Public Relations in Norway: Communication in a Small Welfare State

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Introduction

Norway is a small kingdom in Northern Europe that has topped the United Nations’ list for human development for several years. Unemployment, inequality, and population growth are low among the country’s 4.6 million inhabitants. Norwegians enjoy high life expectancy, a high education level, high health expenditure, as well as high income and a high GDP per capita (United Nations Development Programme, 2006). As in the rest of the Scandinavian region to which it belongs, the electoral supremacy of social democracy has been pronounced (Arter, 1999). The Norwegian state has been described as both corporatist and based on an ideology of welfare capitalism where free market activity is balanced against government intervention. The nation’s economy is largely dependent on petroleum; a fourth of the Norwegian wealth creation is tied to this industry. Norway is the World’s eight largest producer of oil and only Saudi Arabia and Russia exports more oil (Ministry of Petroleum and Energy, 2006). In 2007, the economy is booming and the nation’s public relations industry is thriving, as reputation seems to have increased in importance for Norwegian businesses and organizations in general.

Two overarching questions are addressed in the following sections: What is the nature and status of public relations in Norway, and, secondly, how is this practice influenced by environmental factors? The first main section gives a short overview of the history and development of the profession, the status today, the image and standing of the profession, associations, education, and the ethical debate within the field. The second main section highlights the importance of (a) the infrastructure: the political, economic and legislative system, as well as the activism level, (b) the culture, and, (c) the media system. These factors are used to discuss the peculiarities of Norwegian public relations, before a small case study illustrates some of these points further. The chapter ends with a conclusion part that rounds up the discussion.
The Nature and Status of Public Relations in Norway

Public Relations History and Development

Going back to the Vikings, Norwegians have a long history of caring for their reputation. The following stanza from The Poetic Edda (The Poetic Edda, trans. 1996) is quite telling:

Cattle die, kinsmen die
the self must also die;
I know one thing that never dies:
the reputation of each dead man.

Although the Vikings made good use of their reputation during two centuries of raids into Europe, public relations in the modern sense is probably linked to the rise of the mass media, industrialization and the introduction of parliamentarism. The first Norwegian weekly newspaper was launched in 1763 and the first daily newspaper in 1819 (Høyer, 1995). It could be hypothesized that the establishment of a market economy during the 19th Century also led to increased attempts to get media coverage. At the turn of the century, Norway had become an industrial country, albeit one of the poorer ones in Europe (Hodne & Grytten, 2000). Some years ahead, in 1884, parliamentarism was introduced, which in turn led to increased lobbying from organized interests representing for instance farming and religious interests (Espeli, 1999).

When Norway gained its independence from Sweden with a referendum in 1905, this was a result of a rising nationalism that probably could not have taken place without public relations efforts. Still, little is known about public relations in the late 19th and early 20th century. It can, nonetheless, be mentioned that a newspaper ad from 1920s invited applicants for a position as “propaganda secretary” in the nonprofit foundation the Norwegian Fire Protection Association. This indicates that at least some organizations did attempt to
systematize their public relations activities, although the mentioned job title would go out of fashion some years later as “propaganda” took on a more sinister meaning.

Some argue that the Norwegian public relations profession really is a phenomenon from the period after the Second World War. The first associations were established in this period, and the first book on public relations was published in 1960. Quite tellingly, the title of the latter was *Public Relations in the U.S.A.* (translated) (i.e., Apeland, 1960). The influence from the U.S.A. was important for Norwegian public relations, and the professionalization of the field has largely followed the trends in the U.S.A. (Klasson, 1998).

During the 1950s and 1960s, the personnel department in Norwegian businesses usually handled the internal information, while the marketing department handled the external public relations function. This changed during the 1970s as more businesses set up public relations departments, in part as a product of increased democratization at Norwegian workplaces. When workers’ representatives were allowed into the boardrooms, this led to more openness. Another factor that is singled out as important is that a new public information act opened much of the archives of Norwegian government bodies during the same period. This provided new opportunities for Norwegian journalists, which in turn created a need for development of the public relations function both in the public and private sector (Haug, 1993; Klasson, 1998).

In the 1980s the public relations managers often moved into the boardroom as public relations directors (Haug, 1993). Increasingly, the practitioners have become managers, and started working strategically. Some also claim that public relations has won more professional recognition (Klasson, 1998). However, text production is said to be making up most of the practitioners’ work, although the amount of strategic counseling is growing. A study published in 1994, showed that it was more likely for Norwegian practitioners to be technicians, compared with practitioners in Austria and the United States (Coombs &
Status Today

During the first decades after the Second World War, the term ‘public relations’ was in use among practitioners. Later a Norwegian phrase was introduced, literally translated “information and relations with society” (‘informasjon & samfunnskontakt’) (Haug, 1993). Some authors and journalists argue that this translation was an attempt to get rid of the negative connotations of PR and public relations and improve the image of the industry (Allern, 1999). Today, both the media and quite a few practitioners themselves, frequently use the short term PR, although ‘informasjon & samfunnskontakt’ is often used in job ads, etc. A host of different job titles are found in such ads, including “communication advisor,” “information officer,” “information consultant,” etc.

As elsewhere in the Western world, the growth of the public relations industry has been immense. Guesses on how many people in total that work in public relations in Norway (agencies and in-house) have ranged from under 3,000 at the lowest (Haug, 1993), to 5,000 at the highest (Allern, 1997). The figure 4,000 is the latest found in the literature (Allern, 1999). The numbers are uncertain, as no official statistics exists. In 2007, the Norwegian Communication Association (NCA) has more than 2,600 members. In the latest annual report, however, the association declares that this number is unsatisfactory and that the potential membership number is much higher (Kommunikasjonsforeningen, 2007).

The first Norwegian public relations agency was probably Apeland Informasjon, established in 1958. In 2007, there are over 30 agencies in Norway. Those associated with NIR--the national agency association (see below)--had a total revenue on NOK 260 million in 2005 (approximately USD 43 million), which is a 25 percent growth compared to 2004 (NIR, 2006a). A reasonable estimate seems to be that the total revenue of the Norwegian public relations industry is close to NOK 400 million (approximately USD 65 million), given the
fact that the large NIR outsiders (Geelmuyden.Kiese, JKL, and KREAB) had a combined revenue in 2005 of NOK 95 million (approximately USD 16 million).

The largest agency is the locally owned Geelmuyden.Kiese with 70 employees, and offices in Denmark and Sweden (revenues of NOK 56 million in 2005). Geelmuyden.Kiese is partner for Ketchum in the Nordic region, and has been instrumental in putting the public relations industry on the public agenda as it has kept a rather high profile. Other large agencies include Burson Marsteller (revenues of NOK 43.8 million in 2005), Gambit Hill&Knowlton (revenues of NOK 30.7 million in 2005), Apeland Informasjon (revenues of NOK 27.1 million in 2005), and JKL Norway (revenues of NOK 24.5 million in 2005) (*Dagens Næringsliv*, 2006; NIR, 2006b). During the late 1990s and the 2000s, the importance of the agencies increased and several new ones were set up. Anecdotal evidence indicates that in the past few years, the media has more frequently turned to the agencies for expert comments on communication activities of public figures or organizations. A qualified guess is that more or less all the larger companies and public institutions in Norway either use or have used an agency, on a regular or ad-hoc basis. In the 2005 membership survey of NCA, 69 per cent said that they had used a public relations agency in the last three years (N=1148) (Kommunikasjonsforeningen, 2006).

The huge growth has also made it difficult for the agencies to hire qualified personnel, as one of the authors experienced first hand as CEO of one of the larger agencies--JKL. After a period with journalist lay-offs, media has again started to hire people. Combined with a severe shortage of experienced consultants, the industry has not been able to take full advantage of the increased demand in the market.

In many areas, public relations agencies have replaced advertising agencies in terms of giving strategic communication advice. The fact that many Norwegian public relations practitioners these days have a seat at the decision-making table in their organizations, has
been used both as an explanation of the growth of the industry and an accompanying
dramatic revenue fall in the advertising industry. It is also a sign of a relative recent structural
change within the public relations industry itself. Several companies are specializing or
diversifying in a much broader extent than before. Agencies like Burson Marsteller and
Geelmuyden.Kiese are so-called full service consultancies, offering both strategic advice and
operational capacities. Smaller companies are following a different strategy, e.g. the JKL
Group that follows a dual brand strategy where it has established a subsidiary (MS&L) to
penetrate the product-PR and implementation market. One of the most successful new
entrants in the public relations markets the last years has been PR Operatørene. This firm is
specializing in product PR, and claims that they are all about implementation and creativity.
They do not market or sell communication strategies as such. The growth of PR Operatørene
has been spectacular, and after just a few years in business the company is among the largest
and most profitable in Norway with a revenue of almost NOK 13.6 million in 2005 (NIR,
2006a).

Businesses operating in Norway have traditionally turned to the public relations
industry when they have experienced a media crisis or needed an add-on to the marketing
campaign launching a new product. This is changing. Demand is increasingly driven by the
need for advice when it comes to communication strategy, communication in financial
transactions (e.g. M&As, IPO’s), investor relations activities or when companies experience
regulatory challenges. More and more often blue chip companies or wealthy people turn to
the public relations industry when they need access to the networks that the agencies or the
individual practitioners have in the media, the Parliament, the Government, or the
bureaucracy.

Although the share of strategic counseling is increasing, the demand is still driven by
a focus on operational activities. According to an industry survey 23 percent of the revenue in
the agencies derive from operational media advice, 20 percent is tied to text production to printed media and 16 percent of the revenue is earned as a result of strategic communication advice. The private sector contributes with 65 percent of the total revenue, whereas the public sector demand for public relations services is about 15 percent of the revenue (NIR, n.d.).

The Norwegian agencies are, however, relatively immature as an industry in terms of its body of knowledge. Few companies base their counsel on well-documented processes or methodology. Instead, advice is often rooted in good, common sense situational analysis, the professional experience of the consultants, as well as their gut feeling, and networks in the media, business and government. Among politicians it is apparently a common viewpoint that the agencies often are demanding good compensation for selling very basic knowledge about the political system (Allern, 2001a). As the clients increasingly regard the advice of the agencies as having strategic value, the agencies are more and more compared to other professional service firms and their processes and methodologies. The industry has therefore identified a need for professionalization.

The need for professionalization also seems to be pressing for in-house consultants. It is, for instance, quite telling that 17 per cent of the participants in NCAs latest membership survey said that their organization did not scan their environment in any systematic fashion (N=1141). 31 per cent said that their organization did not have a public relations plan, or that this plan was either outdated or not implemented (N=1138) (Kommunikasjonsforeningen, 2006).

*Image and Standing of the Profession*

The Norwegian Prime Minister actually participated at the inaugural meeting of the first Norwegian public relations association. Since then, however, the image and standing of the profession has fluctuated. Media exposés regularly feature practitioners conducting unethical or borderline unethical business. Much of the debate has focused on public relations
agencies and their methods in particular. Norwegian agencies have been accused of, for instance, insider trading, constructing front groups, arranging and paying for protest demonstrations, and planting anonymous negative information about their clients’ competitors (Ihlen & Robstad, 2004).

In March and April 2007 (as this article is written) the largest ever insider-trading case is held in front of the Norwegian court. A group of investors and one of the most experienced public relations consultants in Norway are being accused of insider trading. The public relations advisor, Rune Brynhildsen—a partner at Brynhildsen Woldsdal PR, is accused of distributing inside information on three listed companies to close friends (e.g., Sunnanå, 2007).

The tremendous growth in the industry during the 1990s also led to debate about the very existence of public relations agencies and their influence on democracy. The publishing of a book about the industry and the airing of a critical documentary on the main television station set the agenda for this debate (i.e., Allern, 1997; NRK, 1997). It was asked whether the public relations agencies contribute to undue political influence, giving those with the ability and willingness to buy advise ready access to the media and key politicians. The key question was: Would the existence of public relations agencies move the development away from the ideal of “one human, one vote”? Not surprisingly, the agencies themselves defended their existence, arguing that buying public relations advice is just like buying other types of advice. Some practitioners also chose a more aggressive strategy, claiming that public relations in fact improve democracy by offering advice to those that do not have political connections, knowledge about how the media work, or the best ways to present their arguments. While huge corporations often have these resources in-house, selling public relations advise, it was argued, could in fact help counter the privileged influence of these huge corporations by making the knowledge available to others too (Ihlen & Robstad, 2004).
In a corporative society like Norway, it is, however, no doubt that the industry in many cases serves as power brokers for their clients. Most of the large agencies claim that they are able to move political power in favor of their clients, e.g., “Geelmuyden.Kiese moves power and influence in favor of its clients through communication” (translated) (Geelmuyden-Kiese, n.d.). This area needs further study, but anecdotal evidence indicate an increasing trend that senior public relations consultants are influencing political decisions and media coverage on behalf of commercial interests. One of the authors of this chapter argue that political power is for sale, and that companies may impose real political power if their approach is opportunistic and in consensus with the media and political reality. In an op-ed article he voiced a need for a broad debate on the consequences when democratic and political power is up for grabs for those who have the resources and opportunistic mindsets (Rakkenes, 2006). At the time of writing, NRK, the largest media institution and a public broadcaster, is putting a lot of resources into the production of a documentary series that is to air in 2008, where they try to describe the public relations industry’s influence on the democracy. The television station is following concrete projects involving the weapon industry and the battle to sell new fighter aircrafts to Norway, a political party (the Conservative Party), and the race for the winter Olympics 2018.

Another type of criticism of the industry focuses on the relationship with the media, and it is pointed to instances where the media uses material from public relations agencies and business without revealing that the coverage was indeed based on such material (Allern, 1997; NRK, 1997). In some journalistic accounts, like the 1997 documentary, public relations is made to look like a type of mysterious source, conducting a type of business that can’t stand the light of day. One of the results from the debate that followed was that the media updated their own guidelines for ethical practices and undertook an “ethical cleansing,” kicking out 150 public relations practitioners from the Norwegian Press Club (Ottosen, 2004; Raaum,
Nonetheless, research indicates that the media still make widespread use of material that is provided to them (Valdø, 2005). As pointed out in the 1990s, when the media struggles with downsizing and lack of resources, using public relations material becomes tempting for economic reasons (Allern, 1997). Publicly though, journalists, and editors in particular, often like to keep a distance to the public relations profession.

Although it seems that journalists and some practitioners thrive on the mystery shrouding the profession, anecdotal evidence indicate that public relations is now an accepted profession. As mentioned, most large organizations, including public institutions, do contract agencies. Still, public relations is an open profession, and the level of professionalism and ethical thinking is unevenly distributed among the practitioners (see later section on ethics). This also contributes to the negative media coverage the profession receives at regular intervals.

**Associations**

The first public relations association was established in 1949 and named the Norwegian Public Relations Club. Its first president had been head of the Norwegian Information Service in the U.S.A. during the Second World War, and was inspired by the development of the public relations field there. An interesting adaptation to the Norwegian context was that public relations, as acknowledged by the club, should be applied for “the good of society,” rather than economic profit. Practitioners from business organizations were not admitted the first eight years (Mørk, 1994).

In 1969, the club still had only 100 members, and merely two were women. In 1972, the club altered its name to the Norwegian Public Relations Association. In 1982, the association merged with an association of editors of internal newsletters in 1982, and then in 2000 with the Forum for Public Information. Along the way, the association also changed its
name and today is known as the Norwegian Communication Association (NCA).

When NCA merged with the Forum for Public Information, this was the result of a long discussion of the similarities between public relations in the private and public sector. The latter association had been established in 1975. During the 1960s and the 1970s, the Government and the state administration became a major actor in the professional development, marking an increasing schism between private and public sector public relations. The association also enjoyed a close cooperation with the Norwegian Central Information Service, the central government administration’s specialist body. This agency was for many years a driving force in the professionalization of public relations in the public sector, publishing reports and arranging conferences. Consequently, the Norwegian Government’s information policy could be seen reflecting thoughts from the public relations body of knowledge, especially the thoughts on symmetry (Statlig informasjonspolitikk, 1995).

As mentioned, today NCA has over 2,600 members. 61 percent are women, and 55 per cent work in the private sector (Kommunikasjonsforeningen, 2007). NCA arranges seminars, conferences, hands out awards, and publishes its own magazine. Norwegian public relations agencies are organized in the Norwegian Public Relations Consultants Association (NIR) and currently (2007) has 23 members. As pointed out, however, some of the bigger agencies are not members; this includes the largest agency Geelmuyden-Kiese.

Education

Norway has a split structure of public higher education, traditional universities on one side, and university colleges on the other. The latter has traditionally been vocationally oriented. In addition, some private institutions do exist and the business school the Norwegian School of Management is first among them. The Norwegian School of Management also offered the first extensive public relations course in Norway, in the
beginning of the 1980s. Starting in the early 1990s the university colleges of Volda and Hedmark followed, at first offering two-year degrees in Public Information and Communication Management respectively.

Today these three institutions all offer BA degrees in public relations, but they have a slightly different profile. Whereas the education at the School of Management is geared more towards business and the private sector, Volda and Hedmark prepare students for work in both the private and public sector. Volda has an emphasis on technical and managerial courses, also making use of its strong tradition in journalism education. Hedmark has offered a closer focus on organizational communication, and the public Norwegian Agency for Quality Assurance in Education has approved the establishment of an MA in public relations here.

The Norwegian School of Management offers a one-year part time Master of Management program with a focus on public relations. Several students in media and communication at the University of Oslo and the University of Bergen have also written theses on public relations. The Department of Media and Communication at the University of Oslo also offers single BA and MA courses in public relations. Public relations is also taught in some other institutions, for instance Lillehammer University College that offers a part time one year program in “communication counseling.”

Currently there are no full-time full professors in public relations in Norway. Only few of the teaching staff holds doctorates and when they do, it is seldom in public relations. This has led some commentators to argue that Norway is a laggard in Europe in this sense (Horsle, 2003).

Looking at the top practitioners in the field, few of them have an education in public relations and many public relations managers are still recruited from the journalist ranks. One survey of 251 practitioners indicated that more than one out of three had been journalists
A membership survey from NCA in 2005 indicated that 73 per cent of the members had more than three years university education. 44 per cent had 1–3 years of education in the field of “information, media or PR,” while 17 per cent declared they had more than three years education within this field (N=1148) (Kommunikasjonsforeningen, 2006).

**Ethics**

Until 2007, NCA had its own deontological (duty) based ethical guidelines, stating, for instance, that the members should strive for transparency, be loyal to their organization, but also protect their integrity, and work to be trustworthy. These ethical guidelines were to be replaced with ethical *principles* in 2007, and it was argued that this could help keep the ethical debate within the field alive (Kommunikasjonsforeningen, 2007). The 2005 membership survey of NCA indicated that 43 per cent felt the ethical level in the profession was high, but 45 per cent chose the option “neither high, nor low” (N=1145) (Kommunikasjonsforeningen, 2006). Still, in a survey of 251 Norwegian practitioners, it was shown that the “client syndrome” was widespread, that is, the practitioners were closely attached to their employers. These ties were felt stronger in the private sector, than in the public sector. A clear majority felt that the profession often faces ethical problems (Gabrielsen, 2004).

The association of the agencies, NIR, has a set of ethical norms that currently are under revision. In 2005, the ethics committee of NIR resigned (both the authors were members here), protesting how NIR treated the committee’s statements concerning two members, one of them the NIR chair, that had been working for an organization built on a pyramid scheme. Some agencies pulled out in protest afterwards (including JKL), also protesting how the NIR management had asked them not to debate the issue publicly. In an op-ed. article in the main business paper, the main author together with the committee’s
business ethics professor argued for transparency and that professional ethics should be a goal in itself and not a means to improve reputation (Ihlen & Brinkmann, 2006).

The ethics debate is still raised every now and then, and at the time of the writing the launch of a new book on “how to succeed with public relations” was accompanied with an attack on the industry. The author of the book argued that the agencies were charging too much for their services, hiding conflicts of interest, and disappointing their customers (Mejlænder, 2007a, 2007b). The practitioners’ associations denied the allegations, and accused the author of slander and poor research. Still, it was admitted that the industry did not meet all ideal standards (Jensen, 2007; Lund, 2007).

Environmental Factors and Public Relations Practice in Norway

In this section we will first give an overview of the context that affects public relations in Norway regarding the infrastructure (the political, economic, and legal system, and the level of conflict and activism). Then the Norwegian culture and the mass media system are discussed.

Infrastructure

**Political and Economic System.** Norway is a kingdom where the King’s council--the Council of State--holds the executive power, and the members of the council make up the government. The King has little real political power, but has a symbolic function. The Storting--the Norwegian Parliament--is the legislative and budgetary power, and the government depends on the confidence of the Storting. The Storting currently consists of seven main political parties. The Labour Party (www.dna.no) is a social democratic party that has been the largest party in every Norwegian election since 1945. The Socialist Left Party (www.sv.no), which tellingly positions itself further to the left, has never significantly threatened the position of Labour. At the time of writing, the government is a coalition, made up of Labour, the Socialist Left, and the Centre Party (www.senterpartiet.no).
Although the Conservative Party (www.hoyre.no) has been the second largest party for most of this period, it has had competition from the Christian Democratic Party (www.krf.no), the Centre Party (www.senterpartiet.no), and the Liberal Party (www.venstre.no). The Conservatives and the three other non-socialist parties have all formed governments together. The Conservatives have only held office alone on one occasion, between 1981 and 1983. An additional competitor on the right wing of Norwegian politics has been the Progressive Party (www.frp.no), which from 1989 has been a force to reckon with, although it has never been part of the government. Today, it is the second largest party. Closer analysis and overviews of the Norwegian political system are found in several different books (e.g., Arter, 1999; Christensen, Egeberg, Larsen, Lægreid, & Roness, 2002; Lijphart, 1999; Rønning, 2001; Skare, 1987; Strøm & Svåsand, 1997).

Apparently, Norway seems to violate many of the requirements that are necessary to prosper according to mainstream theory of economics. The differences are small, the taxes are high, the public sector is huge, the unions are strong, and the welfare state is generous. Nonetheless, as pointed out in the introduction, Norway has sustained high growth, low unemployment, and low inequality. In 2006, the research centre ESOP was formed at the University of Oslo to study this paradox (ESOP, 2006).

The Norwegian State plays an active role in Norwegian economy and society, and has a long-held tradition in this regard. From 1945 until approximately 1980, a social democratic program for governance and development of the welfare state prevailed. The Labour Party had a key role in this. During its governance, a range of state-run enterprises were set up and led by people with close ties to the party. Furthermore, during this period the market was largely set aside in favor of a peculiar form of “bargaining economy” between the state on the one side and business and industry on the other. Organizations and corporations were interwoven in the administrative system; political and economic arrangements and decisions
were made in negotiation between public and private actors. The Norwegian State during this period has been described as being corporatist and technocratic, as well as permeated by a goal-driven rationale adopted from economic science (Hernes, 1978; Olsen, 1983; Østerud, Engelstad, & Selle, 2003).

Starting in the 1980s, however, reforms were introduced into the Norwegian political system, and market models were increasingly adopted for use in the public sector. It has been argued that the macro-economic policy instruments of the Labour government seemed to fail in the new economic situation of the 1970s. What is certain is that the hegemony of the Labour Party and its social democratic program evaporated. During the 1980s, public companies and property were privatized; public bodies were made independent or turned into companies (Christensen et al., 2002; Østerud et al., 2003).

During this new phase, the day-to-day detailed governance gave way to a governance system, which put more emphasis on the ministries’ formulation of general guidelines. These guidelines advocated that public companies should have more freedom and pursue commercial interests. These reforms took place, in part, due to increasing public expenditure and pressure on public budgets, but were, by and large, politically driven. The income from the petroleum sector had to some degree shielded the old system. Now, however, “change” and “market orientation” had become overriding values. The official political rationale was that the citizens, in their new capacity as consumers and clients, would be better off with a more effective and responsive system. The effect of the changes has been that the corporatist governance system has been weakened in comparison to professionalized lobbying and mass-mediated influence (Christensen et al., 2002; Østerud et al., 2003). The weakening of the strong corporatist traits, and the new emphasis on the importance of the market has also meant that public institutions are more concerned for their reputation, and see the value of investing in public relations. Public figures can also be held accountable by the media, and
savvy operators in politics or business are increasingly using public relations techniques. The 2005 NCA membership survey showed that 65 per cent of the members conducted media training in their organizations (N=1140), and that 72 per cent of these (N=740) had hired public relations agencies for this task (Kommunikasjonsforeningen, 2006).

As mentioned, Norway is a large producer and exporter of oil, but the nation also has vast reserves of natural gas. Norway is also the third largest exporter and the seventh largest producer of natural gas (Ministry of Petroleum and Energy, 2006). Only a small percentage of Norway’s land area is suitable for productive agriculture or forestry, but the country is endowed with natural resources other than oil, among them mineral, fish and timber. Shipping has also been a large industry for 150 years, and today it is claimed that Norwegian companies control 5 percent of the world’s merchant fleet (Norwegian Shipowner's Association, n.d.).

However, it was the “white coal” that helped the nation to transform itself from being a poor agrarian society to an industrial society in the first place. Few countries in the world have benefited as much from the development of hydroelectric power as Norway. Hydroelectric power provided a cheap energy source that could be harnessed throughout large parts of the country. From 1905 until 1916, the gross national product was increased by 55 percent, and industry was established as the largest sector in the country (Haagensen, 1984; Nerbøvik, 1999). Energy intensive production like aluminum has helped several Norwegian communities to thrive.

A 2002 benchmark survey of Norwegian public relations agencies, indicated that the biggest customer sector was the category telecom/media/technology, followed by trade and commerce, and public administration (NIR, 2002). In 2006, the agencies reported that IT/telecom/media had increased even more, but also that special interest organizations now made up a considerable portion of the customer base. Although a smaller category, trade and
commerce was also mentioned as a growth sector (NIR, 2006c).

**Legal system.** As stated, the Storting—the Norwegian Parliament—is the legislative power, while the King’s council, the government, is the executive power. The third branch of government then, is the Judiciary. The most important courts of law in Norway include the Supreme Court of Justice (Høyesterett), the Interlocutory Appeals Committee of the Supreme Court (Høyesteretts kjæremålsutvalg), the Courts of Appeal (lagmannsrettene), the District Courts (tingrett), and the Conciliation Courts (forliksrådet). The Judiciary is supposed to comprise a relatively independent branch of government. Its role is to implement the legislation adopted by the Storting, but also to monitor the legislative and executive powers to ensure that they comply with the acts of legislation. In principle, the Judiciary has the right to set aside a statute passed by the Storting if it is in contravention of the Constitution, but has been reluctant to invoke this right (Norway: The official site in the United States, 2003).

Freedom of speech is protected by the Constitution that was established in 1814, but exclude protection for racist and blasphemous statements. The latter has largely been a sleeping paragraph, but in 1980 the Norwegian Film Authority banned the film *Life of Brain* by Monty Python. When a Norwegian newspaper printed caricatures of the prophet Mohammed in 2006, complaints were filed but no charges were pressed.

Discussions about libel are more common, and some lawyers specialize in such cases. The Norwegian Press Association, which also comprises The Norwegian Union of Journalists and the Association of Norwegian Editors, runs the Norwegian Press Complaints Commission. Norwegian journalists and media outlets are supposed to follow the Code of Ethics of the Norwegian Press (Norwegian Union of Journalists, 2003). The Complaints Commission frequently issues statements, and if members are found to have acted in breach with the Code of Ethics, they are supposed to print or air a brief statement.

**Activism.** The Norwegian political system has been relatively open and including. One
good example is how Norwegian environmental organizations have been admitted into the decision-making arenas. Whereas, for instance, Friends of the Earth has remained a campaigning group in the U.S.A. and the U.K., the organization has enjoyed close ties to the authorities in Norway. In general, the Norwegian political structure has often integrated organizations and their political goals quickly, and Norway has frequently been described as a state-friendly society. It is normal procedure for Norwegian ministries and their directorates to circulate proposals to solicit comments from affected public or private organizations. The environmental organizations are often included in this regard, and also participate in public committees. Furthermore, the organizations are often partially funded by the public, which also gives them legitimacy. Hence, most of the organizations have reasoned that the benefits of the proximity to the state outweigh the dilemma of being made responsible for the politics. The cooptation process has also run fairly smoothly, since most of the Norwegian environmental movement is pragmatic, moderate, non-fundamentalist, and integrated into mainstream political culture (Bortne, Grendstad, Selle, & Strømsnes, 2001; Bortne, Selle, & Strømsnes, 2002; Christensen et al., 2002; Strømsnes, 2001).

In short, a political culture and tradition have been fostered where it is possible for the non-governmental organizations to criticize the state and its politics and receive public support at the same time. The possible and preferred perspective of the Norwegian opposition in general is that it does not have to be an alternative on the outside, but might be part of an expanded “normality” (Eriksen, Hompland, & Tjønneland, 2003). Activist organizations have also become increasingly adept at using public relations themselves (Ihlen, 2004, 2006). This holds particularly true for the environmental organizations, but also other non-governmental organizations have been able to exert considerable influence by means of formal and informal contacts with the elected politicians and bureaucrats alike. Other organized interests from the industrial, the agricultural and the educational sectors have also enjoyed such access.
Culture

On Hofstede’s scale, Norway scores between 20 and 30 on the power distance measure, a little above 60 on individualism, very low (less than 5) on masculinity, and between 30 and 40 on uncertainty avoidance (Hofstede, 2001, n.d.). Some of these indications can be substantiated with reference to other literature. As for power distance, it is clear that Norway is a rather egalitarian society. These roots are traced to the lack of nobility in Norway, and the fact that most of the farming and fishing units have been quite small. Historically, this is also a factor that contributed to a tremendous economic growth in the 1800th Century. The society was egalitarian, many farmers owned their own land and wielded huge political influence acting together with the bourgeois class of the cities (Hodne & Grytten, 2000).

The experience of a relatively low power distance might also be a result of the fact that is a small country. In 1970, the population was 3.9 million, in 1980 4 million, and presently there are 4.6 million inhabitants (Statistisk sentralbyrå, n.d.). This means that the elites of politics, administration, business, and industry tend to be rather small, and that the actors often know each other. Studies have, for instance, identified that large companies in Norway (400+ employees) are run by a circle of approximately 500 persons in total, including chief executive officers and chairmen of the boards (Christensen et al., 2002).

A commonly referred to, and legendary phrase in Norwegian political life is “some of us have talked together,” indicating oligarchical tendencies (Hjellum, 1992). The real power might reside in small informal networks that make decisions ahead of formal meetings. Such contacts and networks obviously might have explanatory power, but are also difficult to research.

That Norway traditionally has been an egalitarian society with an open political culture, has also contributed to a low level of conflict. The immediate period after the Second
World War also deserves a mention in this connection. It is often posited that a special cooperative atmosphere dominated the rebuilding process. In addition to the development of the social democratic tradition described above, this contributed to close relations between business interests and the government. A good illustration is mentioned already, when the then Prime Minister took part in the inauguration meeting of the Norwegian Public Relations Club, and “spoke in confidence on hot Norwegian issues for two hours” (Mørk, 1994, p. 10). 

Since many of today’s public relations agencies recruit former politicians (and some even continue as politicians while consulting), this type of social capital is readily available for those who can pay.

Since the country is so small, most practitioners have rather extensive networks, both in politics and in the media. When Shell experienced its Brent Spar-crisis, the then public relations director of Shell Norway phoned the Norwegian prime minister to get a go-ahead to tow and dismantle the Brent Spar-rig on shore in Norway. Apparently, the Shell colleagues in the UK were flabbergasted and used the incident internally as an example of the importance of having a good dialogue with important stakeholders (Rui, 2004).

As for the masculinity scale, it can be mentioned that Norway got it’s first female Prime Minister in 1981, Gro Harlem Brundtland, and that her cabinet became internationally known for having 8 female ministers (out of 18). Norway is ranked as number one on the United Nation’s list for gender-related development index and gender empowerment measure. 38 percent of the seats in the parliament is occupied by women, 29 percent of legislators, senior official, and managers are women, 50 percent of professionals and technicians are female. And while the ratio of estimated female to male earned income is still 0.75, this is still among the very top scores in the world (United Nations Development Programme, 2006). 61 per cent of the members of NCA are women, and the 2005 membership survey showed that 83 per cent of the members agreed that women and men
have equal opportunities to succeed as practitioners (N=1135) (Kommunikasjonsforeningen, 2006).

The Mass Media

The Norwegian media market is described in several English language publications (see Carlsson & Harrie, 2001; Harrie, 2003), and national statistics can also be found at the website MediaNorway (MediaNorway, n.d.). Here we will concentrate on the landscapes of newspapers, television/radio, and ownership structures, before discussing the news values of Norwegian media and the standing of the business press.

Newspapers: Norwegian newspapers have had high circulation numbers during the whole post-war period, and the average Norwegian household buys 1.5 newspapers each day (Høst, 1998). During most of the 1990s, the total daily circulation was approximately 3.1 million (Høst 2000, as cited in Østbye, 2001). Given that Norway only has a population of 4.6 million, this is quite a large number. The Norwegian press structure has been rather unique with local papers, strong regional papers and a nationally distributed press. In total about 220 titles are published (Østbye, 2001). Historically, political parties have owned the Norwegian papers, but this system crumbled during the 1960s (Høyer, 1995). Today, three large owners dominate the market: Schibsted, A-pressen, and Orkla Media.

Television and radio: Until 1981, the publicly owned Norwegian Broadcasting System (NRK) had a monopoly on television and radio services. In the early 1990s, the commercial television station TV2 and the radio station P4 were granted concessions. Later the television stations TV Norge and TV3 started broadcasting. The Swedish company MTG is principal owner of the latter, which for the last years has had to fight for its national concession with Kanal24. NRK still held the upper hand with three of four nation wide stations (Harrie, 2003). Seven out of ten Norwegians watch television each day (TNSGallup, n.d.).
Ownership and regulation: As mentioned the NRK monopoly was lifted in 1981. Since then, however, the tendency to ownership concentration is noted, which has worried the Norwegian politicians. This has given raise to new regulatory bodies (The Media Ownership Authority) and new legislation (The Media Ownership Act) with the aim of ensuring freedom of expression and continued media access. A dual leadership has been the tradition in Norwegian newspapers, with a general manager handling finances, administration, and technology, while the editor-in-chief has been sole responsible for the content. The owners could influence the overall editorial policy, but were expected to refrain from intervening in the day-to-day editorial leadership. During the 2000s, this structure was changed in some newspapers giving way to a unified management system. The pros and cons of this was also hotly debated (Østbye, 2001). In 2006, another debate was caused when Orkla Media was sold to the British investment company Mecom.

News values. Starting in the 1960s, the party press structure fell apart, and in the 1990s, new commercial television stations were established. While the largest newspapers previously had an outspoken party affiliation with corresponding news values, they now tended to rely on a more similar journalistic news ideology. What all the news media have in common is also that they are now owned by investors and publishing companies than more often than not are run on business terms. The news media are turned into profit making institutions. The conditions for the publicly owned broadcasting stations have changed, and an outspoken policy is that they want to compete with the rankings of the commercial stations in order to preserve their legitimacy as publicly funded (Allern, 2001b).

A striking feature of the Norwegian tabloid newspapers is that they serve a mixture of hard-hitting news, political journalism, and celebrity gossip, that sets them apart from, for instance, their German counterpart in The Bild-Zeitung or the English The Sun. A content analysis of ten Norwegian newspapers showed that the typical Norwegian newspaper was an
informative, regional or local paper that carried a wide mixture of content in each issue. The analysis concluded that the Norwegian press by large was serious and focused on issues of social importance. At the same time, however, it pointed out that few non-powerful sources were used; a preference for elites and patriarchical values could be found (Allern, 2001b). The same elite orientation is documented in studies of business news as well (Slaatta, 2003).

An analysis of the television news of NRK and TV2 indicated that the former covered political news in an idealized citizen perspective, while the latter adopted a consumer perspective. TV2 also put more emphasis on crime, but on a whole it was suggested that the two stations had developed their own news perspectives, representing existing traits found in the Northern European news culture (Waldahl, Bruun Andersen, & Rønning, 2002).

The business press: Compared to other countries, the Norwegian business press did not play an important role in the media landscape until the early 1990s. After the turnaround and rebranding of Norges Handels- og Sjøfartstidende, Norway finally got it’s own powerful business- and financial daily branded Dagens Næringsliv (translated Today’s Business). The newspaper is printed on pink paper, and has since the beginning of 1990s enjoyed high credibility both in the business and political community. Finansavisen, a competing financial and business daily, was established in the beginning of the 1990s. Although not studied, it is a striking fact that the booming of the business dailies correlates with the rise of the public relations industry in Norway. That Norwegian businesses and organizations increasingly value having a good reputation is illustrated in Table 1, and for many of them this is equated with getting good media coverage.

A peculiar development is that business news has expanded into mainstream dailies. In the popular press, this has been accompanied by a person-oriented type of journalism that “puts a face on” the economic players. Some business sources have expressed frustration over what they feel are unpredictable journalists with viewpoints that differ from case to case,
story to story, and that sometimes take on a role as an actor in the economic arena themselves (Slaatta, 2003). For the public relations industry, however, this has also meant that the business of media training is an expanding field (NIR, 2006c).

Case Study: Closing Down Industry in Norway

What follows is a case study of the public relations work conducted when a high tech company wanted to move out of Norway, citing high production costs. The identities of the involved parties are hidden.

Background and Problem

In 2003 Norway held local elections and the economy was leveling out on the bottom of a recession. Unemployment was, by Norwegian standards, high and on the rise (expected to climb to 4.7 per cent in 2004). The big theme in corporate Norway was the sharp decline in employment related to industrial production. Norwegian industry was moving out of the country; blaming high wages, a strong currency and an unstable regulatory framework. In the parliament all the opposition parties called for the Government to intervene.

The world-leading high tech company “Techno Inc” was also planning to move out of Norway. Low-cost producers from Asia were about to kill the company’s competitiveness as sales declined sharply. The board of directors saw only one solution—downscaling. The only activity they would maintain in Norway was 50 jobs tied to R&D due to a good market for engineers with a relevant education.

In many countries outsourcing and scaling down production is a relatively straightforward business decision. In Norway, it means that your reputation is at stake. You risk high-level political involvement, huge public debate, and in some cases politicians that put heavy pressure on companies to reverse their plans. In the case of Techno Inc, the effect in the local community would be dramatic. In a two-year perspective a small town would be stripped of its cornerstone industry and 400 people would lose their job. Top management
feared that their decision would make headline news and become a national theme in the coming campaigning. How could the company implement the decision, without loosing credibility in the local community and on the national stage, risking the attractiveness in the labor market for engineers? If a row was caused over bad handling in Norway, the risk of a negative spillover to other markets was huge. The company needed to convince politicians that their decision was right for Norway before the election campaign started.

**The Solution**

The key to solving such problems in a Norwegian context is to find a way to win politicians and to avoid them intervening or fueling a political debate over Norwegian industry—using the particular company as an example. Here are the main aspects of the strategy:

Techno Inc expected that the reactions to the downscaling would be based on both emotional factors (*family economies in ruin, crown jewel of Norwegian tech industry is flagging out, etc.*) and on rational facts (*difficult market, high labor cost in Norway, relationship to the EU, etc.*). Employees loosing jobs and being forced to sell their homes can be good media stories. Techno Inc understood this, but also that they potentially could win the rational argument by pointing to the tough market conditions and that it would be in the common interest if the company stayed in business and kept at least some jobs in the region.

The strategy started with telling a story about Asian low cost producers entering the market and how the increasing costs caused problems at Techno Inc. The story was told to the media, directly to employees and the local community. The goal was to create a rational understanding that production is expensive in Norway and might threaten the overall survivability of the company.

The second pillar was to find a win–win situation involving key politicians expected to intervene in a possible public debate. Politicians were identified, and meetings were held
with the major figures, as well as all the parties in the local election, mayors in the bordering municipalities, relevant politicians at the parliament and two ministers that were expected to engage in the debate. The goal for these meetings was both to inform the politicians about the difficult situation but also to sell the up-side to the decision: that TV Display would increase its investments in R&D in Norway and expand its activities in this area. The “bone” that was thrown to the politicians was that if they agreed, they would receive credit for being a part of a solution that gave interesting prospects for the future.

Several local community initiatives were also initiated, the company, for instance, established a regional high-tech cluster inviting the local college, politicians, media and other high-tech companies into a network that should work to develop the high-tech industry in the area. When the company had assured its stakeholders, in particular the politicians, they were ready to communicate the decision. Knowing that no politician would heavily criticize the decision, the company felt safe that the media would not be able to get a good spin on this story. No-one would criticize a company that was ready to invest in the region. The company achieved what was aimed for: Little media coverage of the decision and the needed calm to plan the downsizing.

Conclusion

The Norwegian public relations industry is thriving, and both agencies and in-house practitioners seem to experience increased demand and influence. Some important driving factors include an increased market orientation in the public sector and an expansion of business news. Still today, the corporatist character of the political and economic system influences the practice as illustrated by the case study. The political culture is including, there are low levels of conflict and the power distance is short. This also means that personal networks are valuable commodities, and the NCA members ranked personal characteristics above strategic knowledge when asked what was the single most important factor to succeed
We feel that the latter finding speaks volumes about the current level of professionalism in the field, and argue that the profession still has a way to go in terms of developing methodologies and raising the ethical bar. There seems to be a huge potential for practitioners willing to tap into the international body of knowledge on public relations, and adjust, develop, and implement it in a Norwegian setting. As for now, however, Norwegian practitioners are doing brisk business trading on their networks, common sense analysis, and operational experience.


relations as a discipline] (2 ed.). Oslo, Norway: Bedriftsøkonomens forlag.


Norway


Waldahl, R., Bruun Andersen, M., & Rønning, H. (2002). Nyheter først og fremst: Norske tv-

Table 1

*Frequency of the Word ‘Reputation’ (‘Omdømme’) in Norwegian News Media 1996–2006*

(*search in the database A-tekst: http://www.retriever-info.com/services/archive.html*)

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