Northern Norwegian counties.

Conclusions

The blue boxes are the main concepts. From these we have through the empirical data and the analysis established hinders (the red boxes) and promotions (green boxes). The yellow circles are suggestions to how the level of cooperation between the counties can be increased.

In the analysis we argued that a hinder to cooperation is the politicians local priorities because the election period is short, temporal focus and short term perspective on political issues. As the local and regional environment change, this can result in instability in the institutional environment. Comparing LU and the High North Policy, we assume LU was affected by this factor. The High North Policy is not affected by the changing county politicians and do not experience the instability in the environment. This might be the reason why the High North Policy still exists.

Further, involvement from the Central Government appears to decrease the rivalry between the counties. Involvement also promotes cooperation by facilitating for cooperative bodies. When the Central Government facilitate it is both of a legal and economical responsibility where they try to manage relationships between the three Northern counties. Based on this discussion we consider it is necessary to have involvement from the Central Government, especially within the creation of a common strategy for the Northern areas.

Representatives from NHO believe that dissolving the county borders and creating one administrative region will increase development in Northern Norway. This can contribute to a decrease in the competitive environment, and as a result getting rid of three political systems which disagree, compete and do not get along. Related to power sharing, which is one of our factors there is a tendency of rivalry between the counties. From the theory, we found that knowledge partnerships can decrease this rivalry; the counties can build knowledge and competence together in different industries in the future development. Perhaps the great opportunities in the North regarding oil and gas development can be the opening of such cooperation? In this way it is possible to achieve a greater focus on establishment of knowledge partnerships. So, instead that the counties concentrate too much upon cooperation on the political level between the counties, they should focus on an industry to industry cooperation. Even though such cooperation exists between the counties today, it is not visible enough for the public. With this we mean that each county should be better to promote such cooperation between the county borders.

Another hinder is that the counties seek more cooperation elsewhere than between the counties. One reason to this might be that they find other cooperative “partners” which are more similar to themselves.

Conclusions

We think that it is possible for cooperation despite of differences; these can create positive synergy effects, such as knowledge partnership which can further be combined with competition. Knowledge partnership can create long-term cooperation, at the same time as the counties competes on achieving good performance within the different industries. This will help the counties to increase stability in the region, and the notion of “cooperating where we will, and compete where we must” might be optimal regarding cooperation between the three counties.

Henry Ford (year unknown) once said: “Coming together is beginning. Keeping together is a progress. Working together is success.” Through our data collection we found a common interest among the respondents to develop the region together, and that a common identity could promote this and give success as Henry Ford mentions. However, there is great interest; but few actions. As we saw in the analysis, involvement from the Central Government increases the likelihood of cooperation. Thus initiatives such as the High North Policy are important to signal the regions importance, not just in a North Norwegian context, but at a national and global level.

While both of us were studying in Russia last semester, we learned to know the famous Russian fabulist Ivan Krylov. One of his fables; “the Swan, the Pike and the Crab” describes how three different animals with different capabilities try to cooperate (Krilof, 1906). So it sounds:

The Swan, the Pike, and the Crab

WHENE'ER companions don't agree,

They work without accord;

And naught but trouble doth result,

Although they all work hard.

One day a swan, a pike, a crab,

Resolved a load to haul;

All three were harnessed to the cart,

And pulled together all.

But though they pulled with all their might,

The cart-load on the bank stuck tight.

Conclusions

*The swan pulled upward to the skies;
The crab did backward crawl;
The pike made for the water straight —
It proved no use at all!
Now, which of them was most to blame
'Tis not for me to say;
But this I know: the load is there
Unto this very day*

(Krylov, 1906)

We will now be a bit speculative; we have the Swan, the Crab and the Pike. Finnmark being the Crab pulled in different directions by Troms (the Swan) and Nordland (the Pike). The Swan fly proudly off, the Pike adaptively lurk in the reeds and the Crab hiding behind the rock when the swan buzzes with feathers. The Swan is trying to pull the cart ahead of the two others, but the Crab is pulling back and the Pike try to pull the vart down. The cart does not move; “the three counties” pull the cart in three different directions. The cart has been standing still for too long. But none of them can move the cart alone.

Perhaps it is time to cooperate; move past hinders, focus on the possibilities, and pull the cart forward?

It is quite simple, we do know that they have one common element; the ocean. Further, they have one common goal; good prospects in the future.

The Swan and Pike can swim, while the Crab can hold the direction underneath the other two. Moreover, cooperate together as a team and focus on their own qualities, while working together to reach a common goal: to create a strong region which have great future prospects!

Keep in mind: *Most of it is North!*

6.3 Contributions

Firstly, we want to emphasize originality in the thesis. Cooperation has often been researched, but there are few research projects which have looked at cooperation between the Northern Norwegian counties. This research is also a contribution to the question of opening the counties borders in Norway, and rather creates larger regions.

According Whetton (1989) a theoretical contribution will involve an improvement of the already existing knowledge. Three of our theories are not strongly promoted in the field. Thus, we feel that our contribution to the co-management theory, the travel of ideas and the cooperation theory, lies within the fact that we have showed these three theories can be applied in the reality of institutions.

6.4 Suggestions for further research

The topic of research can be fragmented into many smaller research projects, and the reader has probably identified some of these during the process of reading this thesis. We will present two concrete suggestions for future research in this section.

1. During the data collection many respondents were interested in the cooperation the counties in Western Norway regarding building a new Europe road from Kristiansand to Trondheim. The road was exemplified as a symbol of how one can cooperate in large geographical areas, and with many different interests and achieve a common goal. This cooperation is for us very relevant, and we think it would be interesting to do a comparative study, between the counties in the Western Norway and Northern Norway.
2. We will also suggest dividing the topic of research into smaller areas, i.e. by only looking at how the cluster at Helgeland (in Nordland County), and municipalities like Alstahaug, Brønnøy, Vefsn and Rana are cooperating related to the oil and gas industry.

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Appendices

8 APPENDICES

Appendix A

Topics in the interview guide

| | |
|----|--|
| A) | Basic data about the respondent (county, role/position, date and place) |
| B) | Process (initiatives and ripple effects in the counties) |
| C) | Power sharing (about the counties position and competitive advantages) |
| D) | Responsibility (distribution structure, who is responsible for industrial development) |
| E) | Cooperation and competition |
| F) | End (if there was any related information the respondent wanted to add, and how the respondent wanted to be contacted if we had some more questions later) |

Appendix B

Interview guide

About the participant

Respondent:

Company/Organization:

Role:

Date/Location:

Process

- 1) Can you mention some actions, taken by your county, which will give positive ripple effects for the entire region?
- 2) What do you give attention to, when it comes to industrial development in your county?
 - Attracting large companies for example Aker Solutions?
- 3) What steps should the regional political actors take to achieve greater influence?
 - Political decisions?
 - Be focused on the opportunities laws and regulations gives?
 - Be active in the processes of knowledge and reasoning?
 - What are the processes?
 - How can one get involved in the process?
 - Political and administrative involvement?
 - What skills should for example the counties do to become a real participant in processes?

Appendices

Power sharing

- 4) How do you think the national interests in Norway are followed in relation to the regional interests?
 - High North strategy?
 - Strategies in the county?
 - Strategies in the municipality?
 - Are there any conflicts of interests?

- 5) How do you look at your county's position compared to the other two counties in the North?
 - Is this (position) a deliberate strategic choice for further industrial/economic development for your county?
 - Is this a deliberate strategic choice for further industrial/economic development for the whole region in the North?

Responsibility

- 6) How do you consider the allocation of resources between the municipalities is in your county? (In relation to share the "benefits" in each municipality/city)?
- 7) Who should influence the allocation of resources and why? Is there anyone who does not have enough influence today?

- 8) Who do you think have a role in future value creation of industrial/economic development in the North of Norway? Why?

Cooperation and competition

- 9) What do you think is important to utilize the resources in the Northern-Norway?
 - Cooperation?
 - Competition?
 - Innovation?

Appendices

- 10) Do you think that the three Northern Norwegian counties can raise the region together, as one unit?
- 11) What is your county's competitive advantage?

Ending

- 12) What role will the counties in the North have in the future?
- 13) Is there anything we did not talk about within the frames of the topic that you want to mention?
- 14) Can we contact you again if there is any additional information we need?
- 15) How do you want us to contact you?

Appendix D

Map of Nordland VI, VI and Troms II



(Taraldsen, 2013)

Appendices

Appendix E

Employed persons 15-74 years, by industrial division and county, 4th quarter. Table own production.

| Employed persons 15-74 years, by industrial division and county in %, 4th quarter 2011 | | | | | |
|--|-----|-----|-----|------------------|----------------|
| | NC | TC | FC | Tot North Norway | Rest of Norway |
| Agriculture, forestry and fishing | 9 % | 5 % | 4 % | 18 % | 82 % |
| Industrial Activities | 5 % | 2 % | 1 % | 8 % | 92 % |
| Domestic trade, hotels, restaurants, transport and communication, financial intermediation, real estate, business activities | 4 % | 3 % | 1 % | 8 % | 92 % |
| Public administration and defense, compulsory social security | 6 % | 4 % | 2 % | 13 % | 87 % |
| Education | 5 % | 4 % | 2 % | 11 % | 89 % |
| Health and social services | 5 % | 4 % | 2 % | 11 % | 89 % |
| Other personal activities | 4 % | 3 % | 1 % | 8 % | 92 % |
| Unknown | 4 % | 2 % | 2 % | 7 % | 93 % |

Appendices

Appendix F

List of respondents

| Respondent | County/Organization | Field | Location |
|-------------------|--|--|-----------------|
| 1 | The Confederation of Norwegian Enterprise (NHO), Nordland | Regional development | Bodø |
| 2 | Nordland County | Industrial and regional department | Bodø |
| 3 | Industrial cluster at Helgeland, Nordland | Petroleum and local politic | Sandnessjøen |
| 4 | Nordland County | Politician | Bodø |
| 5 | Nordland County | Politician | Bodø |
| 6 | The Confederation of Norwegian Enterprise (NHO), Troms | Regional development | Tromsø |
| 7 | Troms County | Plan and industrial department | Tromsø |
| 8 | Troms County | Plan and industrial department: Fishery and aquaculture | Tromsø |
| 9 | Troms County | Plan and industrial department: Petroleum | Tromsø |
| 10 | Troms County | Culture department | Tromsø |
| 11 | Troms County | Politician | Tromsø |
| 12 | Finnmark County | Plan and culture department | Vadsø |
| 13 | Finnmark County | Plan and culture department | Vadsø |
| 14 | The Sami Parliament, Finnmark | Politician | Karasjok |
| 15 | The Confederation of Norwegian Enterprise, Finnmark | Regional development | Vadsø |
| 16 | The Sami Parliament, Finnmark | Politician | Karasjok |