Roar Amdam

Innovation, network governance and planning in rural areas

HØGSKULEN I VOLDA   MØREFORSKING

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Abstract

Innovation is an important goal in policies and programs for industrial and regional development, and partnership in the form of network governance is regarded as an instrumental tool in regional innovation systems and capacity building processes. I start the discussion with clarifying the terms innovation, network governance and inter-organisational planning and partnership building processes. I then discuss how we can use a planning approach to theoretical understand the regional capacity building process, and I examine five different partnerships which have the mission to support industrial innovation in the maritime cluster of Northwest Norway. I discuss how they are innovative, to what extent they are a success as the involved partners regard them, and to what extent they are a success when the capacity building process is evaluated against theory about innovation, network governance and planning. At the end I reflect on to what extent my findings are suited to guide the innovation processes in rural areas.

Keywords: public private partnerships, capacity building, regional development

Innovation and regional policies

Innovation means a new way of doing something. It may refer to incremental, radical, and revolutionary changes in thinking, products, processes, or organizations. A distinction is typically made between invention and innovation. Innovation occurs when an invention is applied successfully. To apply an innovation done by one organisation in another organisation, is also regarded as an innovation, and innovation can therefore be difficult to separate from ordinary organisational development and inter-organisational collaboration.

Innovation is a very broad and much used term that needs to be discussed and clarified. A much used starting point of discussion is Schumpeter (1934) who defined economic innovation in his book *The Theory of Economic Development*:

1. The introduction of a new good — that is one with which consumers are not yet familiar — or of a new quality of a good.

2. The introduction of a new method of production, which need by no means be founded upon a discovery scientifically new, and can also exist in a new way of handling a commodity commercially.

3. The opening of a new market that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before.

4. The conquest of a new source of supply of raw materials or half-manufactured goods, again irrespective of whether this source already exists or whether it has first to be created.

5. The carrying out of the new organization of any industry, like the creation of a monopoly position (for example through trustification) or the breaking up of a monopoly position.

This definition of *economic innovation* has been dominating in theory and in practice and has created a techno-economic paradigm where the *entrepreneur* and the *linear model* of innovation are seen as

a driving force of competitiveness. But this has also been discussed and critiqued for regarding the innovation process as an exceptional event and for giving R&D the main function in the innovation process. Knowledge creation is understood as an instrumental rational process of reasoning and inference isolated from the rest of human activities.

As a supplement to economic innovation, *social innovation* has existed for a long time. This concept has become a commonly, but not consistent used term. In a narrow use of the term social innovation is referred primarily to the transformation and restructuring of organisations as a tool to improve organisational efficiency. In a broader and integrated use of the term, social innovation emphasises the importance of the social structure as a catalyst, but also as constraints for social innovation in a territorial context at regional, local and neighbourhood level. Innovation is here regarded as a *non-linear, interactive and knowledge sharing learning* process between firms and their environments. This process is also called *collective entrepreneurship* (Moulaert et al 2005). Many different actors are involved in the communicative rational process and innovation can be triggered by various causes.

Nowadays, innovation is seen to be as much a social as a technical process. From a regional point of view, innovation is understood as a locally embedded process that takes places within a *regional innovation system* (Tura and Harmaakorpi 2005). A regional innovation system consists of innovative networks aiming at increasing the *innovative capacity of* the system. The innovative capability is regarded as the network's ability to sense the changes in the environment and through innovative activities exploit existing resources and competencies in order to create competitive advantages for the region. This comprehensive understanding of innovation has made regions important actors in the regional policy making process and there is an ongoing competition between regions about getting support from the regional development programs and being the most innovate region.

Hence, regions have been given an increased importance in formulation and implementation regional policies. The operating principles of EU regional policy involve greater delegation to the regions and mobilisation of organisations to work in network governance or partnerships. These principles have lead to the establishment of regional governance structures with capacity to plan and implement regional policies (Uyarra 2007:244). This regional institutional capacity emerges from a dual process of top down institutional changes, and a bottom up regional political mobilisation (Keating and Loughlin 1997) where the regional bottom up institution building process is in contrast to much of the top down and administrative regional institution building process within the implemented regional policy.

Normann and Isaksen (2009) discuss perspectives on designed interventions planned for stimulating innovation in regional clusters. They use the term cluster governance for the institutional structure in these regions, and include in this term network of collaborating actors across sectors and levels. They classify four theoretical different regional clusters based on a combination of the dichotomy young versus mature clusters and the dichotomy clusters in regional innovation systems versus clusters which are part of a territorial spread innovation system. Then they discuss how, what they call instrumental, institutional and ideological perspective on network and steering can be combined in order to stimulate innovations in the four different clusters. The three perspectives are based on the work of Scott (1998) and his terms organisations as rational, natural and open systems.

We regard Normann and Isaksen (2009) work as a contribution that challenges the widespread "one size fits all" approach that exist in innovation policy and practice. However, their work can be

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criticised for paying too much attention to the economical innovation compared to the social innovation. My main argument here is their understanding of ideological cluster governance, and the need for ideological network governance only in young clusters. Normann and Isaksen (2009) define ideological network governance and steering as the ideals, values and norms that guide the practice, and they write that ideological network and steering is especially relevant for young clusters which is a part of a geographical spread innovations system. I do not fully agree with this, and I will maintain that there is a need for ideological, institutional and instrumental network governance and steering in all the different regional clusters. Ideological cluster steering concerns the normative clarification of what needs in the community the innovation shall satisfy; ecological, economical, social, democratical needs etc. and these clarifications have consequences for the institutional and instrumental steering.

The commercial exploitation of scientific and technological innovation seem to be an important part of the Norwegian innovation policy, and the policy is mainly concentrated on economic innovation, and do not analyse the social part of innovation and what impact the economic innovations can have on democracy, power and social conditions in the Norwegian community (Olsen 2004). I addition Remøe et al. (2004:9) write that there is a weak link between economic policy and innovation policy, leading to a weak strategic framework for innovation policy. This critique also comes from Lundvall (2009) in his comment to the Norwegian white paper on innovation (St. meld. nr. 7 2008-2009).

In Europe and in Norway the regional innovation policies are very much inspired of Porter's theory of industrial clusters and the policy documents contain goals about developing the most competitive and dynamic knowledge based economy in the world (St. meld. nr. 7 2008-2009). However, Reve and Jacobsen (2001) have done a Porter inspired cluster study with a standardised classification in Norway. A cluster is here understood as a geographical location where enough resources and competences amass and reach a critical threshold, giving it a key position in an economic branch of activity, and with a decisive competitive advantage over other places, or even a world supremacy in that field. They found only three complete clusters; (1) oil and gas, (2) maritime industry and (3) sea food industry, and they are all located in the western part of Norway. In addition, Reve (2007) identified several incomplete clusters with great development potentials.

There are now three big national innovation programs in Norway. Two of them are managed and operated by the national organisation *Innovation Norway*. The first (ARENA) is a program with the purpose to support clusters with different maturity trough enforcing the collaboration between industry, science and public sectors. This program supports now about 20 projects/clusters. The second has the purpose support to the Norwegian centre of expertise (NCE) and to enforce the innovation process in dynamic and mature clusters with international growth ambitions and potentials. For the time being 9 centres get supports and 4 new centres are expected to get support. The last program (VRI) is operated by the Research Council of Norway and has the purpose to create and support regional innovation systems through enforced collaboration and partnerships between industry and R&D-institutions.

These programs have in common a combination of top down and bottom up policies and a funding with public sector money from national level and public and private sector money from local level. Support is given to projects with collaborating partners organised in networks, but support is only given to projects which are found qualified. This competition based selection process can create an

asymmetric power balance between national and local authorities, and can make some regions winners and some losers.

The role of Innovation Norway in the innovation policy has been evaluated, and the organisation gets critiques for not supporting innovation enough. Only 45 percent of their money goes to innovative projects, and only a few of them are innovative (Riksrevisjonen 2009). There seem to be a need for changes in the national innovation policy, especially regarding the cross sector and the cross level integration of the policy, and there is a need for a more comprehensive innovation strategy.

Regional policies, network governance and institutional capacity building

The recent political and academic focus on network governance has an empirical background in the widespread recognition of the increasingly fragmented, complex and dynamic character of society. Governance theorists argue that the New Public Management inspired reforms of public sector have further increased the functional and organisational complexity, dynamism, and fragmentation of public governance processes, and they have spurred on the search for new forms of governance that combine decentred self-regulation and centralised strategic leadership (Christensen and Lægreid 2003 and 2004). In other words, increased fragmentation calls for increased coordination (Sørensen and Løfgren 2007: 6-7).

In political theory the term government refers to the formal institutions of the state like ministries, agencies, municipalities and counties, and their monopoly of legitimate coercive power. The government structure is hierarchical and top down (command-and-control) forms of setting rules and exercising power and is recognised as legitimate via socially agreed conventions. The term governance is used in a variety of ways. In regional sciences the network governance concept points to the creation of new structures that is a result of the interaction of different actors from public, private and voluntary sector. The relative boundaries between these three sectors vary significantly from time to time and from place to place. Whereas the early network governance theorists saw network governance as a synthesis of state and market (Mayntz 1999: 11), later network governance theorists tend to see network governance as a distinctive mechanism of governance that provides an alternative to state and market (Rhodes 1997, Jessop 2002). The mission of network governance is now often to create synergy and solve problems that the government and market on their own not are able to solve.

When the term network governance is used it refers to the development of governing styles in which boundaries between and within public sector has become blurred. Network governance directs attention to the distribution of power both internally and externally to the state. Network governance is based on interactive relationship and independent and interdependent actors who share a high degree of trust despite internal conflict and oppositional agendas (Swyngedouw 2005:1994-1995).

Some authors warn that the growing obsession with governance mechanisms as a solution to market failure or state failure should not lead us to neglect the possibility of governance failure. We must avoid seeing governance as necessarily being a more efficient solution to problems of economic or political co-ordination than markets or states. Jessop (1997) writes that we must ask critical questions about those institutions and networks that emerge in their place. Uyarra (2007:256)

concludes her critical discussion of governance in regional innovation policies, that there is a need to better investigate the formulation and implementation of innovation policies in a multilevel, multiactor context, and a need to better understand the diversity of the regional context. At the moment there seem to be a dichotomy between studies of countries and studies of regions that have hindered studies of multilevel interrelations (Uyarra 2007:251).

Network governance is about governmental and non-governmental organisations working together on voluntary bases in a new planning and implementing structure based on partnership between public, private and voluntary sector and between national, regional and local level. However, partnership between private and public sectors are facing difficulties with competing needs and interests between the partners, and different processes, structures and norms between public and private sectors. There is growing interest in normative questions about the democratic legitimacy of network governance (Rhodes 1997; Mayntz 1999; Pierre and Peters 2000).

Swyngedouw (2005) discuss the Janus face of governance, and concludes that instead of enhanced democracy, extension of "holder" participation and improved transparency, governance can become élite technocracy and power-based interest intermediation and face considerable internal and external problems with respect to accountability and legitimacy. There seem to be a need for a metagovernance, and a review of the theoretical literature on network governance and an analysis of studies describing the empirical developments in contemporary liberal democracies, points to the presence of four main categories of meta-governance that are available for public authorities in their efforts to meta-govern self-regulating networks and other self-regulating actors: (1) policy and resource framing, (2) institutional design, (3) network facilitation and (4) network participation. These four forms of meta-governance techniques vary according to the level and form of intervention exercised by the meta-governor and according to whether meta-governance is performed hands-off at a distance, or hands-on through close interaction between the meta-governor and the self-regulating actors (Sørensen and Løfgren 2007: 8)

However, Olsen (2004) maintains that adequate institutional structures do not grow by themselves, spontaneously or through competition. The needed interventions planned at creating institutional changes that nourishes innovation must be designed through planning, prognoses and decisions, and the design must take into consideration both the existing knowledge and the potential control of the factors that determine the institution development and the innovative capacity.

The network governance must be regarded as legitimate and have to be accepted by the public, private and voluntary sectors and by local, regional and national levels of government. This situation becomes a kind of dilemma. Public-private partnership with partners from the government structure working together on voluntary bases need to be strong enough to influence the partners policy making, but is that possible when the partners are free to leave the governance partnerships (Amdam 2008). In practice the implication of public-private partnership is that the partners must be willing to accept the solutions partnership put forward, and must be willing to implement activities that to some degree can come across their own needs, interest and goals. For this reason the network governance has a strong need for acceptance and legitimacy. In order to make a counterforce to the sectorised government power structure that dominates modern societies, network governance in regional planning and development needs to create legitimacy from inside the region and achieve legitimacy from outside.

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Network governance cannot be legitimized merely by reference to the quality of their output, i.e. to their problem-solving capacity (Scharpf 1997). The input legitimacy of network governance is equally important and so is the possibility for ensuring democratic control and accountability. New research suggests that we should analyse and assess the "democratic anchorage" of network governance both in relation to different political constituencies and in an internal grammar of democratic conduct (Sørensen and Torfing 2005). However, more research on the democratic problems and potentials of network governance is needed in order to develop adequate standards for a democratic audit of network governance (Sørensen and Torfing 2008).

We will use the term network governance for governmental and non-governmental organisations working together on voluntary bases in a new planning and implementing structure based on partnership across public, private and voluntary sector, and across national, regional and local level. Network governance, as defined above, can take many different empirical forms depending on the political, institutional and discursive context in which they emerge. They might be dominated by loose and informal contacts, but they can also be tight and formal. They can be intra-organisational or inter-organisational; self-grown or initiated from above; open or closed; short-lived or permanent; and have a sector-specific or society-wide scope. Finally, some network governance might be preoccupied with the formulation of policy, whereas others are preoccupied with policy implementation (Sørensen and Torfing 2008: 10-11).

EU development program like INTERREG, LEADER and the three innovation programs in Norway are examples of such multilevel and multiactor governance structures involving supra-national, national, regional and local entities form public, private and voluntary sectors. Much of the regional development work is part of such implementation programs or chains (Bache 2004). The concept of *implementation chain* illustrates the complex meeting of top down and bottom up policy on different arenas between the formal government levels and between public, private and voluntary sectors. Such governance partnerships might be a result of a network coordination in which formally independent actors cooperate on long term based on a mutual dependence (Gjertsen and Halkier 2004:16). The three programs in the Norwegian regional innovation policy are a part of network governance structure, and these partnerships have become important instruments in formulating and implementing regional policy.

In regional policies there is now an obvious turn from planning approaches based on government to network governance and partnerships. In this policy the regions can maximise their competitive potential if they are able to produce their own institutional capacity for economic growth (Amin 1999). Planning and partnership is regarded as important tools for regions in this capacity building process (Andersen 2002 and 2003, Cars and Sydow 2001, Gjersten and Halkier 2004). However, if regions shall perform as political actors, they need an institutional capacity to mobilise own resources and to respond on treats and opportunities in the context (Cameron, Danson and Halkier 2000, Healey 1997 and 2005). But some authors are sceptical to what extant partnership can solve the problem of regions (Nelson and Zadek 2000, Gjertsen 2002), and it is documented that partnerships reduce the elected politicians power.

In our analyses of network governance we shall take the notion of network governance is a particular type of networks and a particular form of governance, but with an inter-organisational structure with organisational-like elements:

- *Context* which more or less influence the network and which the network itself can influence and even control to some extent. A central term is degree of autonomy understood as self-regulation within limits set by external authorities. Other central terms are transparency and accountability, acceptance and legitimacy, and of course, degree of formalisation.

- *Goals* can be formulated as purposes, mission and visions, and concrete working aims which express tasks the network wants to realise. Goals can be unclear and contradictive and reflect conflicts among the partners, and between the partners and the goals of the network.

- *Members* or actors, who pull together in the wish of fulfilling mutual developed goals in network with relatively stable horizontal articulation of interdependent, but with operationally autonomous actors. Network need members who mainly think and act the same way, but at the same time network must allow their members to have different understanding, goals, needs, wishes and opinions. The members can be employed in public, private or voluntary sector, or be democratic elected members form voluntary sector or the political sector.

- *Relations* among the members, and among members and people in the context. These relations can be harmonic and dominated by common values and opinions, by trust and symmetric power. Or they can be dominated by disagreement and conflicts, by mistrust and asymmetric power. In addition, the relations can be stable or unstable.

- *Structure* which make possible a specialisation and a division of work, and a hierarchy which distributes power among the specialised parts. Plans, rules, routines, and processes are used as coordinating mechanisms.

- *Production* of purpose, products and/or services (out puts) which include effects and consequences for both the network and the context (outcome).

However, we do not regard regional network governance as a stable structure but a dynamic process aimed at legitimating the network governance as a regional political actor. We have learned from studying regional development programs, that network and partnerships are constantly in need for seeking legitimacy and accept, both from the partners and from other actors. In addition, when a network organisation gets support from the programs, they also get national acceptance and legitimacy. But it is through own processes, output and outcome that they can get local acceptance and legitimacy, and then they need to perform well both in economical and social innovation terms. So instead of regarding network governance or partnerships as permanent structures, partnerships can be regarded as an institutional building process. In our understanding the process consists of institutional, strategic, tactical and operative planning, and of monitoring and learning. We have found that planning process that not consists of these forms of planning, will fail in the capacity building process and in legitimating the planning institutions in the long run (Amdam forthcoming). When we use this planning approach, there are different forms of planning and partnerships in the institutional capacity building process. When we combine the institutional, strategic, tactical and operative planning with the organisational-like element of network governance, we can identify four different forms of partnerships that we can use in analysing our empirical data.

1. Institutional planning can be regarded as meta-governance and is a systematic process of developing a frame of reference for future decisions and actions by a relevant community. These issues concern the relation between the context and the regional planning institution, and the normative influence of the planning documents compared to other juridical norms. This discussion is about the reason to exist or the mission, acceptance and legitimacy. Institutional partnership is highly formalised, has an external given acceptance and legitimacy, and a limited number of members. The main purpose of these networks is frame setting for other partnership, and in practice these partnerships are superior to other partnerships. In a project the steering group will have the character of an institutional partnership. We expect partners form the government structure in institutional partnerships to focus on the implementation of the mission of the partnership, but to be reluctant in involving themselves in concrete actions.

2. The strategic planning concerns the conflicts of norms and values, and is a topic for mainly communicative planning, i.e. planning as a social interactive process between actors who are seeking consensus and mutual understanding. This also involves a discussion of whose needs; interests and values are to be favoured. Strategic partnership is little formalised and has a relatively flat hierarchy. The activity is variable, and the number of members is uncertain and changing. These partnerships are often mobilised around a core of members when the situation demands it, and there is a need for a great number of members in order to influence the agenda setting. These partnerships need members that share a common understanding of the situation and a common vision of the future, and agreed upon strategies. In these partnerships the partners from the government structure will clearly experience dilemmas when participating in governance structures, because much of the strategic work in governance partnerships is to influence the public sector political agenda. Therefore we expect partners from the governance structure to involve them in the strategic planning process, but to be a little bit reluctant in binding themselves to the strategies when it comes to issues that have implication on the public sector political agenda.

3. The tactical planning concerns the conflicts of interests that are often connected with the utilisation of resources in coordinative planning, i.e. planning with the focus on how to deploy organisations to undertake the necessary actions at the appropriate time to accomplish mutual agreed upon outcomes. Tactical partnerships are highly formalised, have a limited number of members, and have a strong need for an agreed upon and accepted common action program. In addition the partners need to get their part of the common action program prioritised in their own action programs. As for the strategic partnerships, the partners are caught in situation of uncertainty. How much can they contribute to the common action program, and how much involvement are their own organisations willing to accept. If there is a big difference between what the partners say they shall do, and what they actually do, they will lose trust and become less important partners in the future.

4. The operative planning concerns the discussion of facts and data and is a discourse tied mainly to instrumental rationality, i.e. planning as a deliberative activity of problem solving, involving rational choices by self-interested individuals or homogenous social units. Operative partnerships has a very high degree of formalisation, mainly external given legitimacy, a limited number of members, a clear hierarchy, a well developed specialisation,

and has a clear focus on getting thing done. These partnerships are often organised as projects and the relations between the partners are formalised with legally binding contracts based on the previous institutional, strategic and tactical planning. Active involvement from the contract partners is therefore expected, accepted and regulated.

Cases, method and analysis

The data is collected through studying plans and other relevant documents, and trough personal interviews with public and private sector partners in several different partnerships involved in the regional development. The partnerships are all located in the county of Møre and Romsdal which is a costal part of the West-Norway. This part of Norway is a maritime cluster with dominating activity within fishery, fish processing, ship construction, building and maintaining, and all kind of activity related to offshore oil and gas production. The Northwest of Norway has a few small towns and the whole area is dominated by the rural landscape, and I will in this paper regard this part of Norway as an overall rural area.

The county has 37 municipalities providing welfare state production within health and education, and the municipality has the power to make municipal strategic development plans including binding land use plans. The county municipality has regional development as a main task, has a County strategic development plan and a Regional development program with focus on industrial development. This program is called, and is regarded as a partnership, and representatives from the private sector have been involved in setting up the program. The funding that is allocated in this program is only public money, and the partners or actors in the implementation of the program, are mainly public sector actors. However, when it comes to the concrete activities mentioned in the program, we can find that private sector actors are involved. The five cases are all competence partnerships in Møre and Romsdal linked to the maritime cluster:

1. Com Trainee

Com Trainee is a partnership that helps young people with a high level of skill to direct their focus towards Kristiansund and the surrounding area. Com Trainee tries to increase the brain capacity in the region by announcing job positions and employing five to seven trainees each year. The trainees are employed by the member companies for a period of two years, and goes through modules of eight months in different companies. In addition to being placed in the companies, the trainees are offered a program consisting of themes like communication, media handling, project management and stress management. It started with 6 members, but today 17 companies, with a wide professional expertise, have joined Com Trainee. These companies represent different lines of business within both public and private sectors. The county and several municipalities are partners together with international companies like Shell, StatoilHydro, Aker and some national banks. The partnership is formally a non-profit organisation with a board consisting of representatives from all the partners. A local project leader company is project leader and secretary for the Com Trainee. Our informants are satisfied with this organisation, because several persons with different competence in the company are involved in the secretary, all work for Com Trainee. Some of the partners say that may be the partnership now has too many partners, but so far the number of members has not created any big problem. However, some other informants point out that it is important to involve a

wide range of companies in the partnership, both young and old, small and big and form different branches. Informants from the member companies says that the partnership do not solve the recruitment problem in the region, but help the members to get an overview of the persons that are available, and the trainees get to some extent a kind of belonging to the partners. These factors help the partners in their efforts to recruit the right persons for them. Other effects of the partnership are that the previous closed oil industry has open up a bit and given the partners insight in their work and challenges, and the partners have become aware of the importance of creating places with good living conditions.

The organisation and to some extent the output can be regarded as innovation. I will call this organisation a mainly tactical and operative partnership. The implementation capacity is very dependent on the capacity of the secretary, and there seem to be a need for institutional and strategic planning in order to engage the partners in implementation and to enhance the institutional capacity.

2. *Romsdal forum for technological science*

The forum has almost 20 partners which all represent mechanic, maritime and other types of manufactory industry in the region. In addition, high schools in the region and the office of mechanic education in the county are so called associated members. This forum is organised with a board with all the executive managers from the partners and a working group with the human resource managers from all the partners. The board discusses and decides issues at strategic level and the working group acts at operative level and has the contact with the different schools and other institutions. The mission of the forum is to motivate young person to take a technologic education and to recruit the mechanical industry in the Romsdal region. The forum is a premise provider in the innovation work, and tries to influence the school authorities and other institutions to provide education programs that can meet the demands from the industry in the region. It is a great challenge for the industry to recruit skilled workers at every level in the organisations, and the forum wishes more members form the industry welcome to the forum. Our informants are satisfied with how this forum functions, and regard as a strength that the forum has no permanent secretary and that the responsibility for implementing the forum's decided actions are with the partners.

This forum is an innovation both as organisation and as output. The forum operates as an institutional, strategic, tactical and operative partnership and has a strong institutional capacity where all the partners are involved in the policy making and policy implementation. The forum seems to be strong because it has no permanent secretary.

3. *International maritime education centre*

This is a share holding company localised in the Knowledge Park in the town of Aalesund, and is owned by The Aalesund maritime and polytechnic school (owned and financed by the county municipality). The University College of Ålesund (owned and financed by the national stat). And a non- profit organisation with members from the local industry. The board has three members and the administration counts one person (now the former county council mayor). The mission of the centre is to prepare and distribute maritime education nationally and internationally. The education is given by the polytechnic school and the university college, and other providers of maritime education. In addition the mission is to coordinate activities between the polytechnic school and the

university college when it comes to maritime certificates, on-the-job training, and the use of technical equipment (simulators etc.). One of the achievements the centre is proud of is their role in relocating one of the schools so that the college and the polytechnic school become localised together. A major turning point for the centre occurred this spring when one of the partners, Rolls Royce Maritime, which have their maritime headquarter in this region, decided to support this centre to become an international maritime education centre. Our informants says that they are satisfied with the centre as provider of education, but add that the centre can become more active in seeking contact with partners and listen to their needs. They underline this by saying that it is important now to prepare for the low conjuncture that soon will come in the maritime sector.

The organisation and the output can be regarded as innovation. However this seems to be a mainly operative partnership that needs to strengthen the institutional, strategic and tactical planning in order to enhance the institutional capacity.

4. *Haram Innovation Studio*

Haram municipality has for a long period had successful partnerships with their local industry in what they call the Haram Model. These partnerships have fostered activities on labour recruitment, information technology and infrastructure, and cooperation between local firms and primary and secondary schools. Some of these local firms are world leading in developing and production of equipment for fishing boats and offshore supply boats. The Haram Innovation Studio is a relative new organisation and it functions as a resource centre. Our informants regard the studio as an integrated part of the Haram Model. Through competence development and work process development the centre supports the local schools and the establishing and established companies. The studio has a staff of two persons and the studio is located in Haram Competence Park. The studio is formally organised as non-profit organisation and has 17 owners, most of them are local firms, and the local firms have the majority in the board. The municipal school and education administration is involved, and the county administration is involved with one of their regional development programs. Our informants say that they have good relations with all the actual actors. The activity has been concentrated on recruitment of engineers and on collaboration between the local schools, local firms and regional and national research and development institutions. Our informants have experienced that they as partnership are not a part of the governance hierarchy, and that they need to work through the partners in order to obtain the wished activity. These partners work more or less on voluntary basis with activities. At the same time they say that the studio has a need for a bigger staff in order to implement all the needed activity. The informants see a strong need for clarified and accepted strategies for the studio as partnership and for the different partners. Now the studio is involved in the work on Haram strategic municipality plan, which is a common arena for the public, private and voluntary sector to develop new strategies for the local development work, and which can become a new platform for the activity of the studio in the coming years. Output from the studio so far is several projects between the local schools and the local industry.

The competence park is a known concept from other places, but can be regarded as an innovation in Haram. This partnership has so far worked mainly at the operative level and seems to have a weak institutional capacity. There is a need for institutional, strategic and tactical planning in order to clarify mission, relations and use of resources. Maybe can the ongoing municipality planning enhance the partnership's capacity?

5. Bachalao-forum

This forum has 11 partners localised both local and national, and the partners are small family owned companies and big shareholding companies. The forum has one employee and (s)he is located in Ålesund. The forum works continuously to recruit members from salted and dried fish industry. The forum has a steering group with 5 representatives from the partners. The forum was established in 1995 with support from the Norwegian research council and is today financed through member fee and support from Innovation Norway to selected projects. The mission of the forum is to make the R&D more relevant for the industry and the users, and the forum collaborates with different university, colleges and research institutes. The main challenge is to develop a cost effective and more automatic production in Norway and to be able to compete on the global market. Our informants say that the forum tries to stimulate the competence development in the industry, to set the agenda for the R&D and to increase the competitiveness of the industry. But they add, that this industry has a long and proud tradition of manual production, and that it is demanding to convince some of the partners to implement new technology and processes. There is a need for better contact between the industry and the R&D institutions, and there is a need for some first movers in the innovation process.

This forum is as an organisation and an innovation, and the partnership stimulates innovation in the industry. The forum seems to have some institutional capacity based on an almost complete planning process but with some shortcomings when it comes to involving partners and implementing innovations.

Conclusion – innovation, network governance and planning in rural areas

To stimulate innovation has become an important issue in the national regional policy. According to a broad definition of innovation used in this paper, all the organisations we have studied can be regarded as innovations. They represent new structures and processes in their regions, and they have all contributed to new actions in the area. They are all network organisations but they are not all network governance with partnership between public and private sector. As far as I can see, the bacalao-forum is a private-private partnership. In addition, there is another major difference between the studied partnerships regarding the member's engagement in implementing their policy. I will call Romsdal forum for technological science *extrovert* because the partners engage themselves in the implementation. Other partnerships are *introvert*, and they are in constant need for a bigger secretary because the partners are not involved in the implementation. The one question can be raised, is an introvert partnership a real partnership, or is it merely a network organisation with a secretary. Anyway, the five studied organisations have a varied focus on institutional, strategic, tactical and operative forms of planning and partnership, but they seem to need all the forms in order to perform a complete institution building process.

The concept of innovation is interpreted very wide in national programs for innovation and these programs have now been added to the other national programs for regional development. The county municipality has a major responsibility in coordinating the programs and do develop a suited policy for their regions. The county regional action program is an important planning tool in this coordinating process, but none of the five partnerships we have studied is mention in the action program. This can be a coincidence, but the whole implementation structure seem to be fragmented

and there is a need for a frame setting metagovernance at regional level and a complementing institution building process at local level because the regional development policy is based on competition, and all competitors, being urban or rural, need a strong institutional capacity in order to obtain support from the regional development programs.

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