

**A Comparative Case Study of South Denmark and South Norway – Analysing Cooperation between the Regional EU Offices and the Municipalities**

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**Camilla Willadsen & Mie Jørgensen**

**Cooperation between Multi-level Actors**

# Abstract

The aim of the cohesion policy is for European regions to grow and develop so all regions of Europe become more equal, which is one of the most important aspects of European policy. The multi-level approach to the cohesion policy means that all local and regional actors in theory have the same access to the structural funds. As actors in this grand frame the Regional Offices are found. They focus on attracting European funding to the regions via cooperation with local actors. The regional offices can therefore help the regional actors to get their share of the funding. However, it is an issue that the regional offices do not always cooperate with all municipalities in the regions to the same extent, as the municipalities then might not be able to develop within the means of the cohesion policy.

Through the means of organizational theory, inter-organisational cooperation, network theory, communication theory and multi-level governance theory the paper sets out to examine what was causing the lack of cooperation, and if this was in fact an issue, both in relation to the municipalities, the regional office and the cohesion policy. The method applied is a comparative case study, analyzing the two cases South Denmark and South Norway, generalizing the findings to other cases with the same characteristics. The findings show that all theories hold relevance in relation to explaining the lack of cooperation. The effect of all five theories is therefore interlinked, and it is not possible to determine which key issue is the root to the problem. However, the theories find that some of the examined variables seem to hold greater explanatory force than others. These are path-dependency, as previous engagement in cooperation will have a great effect on future cooperation. Interdependency, as lack of interdependency between the two sides is a hindrance for cooperation with all municipalities. Resources, as these set a defining limit to which municipalities the regional office will focus on, and which can be a hindrance for the municipalities ability to engage in cooperation. Lastly, as a reflection of norms in the surroundings organisations have a tendency to adhere to the same values, without this leading to any action, preventing further cooperation.

Furthermore the paper established that this lack of cooperation is only an issue in relation to some actors. It is not a problem for the regional offices, which do not need cooperation with a broad spectrum of municipalities to fulfill their short term purpose. Some municipalities can access the structural funds on their own, not needing cooperation. Other municipalities do not have the resources, knowledge and skills for accessing the structural funds without the help of the regional office, thus lack of cooperation is a problem.

In relation to the European cohesion policy it is seen to be a problem for the function of the cohesion policy, that not all municipalities in reality have access to the structural funds. This could be overcome by the weaker municipalities cooperating more with the regional offices. If the regional offices do not cooperate with the weaker municipalities, the regional office cannot help overcome the distortion of the structural funds and the cohesion policy will not have the intended effect.

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# Introduction (Camilla Willadsen and Mie Jørgensen)

With the establishment of the European Community in the 1950’s began a new era of cooperation between the European member countries, which had never been seen before. In the 1970’ies, the European Union developed the cohesion policy and structural funds, focusing on supporting the regions in growth and development. With Jacques Delors’ influence throughout the 1980’ies and 1990’ies, the European Cohesion policy became one of the most important elements in European policy, and today the structural funds take up impressively 1/3 of the entire EU budget ([www.ec.europa.eu](http://www.ec.europa.eu)). The aim of the cohesion policy is for European regions to grow and develop so all regions of Europe become more equal ([www.euractiv.com](http://www.euractiv.com)). And from then on the landscape of European cooperation, integration, political issues and development was never the same again. This story is no news to most people familiar with the European Union. However, the debate about the function of the Union, and the Cohesion Policy in particular, is as topical and relevant as ever.

These days the European members face many obstacles; the financial crisis, the climate issues, globalization, diminishing growth opportunities and high rates of unemployment among the young people in the EU. Many of these issues are aspects of the effect of the financial crisis. One of the key elements of EU’s solution to these big emerging problems is that they must be handled at a regional level.

The Commission states that the regions, the small and medium sized companies, and the local authorities are the backbone of the European economy, and the future growth has to come from here (www.europa.eu). This is the level addressed via the European Cohesion policy, making it ever more important that the cohesion policy does function as intended, as the European Union relies on the regional level to bring the European countries through the crisis.

Following the development of the EU cohesion funds the number of EU member states and therefore the number of regions in the EU has increased. This has created a platform of multiple actors with different means, measures and purposes for trans-regional cooperation. This again has paved the way for many actors on various levels ranging from local business, local authorities to regional offices all being an active part of this multi-level approach.

Thus, with as many involved actors, the cohesion policy becomes dependent upon them functioning well. Illustrated in figure 1.1;

*Figure 1.1 – Multi-Level Governance*

EU level

National level

Regional level

Local level

As seen in the figure, problems in cooperation and miss-match areas can happen on many different levels in this multi-level approach. If this happens, it could have a negative effect on the European Cohesion policy and thus have some consequences for the effect on functionality of the cohesion policy. In this context it becomes relevant to examine the relationship between the regional offices and the municipalities they represent.

***Observation***

During the fall of 2011, the researchers worked as interns at two Danish regional EU-offices in Brussels; North-Denmark EU-Office and South Denmark EU-Office. One of the main purposes of the regional offices is to assist local actors accessing the structural funds, thereby creating growth and development throughout the region. During this time it became evident that there were some municipalities, which were far more engaged in EU cooperation and participated in European projects with international partners, others were not engaging at all or had very little contact to the EU offices.

Thus, it seemed to be the case that the lack of cooperation could have a negative effect on which municipalities gain from the European cohesion policy’s structural funds. If the municipalities do not engage in the structural funds, they will not be able to grow and develop within the means of the European Cohesion policy.

Furthermore, with a financial crisis dominating not just the EU on a supranational level but also nationally in the member states, it would seem obvious that local authorities turned towards the EU for funding of projects instead of national funding, however there was no clear ‘evidence’ of this process.

On the background of these observations of the relationships in Danish regional EU offices, it seems relevant to examine why there is a lack of cooperation between the municipalities and the regional office, and if this creates a problem both for the involved parts, as well as a more general problem for the European cohesion policy.

***The problem itself***

In the light of the overall frame of European integration and cooperation, in order to maintain and develop the European market and competitiveness, it is natural to look at how and with what means the various EU regions try to obtain these objectives for further integration and greater compatibility trans-regionally.

A regional office is throughout this paper defined as *“a regionally based, publicly financed institution outside the mainstream of central and local government administration to promote economic development”* (Halkier-A:3). Thus, the regional EU-offices exist in order to ensure projects, funding, and possibilities of growth back to the region they represent.

Thus the regional offices are an important tool for the regions to access the European structural funds. Also for the EU, the regional offices play an important role, as they are an important mean to dividing the structural funds to the regions. Therefore it is seen as a possible problem if the regional office and the municipalities do not cooperate properly, as this could prevent the regions from accessing the funds. This would mean that the regions cannot develop as was the intention of the cohesion policy. Therefore, if the link between the regional office and the municipalities does not function ideally, it can have a negative effect on the impact of the cohesion policy, and thus, Europe’s strategy for assisting regional actors might not have the intended effect.

Observing the overall problem and stating that it in fact does exist does not make any of the actors get closer to a better cooperation. However, it is important to understand the issue from both sides; the EU offices and the municipalities. Investigating this issue placed focus on the relationship between these stakeholders as their relationship ultimately will affect the amount of funding and participatory level in projects which, thus, will touch the overall purpose and function of the structural funds from EU in that particular region.

Hence the problem formulation will be;

*“The regional offices and the municipalities do not always cooperate. Is this a problem, and if yes, what is causing it?”*

***Limitations***

Still this problem formulation has many different relevant aspects, which need to be examined. First, to whom is it a problem? Is it a problem for the regional office, a problem for the municipalities or a problem for EU’s cohesion policy? Throughout the paper, focus will be on analyzing whether or not it is a problem for both municipalities and the regional office, and what the implications of this lack of cooperation might be. Furthermore there will be a discussion of the impact on EU’s cohesion policy.

Second, what is causing the problem? It is clear that the problem can be caused by a great variety of issues, both internally in the municipalities and the regional office, but the problems can most likely also occur in the surroundings. Focus in the paper will be on the issues that arise either within the municipalities, within the regional office, or in their interaction. Thus focus will be less on the issues that occur in the surrounding environment of the regional offices and the municipalities.

The focus of the paper is shown in figure 1.2 below, where the main focus has been colored red in the figure. At the same time, the paper will draw lines to the surroundings of the regional office and the municipalities, as this level is seen to be highly relevant as well. This level is blue in the figure.

*Figure 1.2 – Main Focus of the Paper*

**EU Level**

**Regional Office**

**Municipalites**

**Local stakeholders**

It is acknowledged that the research question can be answered in a variety of ways, as it is clear that the miss-matches can occur in numerous places and can be examined in numerous ways. It will be answered by making a comparative case study, of the two regions South Norway and South Denmark, by the use of both qualitative as well as quantitative measures.

Thus one issue not analysed is whether or not EU’s cohesion policy is in fact structured in the right way, or if the problems are caused by EU policy rather than the regional offices or the municipalities. This focus has been chosen, as the paper to some degree is pragmatic, trying to identify how the cooperation can be improved, if it turns out that this is necessary. Thus, the structure of EU’s cohesion policy functions more as a given external factor affecting the cooperation, and the regional offices and municipalities therefore need to improve their cooperation within this set frame.

Motivation within the public sector in engaging in EU projects generates yet another hypothesis on as to why a miss-match occurs between the regional offices and the municipalities. Yet this approach would trigger a research design with focus on municipalities and the engagement and motivation of EU-projects, however, not with the involvement of the regional EU-offices as the engagement can be done without cooperation with the regional offices. Therefore motivation within the public sector will only be touched upon in relation to the regional offices and their work as the cooperation between the EU-offices and the municipalities rely on interest and engagement in EU matters, therefore also EU-projects.

Finally, the paper could be answered by applying different methods than a comparative case study. It could be answered via more quantitative measures than those involved in this being a case-study, involving two cases. Choice of method will of course affect how the problem formulation is answered.

***Aim of the paper***

As stated, the paper wants to determine if lack of cooperation is a problem, and for whom it is a problem as well as determining what is causing this lack of cooperation. Thus, the paper aims at identifying the most relevant problem areas between the involved parties.

Based on these findings, the hope is that it will be possible to determine some best practices for how the two involved parties can cooperate most effectively. It is the hope that the results identified will be generalizable to other similar cases.

However, the main aim of the examination is to identify the problem areas for better cooperation and integration and thus generating best practices, will have a minor position.

***Structure of the paper***

The paper will entail first a review of the historical development within the field of European regional policy. This is incorporated in the paper, to create a better foundation for the analysis.

Second is a section on methodology and choice of methods. This section focuses on methodological considerations and the impact on the findings, the choice of method has. The methodology section will also entail a case presentation of South Denmark and South Norway. This is followed by a presentation of relevant theory used for analyzing the case at hand. The paper will draw upon a variety of relevant theories, in order to best cover the relevant areas were miss-match can occur. Each theory will lead to a number of hypotheses used in the analysis, for examining the relevance of the theories in relation to the case. Fourth follows the analysis, divided in two sections. First section will be two separate analyses of the case of South Denmark and the case of South Norway. The second part will be a comparative analysis of both cases. This section allows for examination of likenesses and differences between the two cases, as well as effects of interactions between the different hypotheses examined. The two analyses are followed by a discussion of the implications of the results. Finally there will be a conclusion of the findings of the paper.

# Review European cohesion policy and the structural funds (Camilla Willadsen)

The following section will entail first a review of the development of the regional position in European policy in combination with the emergence of the multi-level governance frame. This is followed by a brief presentation of the European Cohesion policy and the structural funds in their present form.

## *EU and the regions (Camilla Willadsen)*

The term “region”, as it is applied in this paper, where the meaning is a territorial entity below state level, is rather new in European literature. Previously regions where seen as *“Groups of countries, such as Western Europe, North America or South East Asia”* (Keating & Loughlin, 1996:2).

From 1985 the role of the regions started to change, and regions where seen from the point of view as *“accelerated European integration… and the mobilization of regions within a broader political game across Europe”* (Keating & Loughlin, 1996:1).

The development in the regional role is amongst others due to economic changes, where regional policy has undergone several changes. In the period after WW2, many nations had regional policies. However, it was an area where the European Community did not develop policy. After the oil crisis in 1973 with rising unemployment, regional policy was cut back lead mostly by Margret Thatcher. Whilst the national level rolled back the regional policy, the European Community developed a regional policy in 1975 by setting up the European Regional Development Fund (ERDF). With the Single European Act in 1987 and the Maastricht Treaty in 1993 the salience of the regions rose dramatically with the awareness of regional importance for economic development. With the Maastricht treaty the Committee of the Regions (CoR) with representatives from regional and local level was created as an advisory board. The treaties oblige the EC, EP and the council to consult the CoR when new proposals are presented. However, the CoR still remains unable to either vote or have any legislative power when new proposals and developments are created. (CoR, 2012:4-6).

With the establishment of the single market, the structural reforms in the EU were justified in terms of “economic and social cohesion”, which meant “*the removal of various disparities within the Union*” (Wallace et al, 2005:214).

With the establishment of the structural funds, the Commission launched four means for the implementation of the structural funds;

* *Concentration of measures around priority objectives;*
* *Programming; whereby multi-annual, multi-task and occasionally multi-regional programmes, rather than uncoordinated individual national projects, are funded;*
* *Additionality; making EU funds complement, rather than replace, national funding;*
* *Partnership; involving the closest possible cooperation between the Commission and the ‘appropriate authorities’ at ‘national, regional and local level’ in each member state, and at every stage in the policy process from preparation to implementation.* (Wallace et al. 2005:218).

The aspect of partnership becomes important more so when comparing the regions of South Denmark and South Norway as their outset for participation differs in Norway not being a member state. Partnership is understood here by the definition of Henrik Halkier, describing it as *“a particular form of policy network that cuts across traditional political and social lines of division by involving several tiers of government, different policy sectors, and in many cases actors not just from the public but also private sector.”* (Halkier,2004:183).

 It is clear that within the EU there has been an immense shift in authority, where the power has gone from the nation state to the European level, as well as the regional level. This involvement of the regional level has led to regional offices in Brussels. This development, where the nation state has given power to both EU and lower levels of authority has come about as a mixture of a national focus and a European focus. The creating of the structural funds has facilitated regionalism by giving a greater role in development to regional bodies. (Harvie, 1994). The overall political aim has been to create cohesion though out the EU and here the regions are used as a mean for enhancing this cohesion. This has given the regions a prominent role in reaching the goal of greater cohesion, as the EU has chosen to achieve this mainly by funding regional development.

Despite the rather rapid development of influence to and by the various regions in Europe, there are still aspects of the cooperation which does give an uneven balance. Many theories have tried to explain the development within the European Union, but how is it best explained? There is no other union like the EU, so comparison and learning from another union is not in the question. There has been focus on intergovernmentalism with Moravscik (1993) claiming that the nation state is merely giving power to the EU due to its own best interests but when things really matter, it will withdraw the power and negotiate on an intergovernmental level. Others view the EU as supranational state with more and more powers developed without the influence of the nation states and thereby claiming authority and diminishing the nation state.

With the development of the Cohesion policy and the structural funds in the early 1990’s others, as Gary Marks (1993), saw a shift in power yet again and described the observation as “Multi-level governance”.

***The frame of multi-level governance and the EU (Camilla Willadsen)***

Whether or not multi-level governance is a theory or if it is merely a description of the function of the EU, it is none the less of great importance for the understanding of the rest of this paper and it goes hand in hand, explaining the development and new position of the regions in the EU.

But how is multi-level governance then to be understood in the light of the EU? Firstly, it is trying to understand and describe the development from nation state cooperation to the reality of several levels of jurisdictions and participants. To enter the EU funding, cooperation etc., it is no longer necessary to go via the national government; a small local business can approach and engage in international cooperation.

The multi-level governance explanation of these developments states that *“the gatekeeping power of the central governments in the member states is challenged by a combination of supranational (the Commission), and subnational actors (local and regional authorities or representatives of civil society).”* (Wallace et al, 2009:215).

But as it is being stated by Gary Marks and Liesbeth Hooghe in their paper of 1996, multi-level governance may not be useful in creating better coherence and a stronger “Europe of the Regions”. Because of the various ways in which regions in Europe are governed there is no common ground for the multi-level approach or scheme of how all these jurisdictional levels can be executed properly and equally in order to make sure that the development of the various regions can grow to the same extent.

Marks and Hooghe (1996) comment on the differences in the north and south of EU with the following comment on how it is perceived that the northern regions are ‘competing’ on a multi-level society as the EU.

*“If one wishes to find strong subnational political actors in the latter* (the southern member states) *countries, one has to look first and foremost to town and city mayors who, even if they are aware of opportunities in the European political arena, lack the resources to mobilize within that arena.”* (Marks & Hooghe, 1996:74).

It is within these settings that this study finds it legitimization. As stated above Marks and Hooghe have observed certain malfunctions in the multi-level approach on a European level. Nonetheless, the multi-level approach is the existing frame for cohesion policy; therefore it is of great interest to optimize the relationship between the regional offices and the municipalities.

## *EU's structural funds (Mie Jørgensen)*

As mentioned EU has since the 1970’ies developed the European regional policy, with the overall aim of creating “*economic prosperity and social cohesion throughout the entire territory of the Union, which means the 27 member states and their 271 regions*” (www.euractiv.com). The cohesion policy provides a framework for financing a wide range of policies promoting the aim of the policy. The framework is reviewed by the European institutions every 7 years, and in 2014, the new financial framework is launched. This financial framework is overall called the European structural funds. The current period 2007 till 2013 has a budget worth 308 € billion (2004 prices), almost 50 billion € pr. year, with the sole focus of supporting growth in the regions (www.ec.europa.eu).

 The structural funds are divided in three cohesion instruments, the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund. Combined they are to achieve the overall objectives of 1) Convergence, 2) Regional Competitiveness and Employment, and 3) European Territorial Cooperation (www.ec.europa.eu). The regions examined in the paper have access to the ERDF and the ESF.

**The 3 overall objectives**

Convergence is by far the biggest part on the budget for the structural funds, and over 80 % of the budget for cohesion policy is spent on this. This means that this money is allocated to the poorest regions of Europe, those where the GDP is less than 75 % of the EU average. This means that the regions examined in the paper, South Denmark and South Norway do not have access to the funding aiming at the convergence objective.

The objective of Regional Competitiveness and Employment spends 16 % of the cohesion budget and allocates money to the around 170 regions that do not qualify for the convergence funding. The money is spent on co-financing projects that contribute to promoting innovation and entrepreneurship, protecting the environment and improving economic competitiveness.

European Territorial Cooperation spends the last 2.5 % of the budget, focusing on promoting cooperation amongst regions in joint projects and exchange of experience. (www.euractiv.com ).

This then means that the regions examined in this case can only apply for funding from the two objectives; regional Competitiveness and Employment and European Territorial Cooperation. The objectives cannot be linked directly to the three funds ERDF, ESF and the cohesion fund, but the different objectives can receive funding from all of them.

**Programmes**

To make it even more complex, a part of the structural funds is being divided amongst the regions, as a set block grant. Another part of the structural funds are being made subject to competition via different European programmes. Each programme addresses different subjects, via EU-projects. These are the funding that the regional offices examined in this case; South Denmark EU Office and South Norway European office can apply for, by sending project applications.

The different European programmes all address one of the three objectives and get their funding from one of the three structural funds. However, the funds and the objectives do not match 1:1. Therefore there is no clear pattern in which programmes support which objectives and where they will get their funding.

**Co-funding**

Another important aspect in relation to the structural funding is the co-financing. Regions can apply for funding from the EU for projects that can be addressed by the structural funds, but they have to co-finance part of the project. The co-finance rate varies and regions can get from 30-90 % of the expenses covered by the EU, this varies in relation to programme. Furthermore there is a difference between the richer and the poorer regions, dividing at the 75 % of average GDP. The poorer regions will get a larger amount financed than the other regions.

**Structural funds 2014-2020**

Currently, the budget for the EU for the period 2014 till 2020 is being negotiated. The proposed budget for the structural funds is lower than for the present period, as it amounts to 32 % of the total EU budget, compared to 35 % today. Furthermore the entire EU budget is being cut as an effect of the financial crisis. The structural funds will in the next period be targeted more towards creating growth, and towards the European 2020 targets. (CoR, 2012:9). In July 2012 the Danish government agreed upon a tax-reform, and one of the elements of this is to cut back on the structural funds by 1 billion DKK. If this is accepted by the EU as well, it would mean that Danish regions would no longer get a block grant from the EU, and this would affect the regional office, as part of the funding from the region comes from this block grant. Thus, if this is accepted by the EU, it would have an effect on the regional office of South Denmark, and on the cohesion policy as a whole, as Denmark would no longer contribute to this European project. As it is not yet known how the discussions of the budget will end, focus of this paper will be on the regional offices in the funding context currently active.

# Method (Mie Jørgensen)

The following sections entail the methodological considerations of the paper, focusing first on the research design, and the advantages and disadvantages following this choice. Second the methods applied are presented, also focusing on the advantages of the chosen methods. Thirdly a section on data collection and handling is presented in order to make the study replicable. Fourth there is a section on case selection, describing the selection criteria followed by a case presentation. Lastly a short section flows on how the theories will be applied in the analysis.

## *Research design – comparative case study (Mie Jørgensen)*

The overall intention of the paper is as mentioned to examine the cooperation between the regional office and the municipalities, as it is believed that improving this relationship can improve the overall structural funds.

This could be done via several different research designs such as case studies, comparative case-studies or transverse studies (Andersen et al 2010:85). The case study is the most intensive form of research study focusing on capturing as many details as possible, whereas the transverse studies compare many studies focusing on the broader picture. There are advantages and disadvantages by applying both, but as the study is somewhat explorative, examining the relationship between the regional office and the municipalities and thereby identifies the problems, it is found that a research design focusing on the details is most suitable. Thus a comparative case study is chosen, as it is seen that there are several advantages to this research design.

Another advantage by applying case studies is, that they provide “conceptual validity” meaning that the paper is able to clearly identify and measure the indicators that best represent the theoretical concepts of the study in question (George & Bennet, 2005:19-20). This is an advantage as the paper applies a multitude of theories, which is rather complex. Thus a research design that allows a focus on the details and thereby creating the best possibilities for testing the hypotheses, to see if they stand or are falsified (Popper, 1996:33), is to be preferred. Meaning that when examining the hypotheses there can be a variation between the independent variables and thereby better test the hypotheses. There might not be variation between the independent variables in the two cases at all times, but then there might be inter-case variation instead, meaning that the units, in this case the municipalities, will differ within each case. The inter-case variation is due to how the cases are composed. Each case consists of several different units, one regional office and the municipalities of the region. So there can easily be variation between the units as well, instead of just between the two cases. Thus the variation can be found at both within-case and cross-case level (Gerring, 2007:28).

Furthermore, this approach provides a relatively high degree of internal validity (Bryman, 2004:272-273) allowing researchers to go in-depth with the few selected cases and provide a comprehensive insight into to the aspects relevant for testing the hypotheses. The downside to the in-depth knowledge obtained, is that one must be careful when generalizing the findings, as focus is on the details, not the broader lines.

In the paper this will affect the population intended to generalize the findings to, as it is found that it is important to be somewhat conservative with the generalization, so the results are more valid.

However, it is possible to generalize the findings. Gerring (2004) defines a case study as “*an intensive study of a single unit with an aim to generalize across a larger set of units*” (Gerring, 2004:341). Thus according to this the purpose of a case study will often be to generalize the findings to larger populations – at least to some part. This is also the case in this study, where the paper aims at identifying the issues that can affect cooperation. Furthermore the case study in this paper focuses on two cases, with the intention of comparing the two. Analyzing two cases makes it more feasible to generalize the findings to other regional offices.

The paper analyses a Danish regional office and a Norwegian regional office, as this allows the paper to generalize to regional offices outside Denmark. Furthermore it allows the paper to check for third variables as well – if focus was on only Danish regional offices many third variables would be fixed, but by choosing a Norwegian regional office it is possible to examine the third variables of country and EU membership. Thus the population intended to generalize to is cases involving 1) regional offices in Brussels, 2) representing relatively small regions, 3) with a limited amount of municipalities, and 4) who at least partly focus on the municipalities.

Another common critique of case studies is that they are prone to selection bias, so the researcher will have a tendency for choosing the cases that best fit the hypotheses (George and Bennet, 2005:22-25). The paper has dealt with this by developing case selection early in the research process, and besides this the details of the cases where at least to some extend unknown beforehand.

## *Research strategy (Camilla Willadsen)*

The following will be a presentation of the approach for answering the problem formulation. It will discuss the different methods one can apply, and the advantages of combining more than one strategy.

***Qualitative vs. Quantitative methods***

As the intention is to discover the underlying structures of the relationships between the municipalities and the regional offices, investigating the assumed miss-match areas to understand and to highlight problematic areas requires the ability to go beyond the qualitative strategy in order to generalize. This legalizes the use of both quantitative and qualitative strategies. Therefore the paper applies both, in the form of questionnaires and interviews. The questionnaires will be based on the assumptions and statements from the qualitative interviews.

The combination of both quantitative and qualitative research strategy combines the best of both worlds, adding the strength of in-depth analysis of the interviews as well as the width of quantitative strategy, reaching as many respondents as possible in order to back up and generalize the statements from the municipalities. Thus the paper in choice of method is quite technical (Bryman, 2008:606) which places importance on the strengthening of the research with the combination, as it is noted that one research strategy is “*viewed as being capable of being pressed into the service of another*.” (Bryman, 2008:606)

We bear the notion that both qualitative and quantitative methods are tools (Kvale, 1996) and as such they have different competences depending upon their task.

Therefore; combining them in a research strategy offers different strengths and weaknesses. The differences between the two, is originated in the fact that researchers using quantitative methods are concerned with description and explanation of behavior while qualitative methods are concerned with the meaning of the behavior of the informants.

Quantitative data can be measured on many outsets. The need for statistical data is not always the primary function of the data collected quantitatively, nor is it in this paper. From time to time it is also used as a measure to see if a particular discourse is dominant or if the interpretation applied in the analysis is of a common nature (Marsh & Stoker, 2002:232-233).

***Interviews***

The choice of semi-structured interviews has been made based on the fact that this would allow the researchers the gather a more in-depth knowledge within a frame set by the researchers (Bryman, 2008:438). This also justifies as to why the semi-structured approach is most suitable instead of in-depth interviews, where the researcher intends to explore the deeper relations within their respondents as well, to see what causes a specific behavior (Kvale, 1992:4). The researchers aim at exploring the dynamics on the organisational level, in which the respondents represent the municipality or the regional office. However, acknowledging the ability of the respondents to explore and further develop on the pre-designed questions gives way for discovering, relevant topics that has been unknown to the researchers. The effect of using the informants as elite respondents allows them to explore and develop onto issues within the predesigned and relevant framework (Andersen et al 2010:133).

As Steiner Kvale (1996) states, qualitative interviews as a method is lacking a common procedure, there is no rule-set as to how to go about conducting interviews. It is merely a craft which one can perfect and can master at various levels.

When conducting interviews the subjects of objectivity and replication often occurs. It is acknowledged that another interviewer may not be able to replicate a single interview and accomplish the exact same response (Kvale, 1992:21-22). However, it is believed that when following the outline of similar procedures while conducting interviews it is possible to obtain similar responses and interviews. Furthermore an interview guide was made, making it easier to replicate the interviews.

The advantage of the qualitative interview as a method is that it is generative (Ritchie & Lewis, 2006:30-31), meaning that it will most likely be able to produce new knowledge and thoughts on the topic, which may be new for the researcher as well. The approach is useful as the results serve as a catalyst for the further development of the research design into questionnaires.

***Questionnaires***

The questionnaires take over when the benefits of using interviews have reached the limit, as they allow data gathering from a wider group of respondents than what could have been possible to do in interviews, given the time frame. The advantage of considering a quantitative method for obtaining knowledge about a certain topic is that it can be used as an instrument to widen the amount of informants, to test the hypothesis gathered from the interviews, which may not have been possible without using a questionnaire.

The aim of the survey was to create a better foundation for generalizing the hypothesis and empirical data which has been discovered at the interviews. As the intention is to gather information on the miss-match areas, it is important to have a clear understanding if the interviews conducted truly do represent topics which are of concern to most if not all the municipalities within the two regions.

Whereas the interviewing suffers from the lack of a fully replication due to the nature of the research method, a survey offers greater replicability as the themes and topics are answered in an online survey (See appendix 13 and 14). The analysis will not refer to appendix number when addressing the survey. Instead it will at times refer to the survey question other times, the survey will be used without reference, but all numbers including % or number of municipalities can be found in the survey.

***Triangulation***

As mentioned the researchers apply both quantitative and qualitative methods, as it is seen that this triangulation *“gives greater strengths of the data-collection and data-analysis with which quantitative and qualitative research are each associated and sees these as capable of being fused.*” (Bryman, 2008:606). The empirical findings will be executed by first conducting the interviews and on the basis of these, develop questionnaires which are intended to corroborate the qualitative findings.

As a general rule of thumb most researchers strive to “*design studies that will not only give a multidimensional perspective of the phenomenon but will also provide rich, unbiased data that can be interpreted with a comfortable degree of assurance*”. (Thurmond, 2001:254). It is believed that triangulation creates the best foundation for this.

Triangulation can occur on many levels within a research; the theoretical level, the methodological level and the investigational triangulation (Thurmond, 2001:254). All three will be present in this study. Triangulation at the theoretical level enhances the analysis to a broader explanations and findings. This correlates very well with the intention and outset of the study as the aim is covering most areas possible to provide at fully framed view upon the study within the research frame.

*“Methodological triangulation has the potential of exposing unique differences or meaningful information that may have remained undiscovered with the use of only one approach or data collection technique in the study.”* (Thurmond, 2001:256).

Investigational triangulation is perhaps a very common form of triangulation as this merely involves the participation of more than one interviewer or researcher. The advantage of the combination of more than one researcher is that it adds to the increase of objectivism and observations of the empirical findings.

“*The intent of using triangulation is to decrease, negate, or counterbalance the deficiency of a single strategy, thereby increasing the ability to interpret the findings*.” (Thurmond, 2001:253).

The overall effect and use of the triangulation approach is that as we are intending to provide indications and identifying the problem areas, to which we are presenting and including various actors. The inclusion of different informants both nationally and on a European level strengthens the choice of triangulation.

Believing and observing the world as being build up in a mix of systems, methods, structures, people etc. it is not possible for the researchers to accomplish a study which has one focus at the point of departure. This view upon the world is therefore also present in the combination of methods, theories and strategies towards exploring the problem at hand. It would be possible to acknowledge the focus of just a single strategy and a single research theory; however, this will not lead to the discovering of the general miss-match areas between the municipalities and the regional offices. It will not make any sense to rely on just one theoretical approach to shed light on all the potential parts of the investigation.

## *Data collecting and handling (Camilla Willadsen)*

The following section will include a description of how the data for the analysis has been gathered, thus how the theory is being operationalized. This will include first a presentation of the approach for developing hypotheses, which is the foundation for data gathering. This is followed by a section presenting the overall data gathering, followed by a section on the interview guide. Finally there will be a section on the questionnaires.

### *Generating Hypotheses (Camilla Willadsen)*

The analysis of the paper is focused on hypotheses which have been developed in a combination of deductive and inductive approach. Before the data collecting started, the researchers made a list of hypotheses, all possible explanations for lack of cooperation, while finding the theories that could best address the hypotheses. These hypotheses were then tested in the initial interviews, allowing the researchers to focus on the ones that seemed most relevant. Based on the empirical findings, and the original expectations, the researchers focused on the theories most likely to hold some explanatory force in relation to lack of cooperation. Thus, the hypotheses have been generated on a basis of empirical findings, as well as theoretic expectations.

Through the study, the theoretic focus became clearer, and where the interviews focused on a broader spectrum of theories in order to evaluate the theoretical choices, the questionnaires had a more narrow theoretic focus. The qualitative section involving the interviews aimed at verifying the final choice of theories as it was possible to examine several topics in depth and thereafter single out the most important focus areas for further investigation by using the questionnaire. Examining all implications of plausible theories was impossible due to time, scope and space limitations.

These choices have been made as objectively as possible by examining rather than excluding relevant theories in the interviews. The theories used in the paper are network theory, communication theory, organisational theory and multi-level governance theory.

### *Data gathering (Camilla Willadsen)*

The data gathering were divided into four rounds;

1. Interviews with the Regional offices in Brussels
2. Interviews with the municipalities in South Denmark and in South Norway
3. Questionnaires sent out to all the participating municipalities in South Denmark and South Norway
4. Follow-up questions via e-mail

The interviews with both the regional offices and the municipalities were conducted throughout March ranging from the 14th of March to the 29th of March, creating the basis for the questionnaire which was sent out at the beginning of April.

A general remark to the data gathering is the fact that the data gathering has been limited to a period of about a month which has affected the data gathering. The more data gathered, the more solid an analysis, and therefore it could have been relevant to conduct more interviews, with both the same interviewees and other relevant interview persons. However, due to time limits, it has not been possible to continue the data gathering for a longer time period, and it is believed that the time for data gathering was sufficient to interview the employees most relevant, and that this is enough to conduct a very solid analysis. Taking all these arguments into consideration, the relevance of the questionnaire comes into play.

Even though it is always possible to conduct secondary interviews for further explanations, combining the interviews with the questionnaire provides a solid ground for researching if the statements set in the interviews are shared in a wider group.

The data conducted by the questionnaire will be able to rule out insecurity about the content of the interviews. The aim of the questionnaires is exactly being able to generalize to the municipalities within each region. Conducting interviews with two municipalities in each region is hardly sufficient if the intention is to conduct any trends which will generate the possible problem solving between the regional EU offices and their municipalities.

The choice of using interviews has been further elaborated upon in in the previous section; however, as is noted in that section, the choice for that particular strategy was seen as necessary in solving the research question.

There is a variety of ways in which the research could have been investigated. However, as it is the behavioral patterns and the day to day work within the municipalities and the regional EU offices, which in reality sets the agenda and the outcome of the cooperation, it is important to thoroughly examine the informants’ knowledge. This is believed to be solved via elite interviews and questionnaires.

For the understanding of the data gathered, it is important to bear in mind that the researchers do maintain and uphold the world as a mixture of views, strategies and problems.

This means it bears no reason to not include a research strategy if it is relevant. This also means that the way in which the interviews were conducted, on a general note, were adjusted to the given research interview. It is a given that the informants were to cover the same theoretical approaches, however, it is also important to remember that not all informants know the same or upholds the same position within the municipalities or regional EU offices and therefore it makes no sense to ask them specific questions which may not be relevant for them.

### *Interview Guide (Mie Jørgensen)*

The semi-structured interviews (Andersen et al, 2010:149) enhance the open answers and discussion only mediated by the themes presented by the interviewer. This falls well in line with combining elements of both inductive and deductive research, as the theoretic setup outlines the topic and directs the questions while the respondents are free to add their personal and professional interpretation and focus in the answers.

The interviews were based on an interview guide (see appendix 1-2), which ensures comparability between the two cases. However, the interview guide was more of a guideline used to make sure that all subjects had been covered. This also means that the interview guide was modified and developed from one interviewee to another. Especially in the case of South Denmark, where more informants were interviewed from each unit, it was necessary to modify the interview guide, to capture different aspects with each interview. Furthermore the interview guide was altered when the regional offices were interviewed and when the municipalities were interviewed, as the intention was to capture two sides of the case. Lastly the interview guide was altered as it became clearer which theories were most relevant for the analysis.

**Transcribing and coding**

All interviews where recorded and transcribed afterwards (See appendix 3-12). All relevant comments have been transcribed in its exact wording, but as the aim of the interviews is not to explore a latent dimension or discourse analysis, grammatical errors and other impediment of speech have been removed. Furthermore, as most interviews were conducted in Danish, the quotes have been translated into English. The analysis will not refer to the appendix number, but instead the interviewed person; these can be seen in the title of the appendixes as well. Following the transcription of the interviews, they were analysed by conducting a closed coding of the interviews (Andersen et al. 2010:175). The coding was done in relation to the hypotheses created for analysis. This strategy of analysis was somewhat deductive, as the coding was done by predefined concepts. Thus the closed coding was seen as the best way for analyzing the relevance of the hypotheses. Besides the closed coding, the interviews were partly submitted to an open coding, going over the interviews, also determining if some relevant aspects were not captured by the theory. The coding resulted in the theory being revised, as to better capture all relevant explanations for why there is a lack of cooperation.

### *Questionnaires (Camilla Willadsen)*

The questionnaires (appendix 13 and 14) were sent out to all the municipalities in South Denmark and South Norway.

In order to obtain as many answers as possible, the questionnaires were sent out to more than just one person in the various municipalities. As a general rule, there is a tendency to not answer questionnaires sent out, it was therefore seen as a better way to gain answers from as many municipalities as possible.

When analyzing the data from the survey, municipalities with more than one respondent will not be over represented, as the researchers will check for this.

It may even be an advantage to gain answers from more than one person in the municipality as this is an opportunity to highlight possible differences within one municipality.

**Choice of respondents**

The respondents in Denmark were chosen on the background of their participation in the South Danish international network (NIMS) between municipalities and the regional EU office. The members of NIMS are the appointed contact person responsible for the municipalities’ international focus, and thus they were believed to be most relevant for the survey.

The list of participants in South Norway was chosen on a different measure. As there was no regional network including the Norwegian municipalities in which contact info on relevant respondents were found, an e-mail was sent to the informational e-mail addresses in all the municipalities asking for relevant contact persons. In the municipalities which did not reply, the questionnaire was sent to the head of business department and the mayor (Rådmann) after researching their websites and concluding that there was no employee with the title as an international employee.

Not sending the questionnaire to the person upholding the same position in each municipality in both Denmark and Norway is of course a problem for the validity of the survey. However, it was found to be more relevant addressing the employees working with their international focus, no matter what title this employee held. Thus the chosen respondents are seen to create a rather solid foundation for the analysis.

In Denmark, respondents from all municipalities replied, which makes the foundation for the analysis most solid. In South Norway, it was more difficult to get the municipalities to respond, and therefore only 16 of the 30 municipalities have respondent. This is not as solid as one could have hoped, but still little more than half the municipalities have respondent to the survey, which is still a rather good result. None the less, when conducting the analysis, one must be slightly more conservative with the finding from South Norway.

# ***Case selection and presentation (Mie Jørgensen)***

This section focuses on the choice of empirical cases for the project, how these were identified and their characteristics. Following his, there will be a case presentation, where the two cases are presented focusing on both the formal of the cases, as well as the chosen interviewees.

***Regional Offices***

The cases where selected based on the main criteria that the region must have a regional office in Brussels. Regional offices can overall be defined as “*a regionally based, publicly financed institution outside the mainstream of central and local government administration to promote economic development*” (Halkier - A:3). In this paper the terms regional offices, regional EU offices, EU offices, South Denmark EU Office (SDEO) and South Norway EU office (SNEO) will be used interchangeably.

However, there is a big difference between regional offices, and in order to find two cases that would allow comparison of their strategies, and their relationship to the municipalities, two comparable cases were needed. Four main criteria’s for case selection were identified, being; 1) the regions should be about the same size in terms of population, 2) the region should consists of municipalities, and 3) the regional office should perceive the municipalities as their stakeholders and work actively with the municipalities and 4) the sector focus of the regional offices should be somewhat the same.

As the problem formulation departed in observations from Danish regional offices it was most relevant to include a Danish regional office, and it was therefore necessary to find a case suitable for comparison with a Danish model. The Danish regional office chosen was South Denmark European Office. Regional Offices in both Germany and Great Britain were examined, and it was found that these offices for reasons such as size and focus where not comparable. South Norway was chosen as the second case. The two regions both have regional offices in Brussels; they have about the same population size, divided into about the same number of municipalities, which are perceived as some of their stakeholders. Finally both regional offices focus on the two areas energy and welfare technology. Based on this the two cases South Denmark and South Norway were found to be suitable as cases.

## *Case presentation (Camilla Willadsen)*

The following section contains a presentation of the two cases, focusing on South Denmark first, followed by South Norway.

### *South Denmark (Camilla Willadsen)*

Denmark has been a member of the EU since 1973, and is thus one of the older EU countries. Since the implementation of the Single Market, resulting in greater cohesion policies, Denmark has increasingly had cities establishing own offices in Brussels in order to keep up with the international development and to accommodate the initiatives, which the EU set out for greater cohesion. These offices started out by representing individual, resourceful cities, in order to facilitate the need and competitiveness of the cities.

Denmark underwent major structural change in 2007, where 271 municipalities where merged into 98, and the 13 counties were replaced by 5 regions and most of these EU offices were merged into regional EU offices. There are therefore 5 regional offices in Brussels, each representing their region and with a stronger tradition for some cities in the region to be more proactive in the European area. But the current structures in Denmark are relatively new, and perhaps therefore less settled, meaning that the regions and the municipalities are still working out how to cooperate.

***South Denmark – presentation of the case***

The region of South Denmark consists of 22 municipalities. 1.2 million People live in South Denmark, which is the second largest region in Denmark.

SDEO is the biggest Danish regional office in Brussels, with 9 employees. The office is owned by the South Danish region and the 22 municipalities within it, thereby representing all public bodies in the region. The office is chaired by a board, consisting of 5 politicians chosen by the municipalities, one member from South Denmark Growth Forum and two members from the regional council (www.southdenmark.be). The board draws a performance contract on a yearly basis for SDEO which they have to live up, in order to measure the work of SDEO.

The day to day management at the South Denmark EU office is run by director Jonas Groes.

Both the performance contract which sets the frames for which areas the EU office mainly works with and the EU office’s focus areas are influenced by both national and European priorities. The EU has the agenda 2020, which dictates a sustainable and energy efficient Europe. On a national level, the Danish government has issued green growth and Health as primary focus areas. Therefore the priorities for SDEO are to incorporate these areas in their region and daily work (www.southdenmark.be).

These strategies are interconnected as follows;

*Figure 3.1 – Focus areas of SDEO*

**Energy and Environment**

**International municipalities**

**Health and welfare tecnology**

**Research and Innovation**

These are based on the competences of the region but in combination with the political agenda in the EU, as these two areas are to merge for the better outcome for the region.

The interests of the municipalities are being handled by the employees depending on the matter but for the most being, one employee is assigned to the work related to the international municipalities as institutions.

***South Denmark EU office – data gathering***

At the South Denmark European Office, three employees were interviewed. The informants were chosen on the grounds of their position within the regional office.

* Marlene Damgaard Lindholm (MDL) who is on maternity leave but the one who is responsible for the municipalities. She has been at the position for one year and is expected to finish her maternity leave and begin in September 2012.One of the task is working on the overall strategic frame for how to create a better network with the municipalities in South Denmark. Where Jonas Groes sets out the main lines of how to obtain the strategy paper, she is the one who is in charge of the communication and the structure in this relation. Conducting an interview with her as an informant provided knowledge on how the priorities of the regional office in relation to the municipalities are uphold on a more regular basis.
* Maibritt Solskov Lind (MSL), holds the position as responsible for the section on international municipalities while Marlene Damgaard Lindholm is on maternity leave. She has been employed since August 2011 and will terminate her position at the end of May 2012. Maibrit Solskov Lind is relevant for the study as she holds the knowledge of the current position and strategy for 2012 in relation to the municipalities. She will also be able to clarify how the strategy works and current improvements.

* Jonas Groes (JG), director at SDEO. He started the position as director at SDEO in August 2011. Due to Jonas Groes’ position as director, it was assumed that information on overall resources, overall strategy and structure would be gathered while interviewing him. Gaining an insight on how the business of the regional office is run, creates a better knowledge on how and why the day to day interaction with the municipalities is handled the way it is.

**The Interviews**

The interviews were conducted separately; starting with Marlene Damgaard Lindholm followed by Maibritt Solskov Lind and ended with Jonas Groes. The interviews were conducted at places which were mostly convenient for the participants. This meant that the interviews conducted with Marlene Damgaard Lindholm and Maibritt Solskov Lind were conducted in Brussels as the SDEO office is placed in the city resulting in both women living there as well.

Starting out with interviewing the informants from the regions were a strategic consideration as the basis for understanding the concepts of the cooperation with the municipalities and the office’s view upon problematic areas, contact persons within the municipalities etc. This gave a foundation which allowed the researchers to understand structures of the regional offices and be able to set them in relation to the municipalities and thereby generating better interviews in the overall setting.

Due to the amount of people interviewed from the South Denmark EU office, the knowledge gathered is also greater, this is a very good feature and component for the analysis section.

There is a chance that the interviews may be slightly biased in the form of some may be more reluctant when it comes to perhaps speaking against “your office” and your boss. It is important to take into consideration that the informants may be biased in their answers due to many reasons; there may be some external assumed “pressure” from the board or other factors.

Furthermore, none of the informants are anonymous. This creates a basis for the way the informants may choose their wording as they must be able to work with the colleagues and at the office even after the research has been conducted. This means that some of the participants may be less willing to speak freely.

It is considered, however, that the topic of regional cooperation has a limited consequence to it, hence the amount of bias may not be too strong. Furthermore, the three interviewees all uphold different positions in SDEO and therefore it is expected that the bias will outweigh itself.

***Municipalities***

For the analysis two of the 22 municipalities were interviewed. After the conduction of the interviews, a questionnaire was sent to all the municipalities afterwards, based on the findings from the interviews. The municipalities interviewed were Sønderborg and Vejle. These municipalities were chosen because of their engagement in the European office. Sønderborg has very little contact to the regional office, whereas Vejle have much closer contact.

 It is therefore believed that the two municipalities create a good foundation of capturing different opinions of the regional office. The two municipalities are to some extent outliers related to the other 20 municipalities and they were chosen based on their positions as outliers. This also means that we cannot generalize the findings directly to the other municipalities, as they are not representative of the 22 municipalities. Therefore we have done questionnaires to all municipalities, to examine if the findings are valid for all municipalities.

**Sønderborg municipality**

Informants divided into two interviews:

* Peter Mølgaard (PM), who holds the position of development consultant. He is positioned in the secretariat. He is furthermore the contact person to SDEO.
* Lene Sternsdorf (LS), who is climate coordinator, positioned in the “technical and environment” department. She is project manager on an Urbact project.
* Karsten Justesen (KJ), chief of the tourism sector in Sønderborg. Has upheld the position for three years.

Overall, all three employees are working on EU projects and international focus in the municipality. This makes them relevant in the relation to the SDEO.

*The interviews*

The interviews were conducted in Sønderborg municipality, firstly with Karsten Justesen and afterwards with Peter Mølgaard and Lene Sternsdorf.

The most visible disadvantage with these interviews was the secondary interview with Lene Sternsdorf and Peter Mølgaard due to the fact they were interviewed at the same time. This was done as there was a time limit as to how long the interview could last that day. This meant that they could either be interviewed separately, with less time to the interview or together which would give the interview more length.

In this particular interview, Peter Mølgaard was the more dominant participant, being very eager answer and was very committed to the projects, the municipality conducted. It was not seen as a hindrance for Lene Sternsdorf to speak freely, which is seen by the wording she gives her answers.

During the interviewing Karsten Justesen it became clear that he had very little knowledge on the structures of the municipality, which was a hindrance for addressing some theoretical aspects. However ´, these were addressed sufficiently in the second interview.

**Vejle municipality**

Informants divided into two interviews:

* Hans Aa. Sørensen (HS), employee in Education and learning/Children and Youth. Hans Sørensen is furthermore the contact person in the NIMS network.
* Sonja Hansen (SH), fundraiser in the Business and culture department. Sonja Hansen has several years of experience with EU projects.

The overall advantage of both interviewees is that they are both heavily involved in EU projects. Furthermore, Sonja Hansen has a very close relationship with the SDEO while Hans Sørensen, who represents another part of the municipality, does not draw so much on their services. This allows for a broader understanding of the municipality structure.

*The interviews*

A disadvantage of the interview with Hans Sørensen with representing the municipality as an institution is the fact that he is only representing the department on Youth, Learning and Education. Therefore his main experience and knowledge is on this area, whereas the interview was based mostly on the general knowledge of the overall institution. However, due to his senior rank in the municipality he was capable of providing general knowledge on structures as well.

### *South Norway (Mie Jørgensen)*

The following will be a presentation of the case of the region of South Norway, followed by a section on data collection.

**The region**

Norway is not a member of the EU. Norway has held referendum of the issue of EU membership twice, in 1972 and 1994, and both times a small majority rejected EU membership. According to Øyvind Lyngen Laderud, from Kristiansand municipality, there is still a very strong anti EU lobby in Norway, which affects the general opinion of EU, so Norway is a rather EU skeptical country (Øyvind Lyngen Laderud:8). Despite the fact that Norway is not a member of the EU, they still have access to EU structural funds, the only difference is that in Interreg programmes, Norwegian participation is financed by the country’s own economic resources (www.eu-norway.org).

The region of South Norway consists of two councils and 30 municipalities. The population of the regions is rather small compared to the South Danish population; only 280.000 people live in Agder. This can be a problem as one of our case selection criteria was that the regions should be about the same size, but compared to some of the other European regions, the difference in population is relatively small, and it is therefore not seen to affect the findings a great deal. This also means that the population in the 30 municipalities is smaller than the population of the Danish municipalities. A number of the municipalities in South Norway have a population of no more than 10.000, which is substantially smaller than the Danish municipalities, thus this might affect how the municipalities cooperate with the regional office.

***The regional Office***

South Norway European Office (SNEO) is the regional office in Brussels but it is much smaller than SDEO. The office consists of two full time employees plus one or two interns. The structure of the office is different as well, as one of the employees is located in the department in South Norway, the other in Brussels. They two consultants have divided the work between them, so the consultant based in South Norway is in charge of communicating with the local stakeholders and building a network. The consultant in Brussels is responsible for monitoring the international development, finding relevant projects, lobbying for the local stakeholders and creating international networks.

The office is owned by two municipalities – Kristiansand and Arendal - , the two counties of South Norway and the research institution “Agderreseach”. All owners are represented in the board, which set the line of work for SNEO. (A - www.south-norway.be).

The regional office has existed in its current form since 2011, where the EU office opened a department in Brussels. Before this, the European office has existed in South Norway, located in the municipality Kristiansand, since 2009. Thus it is a relatively new office, which can affect their daily work, as nothing is set in stone yet.

SNEO states that their primary focus is to “*contribute to a more international oriented business and public sector in the southern part of Norway, in which the opportunities in the EU is better exploited*” (B - www.south-norway.be). Thus via the international focus their goal is to participate in creating growth and development in the region.

The approach for fulfilling this goal is rather different than how SDEO go about the task. SNEO focus on a combination of providing information to the municipalities, they create an international network, they lobby, they focus on EU’s structural programmes and they participate in writing applications, but only to a smaller degree than what SDEO does. Thus they have a broader focus than SDEO, which as mentioned focus more directly at the EU structural programmes. If the municipalities then direct enquiries to them they will dedicate some time to this issue.

**SNEO - Data gathering**

From SNEO interviews have been made with Bodil Agasøster (BA), head of office in Brussels. She has worked in Brussels for a number of years, previously as a national expert, but for the last year she has been head of SNEO Brussels department.

Furthermore it would have been relevant to interview the director of SNEO who is the consultant located in South Norway, but unfortunately this has not been possible. This has affected the amount of data which has been gathered about SNEO. Instead data about their relations to the municipalities have been covered by Bodil Agasøster, as well as the municipalities that have participated in interviews and survey, thus there is still a solid foundation for making the analysis.

*The interview*

This interview was conducted in person in Brussels at South Norway EU office, which increased the ecological validity (Bryman, 2004:29). Still just conducting interviews takes the interviewees out of their natural environment and they might not answer the questions honestly. This however did not seem to be a problem with Bodil Agasøster, who answered questions very straight forward. The interview was conducted in English, which was seen as an advantage as there is a language barrier when interviewing Danish-Norwegian. Therefore English was seen as the best solution for optimizing the interview.

***Municipalities***

To get the same setup as in for the regions of South Denmark, once again, two municipalities where interviewed. In relation to selecting the two municipalities, this was not as easy as in the case of South Denmark, as not all the municipalities pay to the European Office, as is the case with South Denmark. SNEO was contacted, to find out which municipalities would be relevant to interview, if the intention was to interview the outliers, one municipality that took great advantage of the regional office, and one that did not.

SNEO recommended interviewing the two municipalities that pay to the regional office. These municipalities were chosen for several reasons. First, it was more likely that these two municipalities would have knowledge of the regional office, which would allow for better examination of the problem formulation than had the interview been conducted with a municipality with no knowledge of the regional office. Secondly, according to SNEO, the two municipalities that do pay are quite different in their cooperation with the regional office, with Kristiansand cooperating more with the regional office than Arendal. None the less, they both cooperate more with the regional office than the other municipalities of South Norway, and therefore they are not completely comparable to the Danish interviews. However, by conducting both interviews and sending out a survey to all municipalities in South Norway, this problem is seen as minor, and the interviewed municipalities still provide a solid foundation for the analysis.

**Arendal municipality**

At Arendal municipality Ole Jørgen Etholm (OJE) was interviewed, he is working as municipality planner (kommuneplanlægger). Ole Jørgen Etholm is the contact person from the municipality to the regional office, as he is also the one responsible for international relations.

*The interview*

This interview was done over the phone, which is not ideal for interviews. A downside to doing an in-depth interview over the phone is that it can be very difficult to establish a good relationship to the interviewees, where they trust you enough to tell the truth, or that they get engaged enough to take the time to think about their answers (Andersen et al, 2010:158). The downside of phone interviews where compensated by the option of sending follow-up questions in emails. Unfortunately in relation to gathering knowledge about the relationship to the regional office, it proved rather difficult in the interview. The interview was formed a great deal by being conducted as a phone interview, as the phone connection was quite poor. Furthermore the interview was conducted in Danish-Norwegian, as Ole Jørgen Etholm stated that the interview would be less detailed if conducted in English, so it was found that the best outcome would be gained by conducting the interview in Danish-Norwegian. Unfortunately due to the researchers’ lack of language skills and the bad phone connection a great deal got lost over the phone and it was not possible to ask all the relevant follow-up questions. Despite the difficulties, it is believed that the interview, which was afterwards transcribed by a third person with better language skills, creates a somewhat solid foundation for the analysis.

**Kristiansand**

At Kristiansand municipality Øyvind Lyngen Laderud (ØLL) was interviewed. He holds the position of international advisor and economic growth advisor. As Øyvind Lyngen Laderud is international advisor, and the one functioning as a contact person to the regional office, he was seen as the most relevant interviewee for gathering the most solid data.

*The interview*

Again the interview was conducted over the phone, but this time it proved to cause no problems as the phone line was good, and the interview was conducted in English. Again the option of sending follow-up questions, made it possible to ask more in depth questions if crossing some undiscovered relevant aspects.

## *Overall advantages and disadvantages of the data collection for the two cases (Mie Jørgensen)*

It is seen as a problem that more interviews have been conducted with the Danish municipalities and SDEO than with the Norwegian municipalities and SNEO. However, it was found that it was better to gather as much relevant data from South Denmark as possible to be able to conduct a more solid analysis. However, when conducting the analysis one must be aware of the fact that the results found for the case of South Denmark are more solid than the results found in South Norway, making the results from the analysis of South Norway less valid then the case of South Denmark. Still the fact that questionnaires have been applied as a method as well means that the interviews do not stand alone. The questionnaires give the option to examine if the findings are valid in relation to the other municipalities in South Denmark and South Norway. This does increase the validity of the findings and also when generalizing to the population. Of the 30 municipalities in South Norway 16 have responded. This number is not as high as the number of respondents in South Denmark, where respondents from all 22 municipalities replied. It is still found that with just over half of the municipalities responding to the survey in South Norway, this creates a strong foundation for further analysis.

## *Application of the theoretical frame (Camilla Willadsen)*

The theoretical framework consists of five different theory directions; communication, organisational theory, organisational cooperation theory, network theory and multi-level governance. These approaches are all valuable for the understanding of the analysis but their functions are of individual character.

Multi-level governance is the theory which is used to set the overall frame in which the research is done. This will position a role of a more general theory which will explain the position of the regional EU-offices as well as the municipalities within the international milieu where they are encouraged to work and cooperate with other regions outside their borders.

However, as it is the miss-match area between the regional offices and the municipalities which is the main focus here, the other theories will be applied in order to focus more intensively on this area.

It is acknowledged that applying five different theories has both advantages and disadvantages. As the study has a rather explorative nature, covering a new field, it is seen as a great advantage that applying a multitude of theories gives the option of identifying issues occurring within many different areas. If one theory was applied, it would allow the researchers to go more in depth with this and the issues that occur within this area. However, it is believed that this would not explain the lack of cooperation as fully as applying more theories, as many areas would consequently still be undiscovered. The research set out doing a small study of a number of theories. Based on these empirical studies the number of theories was narrowed down, as it became clear which theories seemed to hold the greatest explanatory force. Therefore the selection of theories is seen to be done as objectively as possible, as it holds ground in empirical analyses of the theories’ influence.

# Theory (Camilla Willadsen)

The following will be a review of the theories believed to hold the greatest explanatory force in relation to the lack of cooperation between the regional offices and the municipalities. The paper includes a wide spectrum of theories, as it is believed that issues can be caused by many different factors. The following will present the different theories one by one, as well as highlighting their relevance for the paper. Finally hypotheses will be developed on basis of the theoretic expectations to the empirical findings.

## *Organisational theory and public governance (Camilla Willadsen)*

In this part of the theory section, the aim is to give an overview of some of the tendencies within the overall frame of organisational theory, thus addressing different approaches to organisational issues. Therefore this section will comment on relevant organisational theories such as; 1) the instrumental organisational theories, 2) the cultural perspective and 3) the myth perspective and 4) lastly, Nonaka’s understanding of knowledge sharing internally in organisations. However, the section will first address the overall structures of public organisations.

***The organization of multiple tasks***

Organisational theory as a general concept aims at exploring and identifying structures along organisations. Public governmental organisations differ from private organisations on at least two parameters; 1) they are elected and 2) as a public organisation they must engage in activities and cover policies that may seem somewhat contradictory (Christensen et al, 2009:15).

Furthermore, there are some distinctive features which are present at the public sector; 1) they are all established in order to serve special interests and assignments and 2) that there are established relatively stable behavioral patterns, resources and rewards attached to a specific activity (Christensen et al. 2009:20). One of the situations which public bodies often have to navigate within is the fact that they often work within contexts and situations which are complex, where the expectations about which values, norms and interests to prioritize are unclear. The municipalities in both countries serve as municipalities in two ways; as a governmental body and as a geographical area.

As it is a fundamental view upon the world which is investigated – that there is no black or white but everything is in the line of a merge of different theories, explaining different parts of the broad organisational role. It will make no sense to focus solely on one theoretical direction, seeking to explain the diversity within a public organization. As has been stated earlier, there are so many contradictions within such an organization, which makes the need for different outlooks viable.

***The instrumental perspective***

The instrumental perspective perceives public organisations as being organisations that are to perform tasks on behalf of society. They can thereby be viewed as instruments or tools to make the society prosper and run smoothly. This can be expressed in the way they perform. It can be done rationally according to purpose, where actors examine possible alternatives to performing tasks in relation to the targets and goals which are already determined. Thus, it is the assumption that people behave rationally and choices are being made in order to gain the effects sought. (Christensen et al, 2009:33-35).

*Complete rationality* is a term used to describe an organization which has clear and consistent goals and a complete listing of all alternatives in relation to reaching the goals. Thus complete rationality is essential for the organization to gain the best possible outcome. Unfortunately the state of complete rationality is not achievable for most organisations. Therefore *limited rationality* aims at explaining decision-making for less skilled organisations. The features are inconsistent, unclear and unstable goals (Christensen et al, 2009:36). The knowledge of alternatives is limited due to limitations on their capacities. Therefore decisions are made on a satisfactory level and not reaching a maximum of positive effects.

Hence, the various subdivisions can act purposely but the end result also depends on the resources other departments have and what they do.

Based on the assumption of rational behavior, it is therefore believed that municipalities will enter into cooperation with the EU offices whenever this is the best solution, as the structural funds provide financial means for further development. This leads to the hypothesis 1;

1. *The more knowledgeable the municipalities are on EU matters and the gain of the EU funding opportunities, the more likely they are to engage in cooperation with the regional EU offices.*

The structure of organisations in the instrumental perspective is impersonal, meaning that the positions and the expectations which are connected to these positions are not depended on the person in the position. The norms and structures exist without the control of the people. (Christensen et al, 2009).

***The cultural perspective and path dependency***

While the instrumental perspective deals with the obvious, written down statements and visions of an organization, the cultural perspective detects the informal role of organisational culture with focus on norm set, values and behavior within organisations. Thus it is the norms and agendas which are not written down that determine functionality of the organisations.

Therefore it is always a constant balance of maintaining to be visionary and goal-oriented with formal structures whilst being able to value and maintain a steady organisational culture. However, there are some instances where one culture is difficult to uphold for the organisation. That is especially true in public organisations which are to embrace many different political areas and developments. (Christensen et al, 2009:52-54).

The overall theme is the logic of suitable behavior (March & Olsen, 1979) in organisations. There are many considerations and people to take into account when a decision is being made. This can be especially difficult in a heterogeneous organization with multiple interests and sectors. This also means that when it comes to decision-making in public organisations not all decisions are being made from a rational balancing of instrumental “pro et contra arguments” considering the most optimal solution but rather it is based on what will be accepted as a fair and acceptable behavior. (Christensen et al, 2009:54).

An organization is being established in a certain time and this will affect the character of the organization, which can lead to a pattern of path dependency. The advantage of path dependency is the stability and depth in informal values and norms. The clutch between known identities and situations become easier. However the disadvantages are the lack of flexibility and adjustment to the changing surroundings.

Therefore path dependency is used in this paper as a process which involves several stages, a theory developed by Sydney et al. Path dependency is then a process which; “*(1) is triggered by a critical event leading to a critical juncture; (2) is governed by a regime of positive, self-reinforcing feedback constituting a specific pattern of social practices, which gains more and more predominance against alternatives; and (3) leads, at least potentially, into an organizational lock-in, understood as a corridor of limited scope of action that is strategically inefficient”.* (Sydow et al, 2009:704).

The term ‘critical event’ will be used and understood as a not further determined event in the analysis as they will not be examined into depth but merely will be used as an implicit catalyst for the understanding and analysis. This is done as the study does not address variation over time. It is not just a critical event which may generate path dependency; it can also be caused by greater events or strategies outside the control of the organisations. It is therefore important to note that organisations are not outside the influence and events of others.

However, the structure will not only become relevant when focusing on the organisations but also in the aspect of inter-cooperation mechanism and the network structures, both presented in the theory, as organisations today are involved in more or less complex networks (Sydow et al, 2009:705).

Therefore hypothesis 2 is;

1. *The actors will be more likely to cooperate with the same actors which they are used to work with The myth perspective*

But cultural norms and path dependency are not always enough to analyse and conclude on the way organisations must behave. Mythical perspectives deal with the external influences and assumptions on how organisations should behave and create values and norms.

The key concept is that organisations exist within *“institutional surroundings where they are confronted with socially created norms for how they are to be formed”* (Christensen et al. 2009; 75).

And the organisations – private and public – have to find a way to reflect externally that they have incorporated these norm set and values, in order for them to have a legitimate right to exist even though they may not be very efficient for the organization.

In this situation, institutions suddenly become more similar, at least on the surface, due to the norms and standards that affect similar organisations. However, it is sometimes only at the surface because they can be adopted by public organisations without the influence of instrumental effects (Christensen et al.2007:57-58).

DiMaggio and Powell (1983) describe the process in which organisations merge into more similar patterns due to their environmental settings as *‘institutional isomorphism’.* The argument follows the line of organisational field containing all relevant organisations which may set out to be disparate but in time they will become more and more homogenous. They may be induced to be so by the environment their organisations belong to and it can be in the form of the state, competition or by the professions. (DiMaggio and Powell, 1983:148).

The term “window dressing” then often occurs as leaders can talk vividly about reforms and changes but in reality do very little to achieve these means and ‘myths’ (Christensen et al 2007:58).

This does not mean that society and the environmental surroundings which the public organisations exist within will accept the ‘hot air’ without any results from it. Organisations need the legitimization from its environment; they must demonstrate *“that they live up to the fundamental western norms of modernity, such as continuous growth, innovation and rationality.”* (Christensen et al. 2007:58).

Therefore the definition of a myth as understood in this section is; “*a social legitimate recipe for how to design part of an organization. It is an idea which excites, grabs attention and has achieved exemplary status in several organizations.”* (Christensen et al. 2007:58).

Thus, this lead to hypothesis 3;

1. *The regional office and municipalities will find it easier to adhere to the same overall values and norms due to environmental interest*

***Target setting agenda***

As a public local governance body there is several targets and those are being the primary source of inspiration for organisations but do the targets the regional offices have correlate with the targets and objectives that the municipalities have?

There are some features within target setting, the ones relevant here are the long term and the short term targets. These two ways of orientate an organization will affect the behavior and the extent of engagement in various fields.

Long term targets are also known as strategies, these do often show as being general outlines, symbolic oriented and as being visionary, which is why there also is the division between the long term and the short term goals (Christensen et al. 2009:102). The short term goals are therefore also more operational within a shorter time frame and placed under a much larger structure of visions and targets for the organization.

Strategies and goals are fundamental for any organization private and public, and in a situation where public organisations must cover many areas which are contradictory, target setting may provide clarity and cohesion. Therefore the hypotheses based on the theory will be;

1. *If the overall goals of the municipalities and the regional EU offices differ, the municipalities are less likely to work with the EU office.*

Targets in organisations again vary depending on which theoretical approach one chooses. According to the instrumental perspective targets are tools just as organisations are tools for achieving certain policies or activities beneficial for the community. However, in a cultural perspective, targets are more viewed as being strategies and visions in their nature. This is not to be confused with the abovementioned distinction between long term and short term goals. The aim of goals is that targets are supposed to be the drivers, identification and motivation for both internal as well as external actors.

Goals are more difficult to fulfill in the mythical perspective. They are considered to be even more of a process and changeable than in the two previous approaches. They are explained to be more of symbolic thoughts, ideas and visions which in reality are difficult to carry out. (Christensen et al, 2009:103-107).

***Organisational Knowledge***

Describing how the municipalities function as organisations with a variety of stakeholders to consider, it is also relevant to elaborate on how information and knowledge is created within an organization. To understand the character of that issue, this section will focus on how such an integration take place.

Firstly it is relevant to define the concept and the notion of Ikujiro Nonaka, who states that “*information is a flow of messages, while knowledge is created and organized by the very flow of information, anchored on the commitment and beliefs of its holder. This understanding emphasizes an essential aspect of knowledge that relates to human action”,* has been accepted (Nonaka, 1994:15).

Individuals are very important in organisational settings. Knowledge is created within an organization from the individuals. Not by any other means. The challenge for any organisation is to generate that knowledge of the individual into a common integrated knowledge for the organisation as a whole. In order for that to be achieved one solution which Nonaka brings forward is to have a so-called “*“field” that provides a place in which individual perspectives are articulated, and conflicts are resolved in the formation of higher-level concepts”* (Nonaka, 1994:23).

This leads to the hypothesis 5;

1. *If the municipalities are capable of integrating the EU knowledge from the EU offices, the likelihood for cooperation will increase*

***Summary***

It is believed that all the above mentioned theories will have an effect on the cooperation between the regional office and the municipalities, as can be seen in figure 4.1 below:

*Figure 4.1 – Variables effecting Cooperation*

**Cooperation**

**Knowledgable**

**Path dependency**

**myths**

**Correlating goals**

**Integrated organisational knowledge**

Thus all variables effect the cooperation, but it is not clear to which degree, this will be examined in the analysis.

## *Inter-organisational cooperation (Mie Jørgensen)*

The theory on inter-organisational cooperation has been developed since the 1960’ies, where researchers first started paying attention to the importance of inter-organisational cooperation. Inter-organisational cooperation can be defined as “*presence of deliberate relations between otherwise autonomous organizations for the joint accomplishment of individual operating goals*” (Schermerhorn, 1975:847). Inter-organisational cooperation becomes increasingly important in today’s world, for companies, but in the public sector as well, in order to optimize the service they provide (Schermerhorn, 1975:846). However this does not mean that all organisations are eager or willing to enter into cooperation, as there are certain determinants that will influence whether or not they will want to cooperate (Schermerhorn 1975, Thomson & Perry 2006). In the following the determinants believed to be relevant for the case of the paper will be presented. But first the paper will linger a bit at why organisations cooperate.

***Interdependency***

Before cooperation between organisations can be described, one must pay attention to why organisations do cooperate. All organisations function in an environment where they are affected by their surroundings, and as they are affected by their surroundings, there is interdependency between organisations. According to Litwak and Hylton (1962), this interdependency can take two different forms. First, it can be interdependency in the form of competition. If organisations are dependent on the same resources, they will compete amongst each other, and there exists interdependency. On the other side, organisations can be dependent on each other’s outputs, and thus this form of interdependency will lead to cooperation amongst organisations (Litwak & Hylton, 1962:403). In the following focus will be on the form of interdependency that leads to cooperation amongst organisations.

This falls well in line with the theory presented by Aiken and Hage, stating that organisations will cooperate if they have complementary resources, and therefore need the resources presented by the other organisation to fulfill their individual goals (Aiken & Hage, 1968:916). By resources is meant all things relevant for the organisation to be able to fulfill its goal. Thus it encompasses resources such as facilities, services, manpower, information and knowledge (Shermerhorn, 1975:848).

This notion of resource dependency is interesting, in relation to the examined case, as it is believed that the two parts might not be equally dependent upon one another, making them more reluctant to cooperate. This leads to the hypothesis 6;

1. *For the regional offices and the municipalities to enter into cooperation, they must be dependent upon one another in order to reach their own individual goals.*

Thus interdependency is the key for cooperation, but this interdependency can be enhanced via several different variables. Some of these are 1) branding (Evan, 1965), 2) if other high powers find cooperation beneficial this can lead to more cooperation as well (Schermerhorn, 1975) 3) resources (Aiken & Hage, 1968), 3) knowledge of the other organization (Thomson & Perry, 2006), and 4).

In relation to branding “*Organizations will seek out or be receptive to inter-organizational co-operation when "cooperation" per se takes on a positive value*”(Schermerhorn, 1975:848)**.** Meaning that cooperation is more likely to occur, of cooperation on its own has a positive value. Evan examines the added normative value through normative reference points, the normative reference organisations. The organisation will incorporate positive values from its organisation-set, its surroundings (Evan, 1965:221).

In relation to pressure from a high power, the theory states that “*Organizations will seek out or be receptive to inter-organizational co-operation when a powerful extra-organizational force demands this activity*“(Shermerhorn, 1975:849). This becomes relevant in the case examined by the fact the both examined regional offices have owners, that might dictate the focus of the offices. And if these owners do not pay attention to cooperation with municipalities, then it could explain the lack of cooperation. Also the municipalities can be affected by this, from political level from within the municipality.

Both pressure from higher and cooperation when giving a normative positive added value were believed to be most relevant for the case examined, therefore both theories have been examined in relation to empirical findings. However, the findings showed that the theory of cooperation giving a normative positive added value could not be examined on the basis of the gathered material, and therefore it has not been addressed in the analysis. However, it is acknowledged that this could have an influence on cooperation, and would be a possible further study. Also the effect of pressure from high power was examined, but as the effects were visible mainly as an underlying influence, made visible via the effect of the performance contract of SDEO, this theory has not lead to its own hypothesis. However, the effect of high power pressure is present as an underlying factor. The choice to not address these two variables in the following analysis was done in relation to space limits, as other variables were seen to hold greater explanatory force.

Thus due to space limits not all variables affecting interdependency have been developed into hypotheses, therefore the following will be a presentation of the variables believed to have the greatest relevance for the examined case. These have been selected on pre analyses of the examined case, allowing this paper to focus on the most relevant aspects.

***Scare resources - reason for cooperation or reason for lack of cooperation?***

Cooperation is not something that just happens; instead organisations have to choose to cooperate with other organisations. Performance distress, mainly in the form of scarce resources is one necessary element for inter-organisational cooperation. Thus “*Organizations will seek out or be receptive to inter-organizational co-operation when faced with situations of resource scarcity or performance distress.*” (Schermerhorn, 1975:848). The argument behind this claim is that amongst others scarce resources in the form of lack of manpower makes organisations cooperate as one solution to making the resources stretch and meet the goals. In the case analysed in the paper this means that regional offices and municipalities should be willing to enter into cooperation when they are in need of resources. The municipalities do not have an unlimited amount of money. They collect taxes from the population of the municipality, but the state sets a limit for how high a tax they can collect. On top of the tax they receive a block grant from the state (Christensen et al, 2007:116; Anvendt Komunalforsking, 2004). Thus, municipalities function under a frame where they a constantly in lack of financial resources.

 As it is expected that the current financial crisis, will have affected the resources of especially the municipalities making them even scarcer, the municipalities should be willing to enter into cooperation with the regional offices and thereby enhancing their cooperation. This then leads to hypothesis 7;

1. *Due to scarce resources the regional offices and the municipalities will enter into cooperation, to fulfill their individual goals.*

However, Aiken and Hage (1968) do present a theory suggesting quite the opposite of the above mentioned scarcity of resources as being positive for cooperation. According to them, an organisation must have a certain degree of slack in order to be able to participate in inter-organisational cooperation (Aiken & Hage, 1968:915). Slack has by Cohen, March, & Olsen been defined as "*The difference between the resources of the organization and the combination of demands made on it*" (Bourgeois, 1981:30). Thus there is a surplus of resources in relation to the demands the organisation faces. This allows the organisation to be fairly successful or content with itself. This provides freedom for the organisations to reallocate resources for other targets than the core goals of the organisation (Schermerhorn, 1977:152).

Slack is necessary because a company must put in extra resources to be able to cooperate with other organisations. When the organization has to put extra resources it might make companies reluctant to participate if the company has scarce resources of for example time. The importance of these costs is seen in the statement by Litwak and Rothman "*it is organizations with 'extra' resources which are often best able to link with others*" (Schermerhorn, 1975:850).

This leads to hypothesis 8;

1. *The regional offices and the municipalities will not cooperate unless the organisations possess slack, allowing them to reallocate resources for inter-organisational cooperation.*

***Informal relations and prior contact***

Another element necessary for collaboration amongst organisations is personal relationships and informal relations (Thomson & Perry, 2006:22). Cooperation will develop much quicker amongst organisations that are acquainted beforehand. Most relationship start with informal deals, that require little reliance, but as these take place over time, the trust grows and organisations are more willing to allocate resources to cooperation (Ring & Van de Ven, 1994:101). In relation to the case examined it is therefore interesting to examine if prior or informal contact amongst the regional office and the municipality has created a better foundation for inter-organisational cooperation. This leads to hypothesis 9;

1. *The regional office and the municipalities will be more likely to cooperate if they have informal contact or have a shared history.*

***Summary***

The assumption is that the different factors can effect cooperation between the regional office and the municipalities. For now, there are no expectations to the different factors effect or interactions effect. Thus the theoretic expectations can be seen in figure 4.2 below.

*Figure 4.2 – Variables effecting Cooperation*

**Cooperation**

**Interdependency**

**Scarce ressources positive**

**Scarce ressources negative**

**Informal contact**

Thus, as can be seen it is believed that all factors will have an effect on the cooperation between the regional office and the municipalities. It is not clear which if these effects will hold the most relevance, but this will be analysed in the analysis.

## *Network theories (Camilla Willadsen)*

Networking is a complicated affair but an important part of the overall frame of EU’s partnership notion in their aim for greater integration and development in the regions.

In this section, parts on the functionality, size and general structures of network cooperation will be touched upon. The important aspect is that it is networks in the local and regional level on the one side and the international level on the other side.

The components and actors within a network are called nodes (Kadushin, 2004, Agranoff & McGuire, 2007) and the relationships between the nodes are ties. Network definitions are applicable at any level of analysis and therefore will be used on different stages in the analysis.

Network theories also imply that the amount of nodes within each network is not fixed. However, the way they communicate within the network depends on the size. Network theory cannot focus on single nodes but will always be interpreted and understood in relation to its other relations as they will affect the particular node;

*“The network paradigm denies that any organization or social unit can be understood apart from its relations with other units. The “personality” or core characteristics of any unit are seen as stemming in part from its relations with other units. That is, beyond the attributes of pairs of units, the pattern of relationships with the rest of the network helps explain the nuances of relations between any pair”* (Kadushin, 2004:14).

According to Kadushin (2004) there are several different patterns of networks. A network is an asset of relationships, regardless the size of the relationships and the manner. The essential question in any network regardless of the level is; what are the conditions that makes it likely that a path will develop and exist between two or more nodes, that they will have the same attributes and that they will mutually relate to one another. (Kadushin, 2004:3-6).

In relation to the assumption of public organisations as “organisations of multiple tasks”, it becomes clear that “*The modern conception of organizations as clear entities with discernible boundaries is replaced by complex interaction networks across formal organizations and shifting responsibilities for the actors involved*.” (Bogason, 2000:23).

The general agreement is that there are three levels of network involvement (Scott and Davis, 2007:281).

The first is the *ego involvement*; which consist of the direct contact to a node in a network, meaning an organization or a person’s closest ties in a network or group.

The second stage is the *Overall network*, which means a network consisting of all actors and relationships within a certain domain. To analyse or determine this network, one can ask how dense or well-connected the actors are.

The third level is called the *network position*, which is focusing on how to determine the specific node’s place within the system. Which node has what position in the network, is it a prominent or peripheral position and how well connected are the other nodes in the network.

It is further acknowledged that inequality may occur in any network in form of power and information even though all parties do impact one another, mutuality is not the same as equality.

Overall, there are different stages for the maturity of a network but also different stages for membership involvement. It becomes interesting to analyse where the municipalities and the EU offices are placed in relation to one another, whether they are close or non-existent. Therefore hypothesis 10 generated from the theory becomes;

1. *The stage of network involvement will determine the closeness between the EU offices and the municipalities*

Geography is also important in network theory as a shorter distance between nodes will enhance the chances of an interconnection e.g. trade between countries is more likely to happen if these have common borders. Common norms are another influence as they will most likely enhance common attributes and vice versa (Kadushin, 2004:4-6).

As the EU offices are located in Brussels and are working together with municipalities placed in a different country, it is interesting to see if the theory has any important bearing in reality. Therefore hypothesis 11 will be;

1. *Geography will determine how close the regional EU office and the municipalities will cooperate.*

Not all networks are articulated and even conceptualized by the participants in the given network. Defining and structuring a network may be difficult but it is advantageously to do so according to Kadushin, who has defined and argues for that;

 *“Roles or statuses or positions that have names are much more likely to have a longer life than roles or positions that have been ascribed to a structure as a result of network analysis” (*Kadushin, 2004:2).

Hence the hypothesis 12 is;

1. *Network amongst the municipalities and the EU offices are more likely to last if they have been verbalized and identified.*

***Does networking function and how?***

One can ask if it is actually possible to have a network functioning of individuals pursuing their own goals. Peter Bogason (2000) states that this is in fact possible as the network wheel will run either by itself or by other participants. There are some general observations as to how and why people corporate “*they do not voluntarily cooperate by the means of collective action… they cooperate because they are induced to do so by forces outside the control of the individual.”*(Bogason, 2000:43).

Agranoff & McGuire (2007) introduces the term “*lead organization*” as the mediator and as a means of structuring a network (Agranoff & McGuire:5-7). Lead organisations, such as the SDEO in the case of the NIMS network, then becomes the facilitator which *“provides administration for the network and/or facilitates the activities of member organizations in their efforts to achieve network goals, which may be closely aligned with the goals of the lead organization”* (Provan & Kenis, 2007:235).

It is important to remember that activities within organisations come from individuals and practices and routines change and are being reinforced over time. *“Activities do not just happen, but are a part of work procedures employees put to use”* (Bogason, 2000:52).

Some of the elements are the observations on network formation and how it evolves, claiming that *“..the key to organizational survival is not the formal properties of organizations but the interpersonal networks within them, which can survive even when the formal organization has disappeared.”* (Tarrow,2011:123).

Considering this statement it becomes interesting to see how the employees within the various municipalities and regional EU offices actually perform their work tasks and to elaborate on the incitements to actually function. Therefore hypothesis 13 will be;

1. *The network will be strengthened and integrated if the objectives of the network are used by the employees on a regular basis.*

***Size matters***

When is the size of a network optimal? As already established, networking is a good and an efficient tool to gain certain goals. However, if a municipality does not possess the resources it needs to engage in a large network, because that would demand many levels of integration, then there may be other approaches which could fulfill the needs of smaller municipalities without the same amount of resources as the larger ones.

Some of the advantages in smaller networks are greater transparency they are easier to identify and *“in a small network it is also easier to maintain contact with organizations on a frequent basis as well as to evaluate the contributions of all parties involved”* (Span et al. 2012:192).

The larger the networks become “*the complexity of the division of tasks, agreements about responsibilities and the obligations between the partners become increasingly blurry because of factors such as bounded rationality.”* (Span et al, 2012:193).

Claiming that network complexity enhances with the size of the network, is an interesting dimension to the analysis on the empirical findings as organisations and networks come in many forms and sizes;

1. *An organization with fewer resources will maintain a less prominent role in a large network and engage in a more focused network.*

If resources are scarce, then being able to optimize the most when engaging in EU projects and networks may be to an advantage for smaller and less experienced municipalities.

***Summary***

It is believed that the theoretic variables presented in the above standing will influence the cooperation between the regional office and the municipalities, as can be seen in figure 4.3 below:

*Figure 4.3 – Variables effect on Cooperation*

**Cooperation**

**Stage of network involvement**

**Geography**

**Formal structures**

**Usefulness in daily work**

**Size of network**

Again it is unknown which variables will be most relevant, but this will be examined in the analysis.

## *Communication theory (Mie Jørgensen)*

The following section will focus on the theory of communication, both intra-organisational communication and inter-organisational communication. This section will first present the communication model, followed by a theoretic overview of where the issues can occur in the frame of the communication model.

***The communication model***

Communication can be presented very simple, as seen below in model 3.1, but only the part colored in blue. Communication is person A encoding a message, sending it via communication channels, where after it will be decoded by the receiver of the message (Welch & Welch, 2008:343).

*Model 3.1 – The Communication Model*

message

Communication channel

Feed-back

However, communication in real life does not take place in a closed vacuum, and therefore the model has been developed. The additions are the red colures in the communication model 3.1. As the communication has to move from the sender to the receiver, it is not certain that the received message is the intended message, as it is decoded differently than intended. Communication goes through various channels, and “noise” can occur if the communication channels are wrong (Blundel, 2008:5).To compensate for the noise, there is an option of feed-back, where the receiver can respond to the message of the sender, allowing the sender to determine if the message was decoded correctly. But of course there is also the option of noise in the feed-back loop (Bakka & Fivesdal, 2010:194). Overall problems in communication can occur at several different stages of the communication process. These will be presented in the following.

***Communication Issues***

The communication model above takes place both in organisations and in their external communication. The following will first address the issues examined as intra organisational communication, followed by the aspects examined as inter organisational communication.

***Internal*** ***communication – a communication block***

When the information enters the organization, it is not certain that the receiver of the communication is in fact the end user of the communication. The final recipient is thus dependent on the first receivers’ willingness to pass on the information (Welch & Welch, 2008:48). Thus, the person being the link to the sending communication can function as a communication block, and the information will not be shared internally in the organization. Therefore the person functioning as the communication block will have immense power over whether or not the communication will reach its end targets. Thus a communication block can be a problem for cooperation between the municipalities and the regional office. This leads to the development of hypothesis 15;

1. *One person in the municipalities or the regional office can function as a communication block and thus the information will not reach the end target in organizations, preventing cooperation.*

***Inter-organisational communication***

Also when focusing on communication between organisations are there several aspects where communication can be distorted or fail. The following will address different communication variables that can affect whether or not the organisations cooperate.

***Communication channels***

Another issue arises in relation to choice of communication channels. When one organisation wants to send a message to another organisation, they can use a multitude of communication channels, trying to get the message across. Communication channels are all channels which can be applied for sending the message, such as conversation and written communication. This can be an important and necessary strategy, as the receiver of the massage might not understand the message through just one of the communication channels (Blundel, 2004:46). Especially if the send message is one which is hard for the receiver to decode, it can be an advantage to apply several communication channels. This could be the case with the regional offices and the municipalities, as they work within different settings. Another reason for using a multitude of communication channels is that organisations will often have selective attention, because there is an information overload (Blundel, 2004:28-30). Thus by applying more communication channels, there is a better chance of the communication being picked up by the receiver. Therefore it is interesting so examine if there is a difference in use of communication channels in relation to the cases where there is in fact cooperation, as to the cases where there is not. This leads to hypothesis 16;

1. *Applying a multitude of communication channels will enhance the possibility of cooperation.*

For this paper, communication channels will be divided in one-way and two-way channels, as it is believed that the municipalities might respond differently to these two types of communication.

***One-way communication***

One-way communication channels are channels such as the organisation’s website, newsletter, advertising and media.

When conducting one-way communication, the organization can choose to either have a standard message send to all receivers, or it can make more tailored communication, addressing each group of stakeholders individually. There are pros and cons attached to both strategies. The standard message creates a uniform message, presenting the organisation’s core values or message, which can create a strong consistent brand. A tailored communication has the advantage of addressing ones target group more specifically, and when communicating more directly to one group, they are likely to get a better understanding of what the organization communicates (Crane & Livesey, 2003:46). However, based on this it is not clear which of the types of communication will have the best effect on cooperation, but what can be said is that one way communication does play an important role in communication to local actors, and therefore it is believed that one way communication will have a positive effect on cooperation. Based on this, hypothesis 17 is as follows;

1. *Applying one way communication will improve the foundation for cooperation.*

***Two way communication***

Both Cheney & Christensen (2001) and Crane & Livesey (2003) argue that a more symmetrical two-way communication is preferable to one-way communication, stating that *genuine* two-way communication is the best solution for communicating with stakeholders. Stakeholders are here defined as *“individuals and groups who have an interest in, or are affected by, the activities of an organisation”* (Blundel, 2008:144).

Communication can be more or less genuine, meaning that two-way communication can be one-way communication in disguise, where the two organisations do not really listen to one another and adapt to one another. Thus, in order for two-way communication to have the expected effect it must be more genuine communication, where “*a dialogue in which questions of interest and representation are constantly negotiated*” (Cheney & Christensen, 2001:260). This type of dialogue does not take place in a public sphere; instead it happens in closed forums. The important aspect is that the organisations listen to one another and are willing to adapt to one another (Cheney & Christensen, 2001:262). Thus genuine two way communication entails feed-back. Feed-back has the other advantage that it allows for the sender of the communication to determine if the receiver has decoded the communication as intended. Feed-back is in this context defined as “*the messages that organisations, or individuals working in organisations, receive from stakeholders in response to their own message and activity*” (Blundel, 2008:143).

Feed-back can take many forms, such as formal/informal meetings, board meetings, surveys etc., but the main point is that the stakeholders have communication channels back to the organisation. Here the aspect of genuine communication becomes relevant again, as it is not just important that the feed-back communication exists, in order for it to have the desired effect, the organisation must also absorb the feed-back and respond to it (Blundel, 2008:155).

Another important aspect in two-way communication is the face to face communication. Face to face communication channels can be more or less formal. It can consist of formal meetings, informal networking etc. The important aspect is that there is a direct contact between the involved parts, allowing the receiver of the message to connect a face or a voice with the communicated message, which might create a trust to the sender of the communication, which makes the receiver more likely to act accordingly to the communication (Blundel, 2004:154).

Thus, via this genuine dialogue the organisations develop an alliance. However, two-way communication is not either genuine, or not genuine. It is a continuum and two-way communication can be placed somewhere between the two poles (Crane & Livesey, 2003:47).

Thus, if the regional offices and the municipalities do engage in genuine dialogue, the assumption is that this will enhance the foundation for cooperation. Therefore the hypothesis 18 goes;

1. *If the regional offices engage in genuine dialogue with the municipality, it will create a better foundation for cooperation.*

Concluding it must be said that there in organisations is a tendency from blaming communication if the organisations experience failures, because communication is an easy target for identifying problems. Therefore, communication problems can be the product of more complex organisational problems (Blundel, 2004:145). Therefore throughout the analysis, it is important to keep in mind that communication might not be the actual problem, but just a symptom of the actual issues. Furthermore it must be said that the cost of applying these different means for communication do vary a lot, and it is therefore much cheaper having a website, than meeting face to face with all stakeholders. Thus this must be taken into consideration when conducting the analysis.

***Summary***

The above standing presents the aspect of communication theory believed to have an influence on cooperation amongst the regional office and the municipalities. The effect can be seen in figure 4.4 below

*Figure 4.4 – Variables effect on Cooperation*

**Cooperation**

**Communication block**

**communication channels**

**One way communication**

**Two way communication**

This means that it is expected that all variables will influence the cooperation amongst municipalities and the regional office. However, it is not clear which variables will have the greatest influence on cooperation this will be addressed in the analysis.

## *Multi-level Governance (Camilla Willadsen)*

The term multi-level governance was first introduced by Gary Marks in 1993 to describe the development of the European integration and the development of the structural funds. Due to the strengthening of the European internal market, the member states, “*some reluctantly—accepted the Commission's proposal that funds be administered through partnerships established within member states, consisting of representatives of national, regional (and/or local), and supranational actors (namely, the Commission)*” (Bache & Flinders, 2004:3).

It is within this context the following section of multi-level governance is going to be useful even though it can be applied to many other institutional developments.

The theory firstly drew upon “*a system of continuous negotiation among nested governments at several territorial tiers-supranational, national, regional and local…* *that was distinctive of European Union structural policy*” (Marks, 1993:392) but later developed into containing wider European development.

Previous studies have shown that it, in fact, was not necessarily the regions with offices represented in Brussels, which gained the most funding from EU (Marks & Hooghe, 1996:83). These findings are highly relevant for the analysis in this study as both regions do have regional offices represented in Brussels as a strategy to increase the funding back to the regions and local authorities.

***Pros and cons***

Multi-level has a setup allowing all regional actors to engage in partnerships and policy networks, however, it is not certain that all do this.

Assuming that each actor will engage to the same extent or levels of commitment is perhaps slightly optimistic. But providing the opportunity for local and regional actors to participate in the partnerships formed on initiative by the Commission, the possibilities for participants are equal – or the intention is so. The ability to meet many different stakeholders by the Commission demands huge flexibility within the Union and this is thus the main advantage of using multi-level governance. It would simply not be possible to accommodate and ensure growth on such micro-levels without cooperation with the actors in these fields – the regional and local governments.

*“The chief benefit of multi-level governance lies in its scale flexibility. Its chief cost lies in the transaction costs of coordinating multiple jurisdictions.”* (Hoogde & Marks, 2003:239).

However the main advantage of flexibility is also the main disadvantage of the EU, as this lack of structure makes it difficult for the different local actors to have the same possibilities in reality.

“*There is no congruence in the political role of cities, municipalities, and regions in the European Union. On the contrary, there are enormous differences in the level of organization, financial resources, political autonomy, and political influence of subnational governments across Europe. The result is the unfolding of common threads of change against a background of persisting variation*.” (Hooghe & Marks, 1996:73)

The above quotation outlines some of the hurdles which both multi-level governance theory works with as well as local institutions in the regions. This is further outlined in relation to the regional level;

*“A distinctive feature of multilevel governance in the EU is that all regions do not engage in these activities equally. There is no congruence, nor even convergence, in the political role of cities, municipalities, and regions in the European Union. Instead, there are enormous differences in the level of organization, financial resources, political autonomy, and political influence of subnational governments across Europe.”* (Hooghe & Marks, 1996:73-74).

With the listings of the abovementioned quotations from Marks & Hooghe, it is safe to say that the effect of multilevel governance also touched upon in this paper is neither new nor is it a solo phenomenon related to just South Norway and South Denmark. It also gives an indication as to why and how there may be some incongruence between the regional EU offices and their municipalities back home.

What is interesting to note in the frame of multi-level governance is that it is the regional EU offices which aims (and have been established on the grounds of) at enhancing the amount of the structural funds back to the regions but these offices are not the only gateway to the funding programmes. It is perfectly possible for the local authorities themselves to engage in the structural funds and partnerships outside the EU-offices range.

***Multi-level governance and the EU regional policies***

As was stated in the previous section, multi-level governance can be applied to various institutions but it is the EU in general and the regional policies in specific which is of interest here.

*“The role of the central governments of states is important, but multi-level governance looks for evidence that it is diminished in the system of governance that is the European Union.”* (Bache and Flinders, 2004:125).

Centralized governments are not capable of accommodating the diversity which is the EU. This is another argument for why multi-level governance is an important strategy and policy on how to rule the EU the best way possible.

By involving many actors in various levels of decision making and development, it is possible for EU and in particular, the Commission to accommodate the diversity. The multi-level approach allows for local stakeholders to engage in EU policy, even if their national government is less willing to do so. This can be seen in figure 4.5 below, illustrating the different entries to the European cooperation.

*Figure 4.5 – Entries to European Cooperation*



(Gary Marks, 1993:405)

Thus in relation to the examined case, it is based on the theory believed that multi-level governance can affect the relationship between the regional office and the municipalities, developing hypothesis 19 and 20.

1. *The regional offices do not obtain the relevant knowledge about the EU level to accommodate the needs of the municipalities.*
2. *The municipalities do not know what their local stakeholders want and can therefore not make sufficient use of the regional EU offices.*

The theory is not a constant concept with fixed answers, because this would undermine the very thought of multi-level governance. As demands grow and change so must the means to obtain growth.

The diversity seems to be enhanced due to so many different regional actors are brought together under the same overarching policy area.

It is within in this overall theoretic frame that theoretical aspects of networks, communication, organisational structure, organisational cooperation and governance become relevant.

***Summary***

Figure 4.6 below shows how it is expected that the two hypotheses will affect the cooperation between the regional office and the municipalities. However, again, it is not clear which effect will be the strongest, this will be analysed in the analyses.

Figure 4.6 – Variables effect on Cooperation

**Cooperation**

Insufficient EU knowledge in EU offices

Insufficient stakeholder knowledge in municipalities

# *Analysis I (Mie Jørgensen)*

The following will be an analysis examining the relevance of the hypotheses in the empirical data. This will allow the paper to examine which theories can explain the lack of cooperation, as well as determining if this is in fact a problem. The analysis will first entail a section analyzing the case of South Denmark, where the empirical data is analysed according to all five theories one at a time, second, the same will be done for the case of South Norway.

## *The Case of South Denmark (Mie Jørgensen)*

The following will be an analysis of how the hypotheses presented in the theoretic section can explain the empirical findings of South Denmark. Therefore the empirical material will be analysed one theory at a time. First the empirical material will be analysed according to organisational theory and the hypotheses generated within this field. Then follows an analysis of inter-organisational theory and the hypotheses, to examine the explanatory force of this. Thirdly the theory of network is analysed, again in relation to the found hypotheses. Fourth the implications of communication theory are analysed, lastly followed by an analysis of multilevel governance theory.

### *Organisational influence on cooperation (Camilla Willadsen)*

In the following analyses of the region’s public actors, the organisational structures are being examined on the background of the theoretical hypothesis.

***Rational organisations***

The first hypothesis states that “*The more knowledgeable the municipalities are on EU matters and the gain of the EU funding opportunities, the more likely they are to engage in cooperation with the regional EU offices*”.

On an overall basis, there seems to be a divide between the municipalities as some possess the ability to gain cost efficient decisions in relation to EU funded projects and another group of municipalities who do not obtain this knowledge.

The municipalities which do not possess this ability do not cooperate with the EU office. These are the municipalities which SDEO, and in particular Marlene Damgaard Lindholm, has been in contact with, trying to give them information allowing to weigh their possibilities on participating in EU projects based on a rational foundation (MDL:1).

The other group of municipalities, is the group which do have this resource. However, it seems to be divided in two. One the one hand the findings suggest that municipalities who are well informed and engaged in EU projects and funding are more likely to do the work by themselves because a culture of EU project work has already been established as a part of the way the municipality operates.

*Hans Sørensen (HS): “We do most certainly not view the EU office as a waste of time. Not at all. Because they have a function especially in relation to the smaller municipalities, who need more help. But for us, who can make it on our own, it is just an extra to involve the office as well.”* (HS:20).

On the other hand, resourceful municipalities do not necessarily dismiss cooperation with the EU office. This is evident also in Vejle municipality, where the knowledge of the EU office enhances the cooperation between the two partners.

*Sonja Hansen (SH): “It all started in 2007-2008 and ever since we have upheld contact and whenever issues occur, I have used them for professional discussion and vice versa.”* (SH:2).

Therefore the findings show that knowledge as a catalyst for cooperation between the municipality and the regional office can neither be confirmed nor falsified. HS holds great knowledge of the EU office but does not cooperate with them, whereas SH also holds great knowledge, but chooses to cooperate. Thus, full knowledge and rationality cannot explain cooperation in the case of South Denmark.

***Path dependency***

The second hypothesis related to organisations being path dependent stating that “*The actors will be more likely to cooperate with the same actors which they are used to work with”.*

Path dependency is a great factor when it comes to breaking routines and ways of working. This is evident not only in the municipalities but also in the EU office. It is much easier to get in contact and deliver on the performance contract if “you do as you have always done”. As path dependency states the path is often dictated by events (Sydow et al.2009). An event could mean the engagement of an EU project with a specific municipality. In the future, the EU office will then combine the means of reaching the high level of efficiency, with the instruments necessary for their own organization with the responsibility of generating growth in the region by contacting the previous collaborators;

*Marlene Damgaard Lindholm (MDL): As an office we do have some goals to achieve, so it is obvious that we sometimes aim at those municipalities where we are able to get some quick hits… But we would also like that some of the projects which count in relation to our performance contract. And they are easiest obtained by cooperating with the municipalities that already have experiences with EU projects and that we know (MDL:1).*

Thus the performance contract demands the quick hits in order to legitimize SDEO existence – how else will the EU office provide valid ‘proof’ that they are doing something genuine and worth paying for? However, it seems that these quick hits sets a limitation to the further development of the relationship with the municipalities that are not identified as the ‘quick hits’ and that are being sought to integrate further via the below mentioned NIMS network. Therefore the performance contract enhances the influence of path dependency.

Path dependency is also present in the municipalities, which is illustrated by an example form Sønderborg municipality. They have a history of participating in Interreg IVA project, projects focusing on cross-border cooperation, thus they have a history of engaging in this type of projects, with their German partners (Peter Mølgaard:4). This is how they are used to doing it in Sønderborg, and this therefore functions as an obstacle for participating in cooperation with SDEO.

Thus path-dependency can have a negative effect on cooperation, as this will determine with whom both actors cooperate, and thereby limit the scope of collaborators.

***Norm sharing between organisations***

According to the myth perspective in organisational theory “*the regional office and municipalities will find it easier to adhere to the same overall values and norms due to environmental interest*”.

One thing indicating that the myth perspective is present is in relation to the focus areas of the EU offices and the municipalities.

The survey shows that 79 % of the respondents claim that the EU office does in fact focus on the areas which the municipalities would like them to do. Offhand, this seems to be a solid foundation for a greater cooperation and interest in the EU office. However, this finding does not quite correlate with the focus areas of the municipalities. Here it is evident that there are other areas which are not being covered by the EU office in their daily work.

The focus areas are shown in figure 5.1 below;

*Figure 5.1 – The Focus Areas of The municipalities*

In addition to the options given, additional focus areas were added by some municipalities, which resulted in replies on climate, culture and entrepreneurship. The EU office’s focus areas correlate with the focus areas on green energy and welfare technology. Therefore it is also evident that there is an overlap in focus on these two areas between the municipalities and SDEO. However, the findings also show that if a municipality focuses mainly on transport, they might be less likely to make contract or incorporate the EU office in their work. At the same time, if SDEO contacts the given municipality, they will probably be less likely to acknowledge the information from the EU office because it may differ in interest areas of the two.

Therefore the foundation for a broader cooperation outside the matching focus areas may be less widespread.

Another thing indicating the presence of superficial norm sharing is the approach to cooperation with SDEO; According to the respondents 93 % answered that they wanted cooperation with the EU office. However, in reality far less does in fact cooperate, hence the overall lack of cooperation. This indicates that when the municipalities have to back up their beliefs with action, they are less inclined to do show.

 One cannot say that any of the parties are not focusing on the area of e.g. green energy because everyone has stated they are and are also agreeing on the fact that the EU office emphasizes this policy area. By this, they are following the trend of not only the EU but also the national trend and focus on green energy. They even have matching goals but these are not necessarily bringing them any closer towards cooperation.

***Target setting***

According to target setting in organisations; *“if the overall goals of the municipalities and the regional EU offices differ, the municipalities are less likely to work with the EU office”.*

According to the survey, the majority of the respondents claim that the overall goals are coherent on the international agenda. However, just that they are matching in coherence does not mean they are matching in importance. But what are the overall goals of the municipalities and the EU office? The EU office has a performance contract in which they are obliged to achieve certain goals as in order to show off results to their investors and owners in the regional office located in South Denmark. The performance contract is running for one year at the time. This means that there are some objectives and goals that are of short term duration instead of long term initiatives that may not deliver results within one year.

*MDL:* “*In an organisation there are some strategic considerations. We have to deliver on the performance contract.*” (MDL:2)

As stated, at the same time the municipalities have scarce resources. The municipalities and the EU office may have the same overall goals and targets of green energy, climate etc. but if they do not have the same means of cooperating on reaching these goals then it does not matter if they agree on three or four thematic political issues because they will never be carried out in reality.

***Knowledge sharing in organisations***

According to Ikujiro Nonaka’s integrated knowledge sharing;*“If the municipalities are capable of integrating the EU knowledge from the EU offices, the likelihood for cooperation will increase”.*

The empirical findings suggest a complication in integrating the EU office’s services and identity within some municipalities. There is a tendency that new employees are unaware of the functions of the office.

Maibritt Solskov Lind*: “You know, it can be a bit demotivating sometimes at the NIMS meetings. For instance at the last meeting one participant asked if we could give a presentation of what our office can offer to the municipalities. Then you ask yourself the question if the participants are paying any attention at all and if there is a purpose to it?”* (MSL:2).

As is exemplified by PM, integrating new aspects or new organisations in a well-functioning routine can be more complex than assumed. Breaking up behavioral patterns is a difficult task even though it may be logical to do so;

PM*: “Well, they are not so visible but it is just as much internal visibility here. We do get the newsletters and the NIMS network. We just do not have any defined strategy or policy for how to use it. We are working on it”* (PM:5).

Knowledge sharing is a crucial aspect for growth in any organization and it seems to be the case that an integration of the knowledge of the EU office is not present in some municipalities. The challenge for the municipalities is to generate the knowledge of one employee into the whole organization, so that new employees will be able to take over the knowledge and level of commitment to the EU office from the older employees, thereby strengthening the platform for cooperation.

***Summary***

The empirical findings showed that all examined hypotheses did hold some explanatory force, however, some more than others. The hypotheses of superficial norm sharing or myths and the path dependency did both affect cooperation in a negative direction, as they both prevent cooperation from developing. Also the hypotheses of correlating goals and integrated knowledge seem to have a negative effect on cooperation. The hypothesis stating that knowledge and rational behavior does effect cooperation positively was seen not to give a clear answer, as the empirical findings were both positive and negative. However, it did indicate that there was an effect. This has been summarized in figure 5.2 below.

*Figure 5.2 – The Influence of Hypotheses on Cooperation*

**Cooperation**

**Knowledgable**

**Path dependency**

**myths**

**Correlating goals**

**Integrated organisational knowledge**

### *Inter-organisational cooperation (Mie Jørgensen)*

The following section will be an analysis of the empirical findings viewed through the lens of inter-organisational theory.

The analysis is structured around the different hypotheses. Thus the analysis will first address the hypotheses that focus on necessity for cooperation, due to an interdependency of each other’s resources. This is followed by a section analysing the impact of scarce resources, whether or not they make the involved organisations cooperate more. Thirdly the hypotheses of informal and prior contact will be analysed, to examine if prior contact is seen to have any effect on cooperation.

***Interdependency creates a necessity for cooperation***

As the hypothesis on interdependency states, *“for the regional offices and the municipalities to enter into cooperation, they must be dependent upon one another in order to reach their own individual goals”.*

It is expected that, the interdependency between the regional office and the municipalities differ. SDEO’s primary task is to create growth and development in South Denmark, via engaging local actors, here amongst also municipalities. So in order to uphold their function they are dependent on cooperation with local organisations. On the other side, the municipalities’ primary task is to focus on their core tasks of running a municipality and so inter-organisational cooperation might not be the number one priority.

However, when analysing the empirical material, it is found that this assumption might not be completely true.

**Interdependence of SDEO**

SDEO as mentioned has a board, which in combination with the office for regional growth (Vækstforum) and the director of SDEO negotiate the performance contract, which the regional office is to fulfil on a one or two year basis. This means that the primary goal for SDEO is to uphold the performance contract, which has a set of very concrete quantitative measures the regional office must reach. Thus the primary goal of the regional office is not as originally believed, to create growth and development. This means that whether or not SDEO will prioritize cooperation with the municipalities does to some degree depend upon the performance contract. Therefore there is lack of interdependency amongst the regional office and all municipalities.

According to MDL from SDEO, the regional office is dependent on cooperation with local actors in order to fulfil its contract, but due to the formulation of the contract they are not dependent on all municipalities.

 “*As an organisation you have some strategic priorities. We have to deliver on the contract, which means that sometimes we must go for the municipalities we know are quick to respond...* ”(MDL:2).

The performance contract states a number of applications SDEO must help write, but it does not state who the other involved partner should be. Therefore they have an incentive for cooperating with the municipalities that the regional office knows can deliver. As director Jonas Groes states;

“*When organisations send out a partner search, there is usually a very short deadline... Therefore it is necessary to go direct to some of the municipalities we now well, and we know their competences. In a perfect world we could send it to all the municipalities, but when there is only room for one Danish participant and we need to move fast...*” (JG:9).

 As there is no interdependency in relation to all the municipalities, this can partly explain why there is no cooperation between SDEO and all municipalities.

This supports the findings of the previous analysis, indicating that SDEO in this case focus on a somewhat short-term goal. If the performance contract put more focus on long term targets such as cooperation with a broader spectre of municipalities; then there would be a shift in interdependency involving all municipalities, instead of interdependency towards a small group. This further indicates that political pressure can affect cooperation, but as there in this case is no political pressure for cooperation, as this is not in the performance contract, this will not be a priority by SDEO.

**Interdependency - Municipalities**

In relation to the municipalities dependency of SDEO JG states that;

*“I am not the most important man in the municipalities, and I am not supposed to be, because then something would be wrong... But we must secure that when the municipalities think of development, they also think about international funding” (JG:8).*

By having this approach SDEO is trying to change the municipalities’ perception of EU projects, which is more in line with something that is nice to have, but not something they need to have (MDL:13). Thus, they are less dependent upon the resources of SDEO, in order to fulfil their primary goals. It is therefore seen, that before the municipalities can become dependent on SDEO, they must see the relevance of EU projects.

In relation to the necessity for cooperation, it is important to notice that SDEO do not try to articulate that the municipalities must be dependent upon cooperation with them. Instead they articulate that the municipalities are dependent upon entering in EU funded projects. Therefore, it is important to notice that because the municipality does not cooperate with the regional office, this does not automatically mean that the municipality does not participate in EU projects. As Sønderborg states, they have only just recently, with the launch of the NIMS network started having more regular contact with the regional office. However, they have been participating in European projects for quite a long time, but without the help of the SDEO (PM:2). Thus Sønderborg municipality has gone around the regional office and straight to the EU. As the purpose of the regional office is to get the municipalities involved in EU funded projects, it is therefore seen that it in this type of cases, were the municipalities are capable of entering into EU funded projects on their own, it is not a problem that the regional office and the municipality do not cooperate more.

However, the findings show that when municipalities go around the regional office and participate in EU projects without their help, they often focus on a very small and relative simple section of the structural funding. PM states that as long as they focus on Interreg IVA projects, they have the competences to write the applications themselves, but if they ever want to focus on the other programmes, they would need the support of the regional office (PM:14).

The above standing indicates that it is not always a problem when the municipalities and SDEO do not cooperate, because the municipalities do not need the help of the regional office. However, this is only in relation to the municipalities that can do it on their own. Several of the municipalities SDEO do not cooperate with do not enter into any EU projects on their own. As MDL states, focus has not been on the group of municipalities that have not made up their mind about EU projects, the municipalities that take more time, because one must start from the beginning, making them interested in EU projects (MDL:2). The problem here is that the municipalities that are most dependent on the resources of the regional office might not even know that they are dependent upon these resources.

Thus overall there does seem to be a lopsided interdependence, so SDEO are more dependent on some municipalities than others, whereas in relation to the municipalities, the strong ones are overall not dependent on SDEO, whereas the weaker might be, but they still have not seen the necessity of EU programmes. Thus this lack of necessity from both sides can hinder the cooperation from developing.

***Scarce resources***

 In relation to cooperation amongst the regional office and the municipalities, the two hypotheses pointed in different directions, one stating that “*the regional offices and the municipalities will not cooperate unless the organisations possess slack, allowing them to reallocate resources for inter-organizational cooperation”* the other that “*due to scarce resources the regional offices and the municipalities will enter into cooperation, to fulfill their individual goals”.*

The findings in the empirical material point in both directions.

**Regional Office**

As stated by all the interviewees from SDEO, the regional office does operate under scarce resources, and SDEO has lack of manpower, in relation to the targets they must reach in the performance contract. Based on these findings, the hypotheses of scarce resources will be examined on the foundation that the regional office does have scarce resources, thus this will not be questioned in the analysis. Instead the analysis focuses on how this affects their work.

Both MDL and MSL, the two consultant working with international municipalities, state that they find that SDEO has too little focus on the weaker municipalities, and that this area is prioritized too low, if the regional office really wants to engage the municipalities more in their work (MDL:1; MSL:8). As MSL puts it;

“*I have my last day here on May first, and MDL is not back until September… that does say something about the priorities*” (MSL:8).

JG has another view of this, and he states that all municipalities are being prioritized, although not systematically (JG:9). Furthermore he states that as the municipalities pay half of the budget for SDEO, he spends half his time on working directly with municipalities. However, as written above, JG does acknowledge that they might work more with some municipalities than others, in order to optimize the scarce resources of SDEO.

**Municipalities**

In relation to municipalities, they are constantly under pressure in relation to resources, thus again the analysis will focus on how this affects their cooperation with SDEO.

Over the last years, the municipalities are experiencing even scarcer resources, due to the financial crisis. When focusing on the municipalities, it is seen that they respond quite differently to the question of whether or not the financial crisis has affected their participation in EU funded projects.

When asked, most answer that the financial crisis has made no difference in relation to applying for EU funding. But as can be seen in table 5.1 below, 3 municipalities state that the financial crisis makes them apply for more funding, and 2 that it makes them apply for less funding.

*Table 5.1 – How does the financial crisis affect EU projects?*

|  |  |  |
| --- | --- | --- |
| Apply for more EU projects | 3 | 15,8 % |
| Apply for fewer EU projects | 2 | 10,5 % |
| It makes no difference | 9 | 47,4 % |
| Do not know  | 5 | 26,3 % |

Respondents: 19 municipalities

According to Lene Sternsdorf from Sønderborg municipality, the financial crisis means that Sønderborg municipality now has so scarce resources, that they do not have the man power to enter into EU projects, or as she puts it;

“*There is nice to have and there is need to have, we don’t even do the need to have projects anymore*” (LS:6).

After the financial crisis they have been cut, and thus there are even fewer resources for participation in EU projects. There is need for development, but in times of crisis focus in on short term targets, and EU funding is often long term targets they are being neglected at the moment.

Karsten Justesen, director of Tourism in Sønderborg municipality on the other hand states that they are depending upon EU projects, as their budget is too tight otherwise (KJ:4). In this case, lack of resources therefore means greater willingness to enter into EU projects. The difference is that, here there has not been a change in tight resources, according to KJ, they have always been dependent upon EU projects. Thus there might be a difference between a sudden change to fewer resources and a general lack of resources.

Despite tight budgets, most municipalities reply that they do have enough resources to participate in international cooperation, only 5 of 22 reply that they do not have the resources for international cooperation. It is interesting what makes the municipalities respond differently to their scarce resources. Something indicates that their reaction to scarce resources is affected by other variables as well. One such could be whether or not they are used to participation in EU projects, as is evident in the aspect of path dependency. Thus for municipalities such as Sønderborg, the resources international cooperation requires are less than for inexperienced municipalities, because they do not possess the knowledge, and therefore it will take more of their resources.

Another interesting finding is in relation to the size of the municipalities. Almost all municipalities are quite large, and the findings indicate that this is an advantage for having the resources for international cooperation. This can be seen in figure 5.3 below, where the correlation between size and resources for international cooperation is shown.

*Figure 5.3 – Correlation between size and resources for international cooperation*

Respondents: 18 municipalities. Yes= have resources for international cooperation,

No= no resources for international cooperation

The one exception is Ærø municipality, with a population at 5.000-10.000, stating that they do have the resources for international cooperation, and at the same time they state that the financial crisis makes them apply for more EU funding. One explanation for this could be fund in path dependency, as Ærø has Marstal district heating, the worlds’ largest solar cells plant (www.solarmarstal.dk).

Thus overall, the scarce resources in the municipalities do not seem to be the main reason for lack of cooperation, as the municipalities state that they do have the resources for this. SDEO on the other hand, does have scarce resources and not cooperation with a broad spectrum of municipalities.

***Informal contact***

Another hypothesis that seems to hold explanatory force is the hypothesis stating that “t*he regional office and the municipalities will be more likely to cooperate if they have informal contact or have a shared history”.*

This is clear in the case of SDEO, where SDEO cooperates with the municipalities the office knows. As JG states, when a call comes, they have to respond fast, and therefore it is much easier to cooperate with some of the municipalities they already know (JG:9). Thus in relation to participation in EU projects, the aspects of prior contact becomes even more important.

In relation to the municipalities, informal contact seems to be of great importance. As PM states, the regional office is far away, and it can be difficult to call them, because you do not know the people in the other end of the line (PM:15). An instrument for contact is the NIMS network, and this contact makes it easier for them to cooperate with SDEO. Peter Mølgaard highlights the importance of NIMS, as this has given them the prior contact to SDEO, which will make it easier to cooperate with them in the future.

“*Our close cooperation with SDEO only started with the foundation of NIMS”* (PM:14).

The importance of informal contact becomes ever so clear in the case of Vejle municipality were Sonja Hansen has a contact to the regional office going back to 2008, and as she says;

“*SDEO are always kind, and when I see them it is always with hugs and everything*” (SH:16).

Based in the indications that informal contact does create a better foundation for cooperation, it is an issue that the regional office are down prioritizing the 1:1 contact with the not involved municipalities (MSL:8), as this will weaken the effect of informal contact which enhances inter-organisational cooperation.

***Summary***

The analysis showed that in the case of South Denmark, the two hypotheses which best explain the lack of cooperation is the hypothesis of interdependency and the hypothesis of scarce resources having a negative effect, as can be seen in figure 5.3 below. However, scarce resources as having a negative effect are mainly prominent in the case of SDEO, not in relation to the municipalities.

*Figure 5.4 – The Influence of Hypotheses on Cooperation*

**interdependency**

**Cooperation**

**Scarce ressources negative**

**Scarce ressources positive**

**Informal contact**

The effect of informal contact is also present, but it is minor compared to the others. The hypothesis of scarce resources having a positive effect is seen to have the lowest explanatory force, and it can only explain the outlier in this case. Furthermore it is seen that the effect of interdependency is enhanced by the effect of scarce resources. The regional office has to fulfil the regional contract, but this does not state not to cooperate with other municipalities. This is done, because of the scarce resources forces SDEO to optimize their resources.

### *The importance of a good network (Camilla Willadsen)*

The overall success of any network is the ability to move forward and turn a need, idea or movement into specific structures and specific goals to achieve. This will enhance the motivation and the durability of the network and the commitment of the various nodes. In the following the hypotheses will be examined.

***Stage of network involvement***

It is seen that a good network is essential for cooperation. Therefore the hypothesis is; **“***The stage of network involvement will determine the closeness between the EU offices and the municipalities.”*

In South Denmark all the municipalities have engaged in the Network for International Employees in the Municipalities (NIMS) network which is an establishment only a year old, founded by SDEO. But there is a huge difference in the usage of the network, which is a new method to engage the municipalities in better cooperation and inspiration. It is, however, not just the NIMS network; there is also the general interaction between the nodes, here describing the municipalities and SDEO. The NIMS network may be a sub ordinary network in the overall collaboration frame.

In order to create closeness between two actors, there must be a need for the cooperation between the nodes. Therefore in a network there may be more or less important actors depending on the aim of the network. In theories on network there is the notion of “free-riders” that is nodes who does not contribute with anything in particular to the network for some reason or other (Bogason, 2000:43).

The empirical findings suggest that there is inequality in the position of the various nodes in the NIMS network, ranging from new inexperienced members, to very independent members.

Some of the municipalities such as Vejle and Sønderborg are very capable of structuring their own international network and international projects which gives them a more fortunate position towards internationalization. This experience also means that the stronger municipalities will contribute with more information in the NIMS network. Thus, the more resourceful municipalities give inspiration on how to participate in international work to the other nodes (HS:14).

 However, there are some of the municipalities in the region, who faces larger obstacles when dealing with this area or haven’t even started it out yet as e.g. Nordfyn municipality, who has not yet used the services from the EU office; *“We are still in the phase of debating and investigating the resources for international work and focus”* (Survey question:21). This indicates that the less resourceful municipalities can gain inspiration from the other municipalities by participating in NIMS.

According to the network theory the stage of a network influences the role of the network as well as the means of the network. The ‘overall network’ is perhaps the definition which describes the NIMS network due to the great diversity in the group.

The NIMS network is a small, defined part of the overall network which exists between the nodes. The overall network, reflecting the cooperation between SDEO and the municipalities is best described as the ‘ego involvement’ where the EU office is cooperating with their closest nodes, which are the resourceful municipalities, the overall network will not generate stronger ties between nodes if no direct contact to the weaker nodes will be established. This creates an inequality where some may be left out for the benefit of the whole.

Overall, it is seen that the stage of network involvement does partly explain the lack of cooperation.

***Geography influencing networks***

There are many aspects in a good network and geography may be one of them.Therefore the hypothesis is: *geography will determine how close the regional EU office and the municipalities will cooperate.*

There are advantages and disadvantages to having an office located only in another country. The closeness of the relationship between the nodes will be affected by the duration of the network and the stability.

MSL*: “There’s no head office at home in Denmark whom the SDEO is subordinated to or has close working ties. For example the North Denmark EU work is organised with a bigger office in Aalborg and a smaller satellite office here in Brussels. I think it would be much better idea to make some sort of a rotation where people from the Regional office or the municipalities with e.g. a contract of two years at the Brussels office”* (MSL:2).

The aspect of geography as an important factor can be further enhanced in combination with departments or municipalities who do not have a history of using the EU offices service. At least it is seen in the case with Sønderborg municipality’s tourism department, who regularly incorporates EU projects in their way of creating better nature and tourism features;

Karsten Justesen (KJ): *“I think that the problem is that Brussels is too far away. It is just easier to grab the phone or cross the road to Peter (Peter Mølgaard) than it is to call Brussels. It might be a better office but it is further away.”* (KJ:3).

However Sonja from the business department in Vejle municipality has taken other measures for a better cooperation with the EU office as she went to visit the office.

SH*: “Yes, I asked if it was possible for me to go to Brussels and it was and they very much wanted that others did the same. I was there for a week and had the opportunity to take a look around. I joined in on some meetings and saw some different issues in process. It was quite interesting”.* (SH:2).

For a network to be successful, it is important to note that it cannot function by itself. To some extent external events, structures etc. will affect the network. Tarrow (2011) elaborates on the functionality of a network claiming that it is not just the organisational structures but the interpersonal networks which are the foundation of further development even if the organisational structures disappear.

Knowledge sharing and geography are important factors for the further integration of any form of cooperation, however they cannot stand alone. Geography alone does not determine the outcome of the network strength; it is a combination of commitment, interpersonal links, focus, strategies and resources.

***Network structure***

Another important aspect for network development is the notion of structure. Therefore; “*network amongst the municipalities and the EU offices are more likely to last if they have been put into structure.”*

Structure is fundamental for the network that is also why the network in Vejle municipality is working so well. They have succeeded in creating an efficient use of the network where the aims and the means correlate (HS:1). However, the NIMS network faces obstacles in this relation. As has been stated before, not being present in the regional area may create a mental distance to the office and it is acknowledged as well;

*MSL: “I think that there should be made some work relations to actors in the region. I do not know if it should be the region (the institution) or the office for regional growth. But the main thing would be to create a forum with more stability than a random meeting with different people each time. That is our main problem – that people back home have just gotten accustomed to me and now I leave. Then it is all from start all over again. It is very fragile this way”* (MSL:6).

It is a question of a proper integration in the behaviour of the employees both at the EU office and the municipalities. If the network must start over again because one of the forerunners is leaving, then this would limit the development. Structure and objectives are complex sizes especially in relation to public organisations.

PM (when asked about the NIMS network);

*“there’s not such a broad representation as one could wish for. And it is also not the same people joining each time, it is very loose. It has its advantages though, because a broad spectre of people is showing up and with various backgrounds which makes the network bigger. In any case, we have the network list where everyone is listed, so we know how and who to contact, if needed.”* (PM:1).

It seems there is a need for greater visibility both internally in the municipalities as well as greater commitment from the EU office to create better objectives and follow up on the initiative they are creating.

However, it is acknowledged that in relation to the overall network in the region, the NIMS network is established for the very aim of structuring the cooperation and generating coherence.

Another important aspect is the feature of objectives. It is seen that: *The network will be strengthened and integrated if the objectives of the network are used by the employees on a regular basis.*

In combination with structure, the repetitive use of a network and the means for it will most likely enhance cooperation according to theory. However there seems to be some obstacles for the integration of a network between the municipalities and the EU office in general.

*JG: “Municipalities today are huge organisations and a director of local business development (Erhvervschef) does not necessarily know what is going on in the engineering and environmental department. And it is of course difficult for me to be placed in Brussels, trying to make a holistic organization that knows what is going on in each department”* (JG:4).

But by having NIMS meeting twice a year can hardly be ascribed as ‘regular basis’ and this is crucial especially in the early stages of network development. It is just enough to get the employees aware of the network but if no further development is generated then the aim and the need for it, will most likely not be present. The ‘outer’ pressure such as an organisational will or an important aim for the network will generate a more accommodated supply and demand. It is a very common problem; for something to be used it must be relevant and give something to the work which is already being executed. However, as stated by MDL, it is perhaps a difficult task for the EU office to demonstrate the added value of the idea of EU project work and partnerships (MDL:5).

Despite this, 58 % of the respondents stated that the NIMS network does in fact fulfil their need for the international municipalities. However, as is seen in the quote below, it seems that the newly established network needs to create a more solid foundation for development.

*“It is important to use the network for, well, networking. But I do think that there is a need to try and make the meetings more operational with a focus on the factual possibilities of cooperation. I am aware of the fact that this probably will mean that some meetings may be irrelevant for parts of the network, who are not interested in a given area of cooperation. But on the other hand I do not believe it is possible to maintain a broad field of interest if the meetings continuingly have a character of being informational meetings”* (survey question:9).

This indicates a further need for verbalizing and identifying the objectives and the aims of the network so that the international employees in the municipality can put it into usage in their daily work which the EU office greatly wish it is done. There is a tendency of the network not being as stabilized yet as theoretical contributions recommends it to be in order to gain better standing ground.

***Size matters***

According to network theory a position within a network can be explained partly by size and resources wherefore; “*An organization with fewer resources will maintain a less prominent role in a large network and engage in a more focused network”.*

As a network becomes larger it becomes more blurry affecting the division of agreements and obligations amongst the nodes (Span et al, 2012:193). Any network is depended upon contributions from the different nodes. However, five respondents claimed that their municipalities were not geared for international cooperation. There are several suggestions as to why that is but capacity is a notion which coherent throughout all the respondents. As these municipalities do not have the resources for international cooperation, it is believed that they will uphold a less prominent position in a network focusing on that.

However, the reason for the lesser engagement of some municipalities is two-fold; firstly, as mentioned, the municipalities do not have the resources for obtaining a prominent role in the network. Secondly this effect is reinforced by SDEO having a lack of resources as well, thus not trying to engage the less resourceful municipalities. It is therefore seen that SDEO are prioritising their resources creating a closer role with the stronger municipalities.

It is the EU office which is the motivator of the initiative and it is an attempt to engage the less resourceful municipalities, therefore creating NIMS is a good first step. However, this attempt will not be successful if it is not generating a closer relationship with the less advanced municipalities.

***Summary***

According to the general rules of network theory, it is crucial to embed the objectives and the motivation for any network into a tighter structure for defining each member’s role and to develop on the network.

A well-established and mature network depends on other aspects in order to function well such as communication, priorities, strategies and structures within the participating organisations. It demands proper integration from all parties and a lead organization which can define the roles and aims in the early stages of a network. The findings showed that the findings concerning stage of network involvement, usefulness in daily work seemed to best explain any lack of cooperation. Furthermore size of network and formal structures also seems to influence cooperation as well whereas the findings generated no clear answers in relation to the effect of geography. This can be seen the figure below:

*Figure 5.5: The Influence of Hypotheses on Cooperation*

**Cooperation**

**Stage of network involvement**

**Geography**

**Formal structures**

**Usefulness in daily work**

**Size of network**

## *Intra and inter organisational communication (Mie Jørgensen)*

When examining the empirical findings in relation to the theory of communication it becomes clear that both inter and intra communication is relevant. In this case, intra organisational communication will only be applied to the municipalities. The following first address the hypothesis covering intra-organisational communication, focusing on a communication block within the municipality. This will be followed by the hypothesis focusing on inter organisational communication, analysing the importance of applying a multitude of communication channels, in order to communicate the message properly. Secondly the hypotheses concerning one way and two way communication will be addressed.

***A communication block***

The theory on communication states that an individual can end up functioning as a block for sharing information, thus the hypothesis states “*one person in the municipalities or the regional office can function as a communication block and thus the information will not reach the end target in organizations, preventing cooperation”.*

In relation to the communication internally in the municipalities, it is seen that there is an issue in relation to sharing the information they receive about and from the regional office.

The questionnaire showed that most of the respondents receive the newsletter, and furthermore, 75% of those receiving the newsletter do also read the newsletter. Thus the newsletter does reach the municipalities, who then process the information.

However, the communication which SDEO wishes to spread internally in the municipality, will in many cases never go beyond the person receiving the communication, as this individual will function as a communication block. Only 52% of the respondents state that they forward the newsletter, to other employees of the municipality.

This can be a problem, as they then receive all the information from SDEO, and they might not be the ones the specific information is relevant for. In Sønderborg municipality Peter Mølgaard is the one receiving the newsletter and the one responsible for forwarding the information to the relevant employees (PM:5). This demands an incredibly amount of work and knowledge from this one key person, and he must have the overall knowledge of what is going on in the municipality. However, the questionnaire indicates that the employees working with international relations often have many other tasks as well, and 75 % of the respondents state that they spend less than a day per week dealing with international work. Thus, as international work takes up only a fraction of their time, it is easy to assume that the employees will not always have full information about all relevant aspects, and thus they will not be able to forward the relevant information they receive from SDEO. According to PM, lack of visibility of SDEO is also due to lack of sharing of information internally in the municipality;

“*it is just as much due to lack of internal visibility. Because we do receive information from them (*SDEO*), there is the newsletter and the NIMS network*” (PM:5).

Thus, the person receiving the information ends up functioning as a communication block, not forwarding the information to the relevant actors.

***Communication channels***

The hypothesis highlights the importance of communication channels, thus”*Applying a multitude of communication channels will enhance the possibility of cooperation*”.

SDEO does apply a number of different communication channels in their effort to communicate with the municipalities. However, most are them are rather unstructured. As JG states,

*“…It is not something that has been put into system, but of course I think about which municipalities I haven’t been as much in contact with, and then I need to spend some more energy on them*”(JG:9).

Furthermore, JG tries to enter into the municipalities at many different levels, in an attempt to communicate with the municipalities at many different levels, thus he addresses both mayors, directors of local business development and other actors he finds to be relevant (JG:4,9).

Furthermore all consultants have meetings with relevant actors when they are home, here including some of the municipalities, but again, they meet mainly with the municipalities they usually cooperate with.

The regional office does have some formalised channels of communication, one of them being the newsletter which is sent out once every month. Furthermore the NIMS network has structured communication, and has created a frame that allows the involved parts to meet face to face at least once a year.

Thus the regional office does apply a multitude of communication channels, and it is also clear that the regional office does not use these communication channels equally in relation to all municipalities. They will be in more regular contact with the municipalities with whom they cooperate, and it therefore indicates that applying a multitude of communication channels can improve the foundation for cooperation.

***One-way communication***

The hypothesis of one-way communication states “*Applying one way communication will improve the foundation for cooperation”.*

It is seen that the regional office does not apply a differentiated one-way communication, but instead standard one-way communication.

The main source of communication used by SDEO is the newsletter, and this newsletter is not differentiated, meaning that all receivers get the same newsletter. It reaches a wide spectre of stakeholders in South Denmark, some municipalities, other companies or the university. 80 % of the respondents reply that they do receive the newsletter, indicating that this one-way communication reaches most of the municipalities. In relation to it being an advantage to use a more differentiated communication LS from Sønderborg municipality mentioned that she would like the newsletter to have more relevance in relation to her work, indicating that differentiated communication could be good (LS:17). Nonetheless, seven respondents state that they do not read the newsletter, but none say that it is because they do not find it relevant, instead their replies indicate that there could be an information overload, with many different newsletters (Survey Question:15).

Thus it is seen that there is one-way communication between the involved parties, but no clear pattern has emerged in relation to there being more communication with the municipalities with whom they cooperate, than the others.

***Two-way communication***

The hypothesis states *“if the regional office engages in genuine dialogue with the municipality, it will create a better foundation for cooperation”*.

In terms of applying genuine two-way communication for enhancing cooperation, it is seen that SDEO does apply this to some degree. As mentioned JG spends a lot of his time meeting with the relevant stakeholders in the municipalities, trying to tell them what their municipality will gain from European projects, convincing the municipalities that they should use the services of the regional office (JG:4). None the less, this has not been structured, and it becomes clear that SDEO’s use two-way communication more in relation to the municipalities they cooperate more, as they are in more on-going contact with them.

Furthermore the questionnaire showed that most municipalities feel they can affect the focus areas of the regional office, as can be seen in Figure 5.6 below.

*Figure 5.6 – The Respondents Perception of Ability to Affect SDEO*

24 Respondents

13 of the respondents feel they can affect the focus areas of the regional office, indicating that they do take ownership of SDEO, and they feel like SDEO does in fact listen to them and their needs. At the same time only two state that they cannot affect the focus areas, whilst 9 do not know. Nonetheless, the fact that more than half find that they can affect SDEO and only two that they cannot indicates that SDEO does use genuine two-way communication, where they listen to the demands and needs of the municipalities. An example of this can be found in Sønderborg municipality, where PM states that,

“*We have had a talk with SDEO, and if we become culture capital, they will focus more on this area, even though it is not part of their focus areas.*” (PM:18).

Furthermore the municipalities reply that they have a number of options for contacting the regional office, via meetings, emails and phones, and thus they can give feed-back and responses to the communication they receive from SDEO.

Thus it is seen that there is two-way communication between the involved parties, and that the regional office does apply two-way communication in relation to the municipalities they work closer with. However a broad spectrum of municipalities believes they can affect the focus areas of the regional office, indicating that they all feel there is to some degree two-way communication.

***Summary***

When analysing the theories for communication internally in the municipality and externally between the two involved parts, it becomes clear that there overall it a rather solid communication from the regional office to the municipalities. It is not daily communication, but as European projects are not the primary focus for any municipality, and neither should it be, the amount of communication might be suitable. The results of the analysis are summarised in figure5.7 below.

*Figure 5.7 - The Influence of Hypotheses on Cooperation*

**Cooperation**

**Communication block**

**communication channels**

**One way communication**

**Two way communication**

It is seen that the hypotheses of a communication block holds the greatest explanatory force in the case of South Denmark, and the effect of applying communication channels is also present. It has not been possible to examine the effect of one-way communication, as there was no inter-case variation. The positive effect of two-way communication was not established despite their being two-way communication.

## *Multi-level governance (Camilla Willadsen)*

In this section the two hypotheses for multi-level governance will be addressed. The first one addresses the relationship between actors and the European level. The second will focus on the local actors in relation to the EU.

### *Multi-level governance – the International level (Camilla Willadsen)*

The hypothesis generated from multi-level governance states that**: “***The regional offices do not obtain the relevant knowledge about the EU level to accommodate the needs of the municipalities.”*

The hypothesis is somewhat being argued for and against on both sides – from both municipalities and within the regional EU office – that perhaps the target for the whole multi-level governance is matched wrongly.

On the one hand, the empirical findings suggests that the EU office is a sufficient partner once the municipalities become aware of the EU office and can see the future aspect of engaging in international work. On the other hand, resourceful municipalities can easily function by themselves in the international arena, which Sønderborg and Vejle municipalities are capable of showing. At the same time, the business department in Vejle municipality does use the EU office quite a lot in relation to writing applications for EU projects.

Five respondents of the survey claimed their municipality was not ready for internationalization strategies. This does indicate that instead of not being knowledgeable about what the EU level demands and stands for, the EU office do not focus enough on the level of their municipalities. At least not on the municipalities, which are not ready to launch big EU projects just yet.

The basic question that then can be asked is how to help an organization that does not know it needs your help but it can also be put the other way around asking how can an organization ask for help if it does not know where to start? This observation seems to be what is being dealt with in the relationship between the EU office and the municipalities in the region. It is all in the overall light of providing projects to the region to ensure growth, development and international cooperation.

The multi-level approach seems to offer too many approaches to international partnerships that smaller municipalities cannot conceive and that better municipalities can handle themselves.

Finally, the empirical data shows there can be an issue in relation to the EU office focusing on the wrong programmes in relation to the demands and strategies of the municipalities. As stated above, SDEO focuses on green energy and welfare technology, therefore they will focus on programmes providing funding to these areas. The municipalities have a variety of focus areas and therefore SDEO may be of no use for them, if the focus areas do not match.

The unevenness of EU project participation is a huge obstacle in the road of the EU offices in their function as a liaison between supra national level and local/regional level. Because the need and the strategies are so diverse and there is no coherent approach but different needs at different times.

### *Multilevel governance – the local level (Mie Jørgensen)*

The hypothesis states that *“the municipalities do not know what their local stakeholders want and can therefore not make sufficient use of the regional EU offices”.* Thus an explanation for lack of cooperation can be that the municipalities do not have the required knowledge of the aspects were EU funding could be relevant, both in relation to the municipalities themselves, and in relation to the companies in the municipalities.

In relation to accessing EU funding, it is important that SDEO has the required knowledge of the EU programmes relevant for the South Danish actors. On the other side, the municipalities must have the knowledge of the aspects where they believe EU funding could be an option. This is true both in relation to the municipality as an organisation and the geographic municipality, including the companies in the municipality. Because, if the municipality does not have a vision of how they want to use EU funding, the task for the regional office becomes harder, as they will not know which funding options they should keep an eye on and inform the municipality about. Therefore if the municipalities do not have the knowledge of the demands of their stakeholders, they will not be able to make the most of the possibility in the EU structural funds.

One element that can indicates that the municipalities have made an effort identifying the aspects where EU funding is relevant for them is whether or not they have developed an international strategy. 6 municipalities reply that they do have an internationalization strategy, making it clear when EU projects are useful. On the other hand, more than half of the municipalities do not have an internationalisation strategy, and this is seen as a big problem in relation to enhancing the cooperation between the municipalities and SDEO because they will most likely not know which aspects they should be cooperating about.

In relation to the geographical municipality, the municipalities must monitor what their stakeholders demand, in order to optimize the use of the structural funds, this does not always function smoothly. An issue can occur if that the fundraisers applying for EU funding are not in contact with the companies (SH:4). The fundraisers get information about the needs from the business strategy (Erhvervsstrategi) instead of directly from the companies meaning that information can be lost. Each municipality in South Denmark has developed business strategy, and according to the respondents of the survey this strategy is applied in their daily work, also in relation to European funding. Despite the lack of direct contact, the business strategy does optimize the use of the structural funds, as the municipalities will be able to gain more from these, if they know the demands of their stakeholders.

***Summary***

To conclude on the impact of the hypotheses of multi-level governance, it can be said that both hypotheses hold explanatory force in relation to the municipalities not cooperating and not gaining the most from the structural funds. This can be seen in figure 5.8 below.

*Figure 5.8 - Effect of Hypotheses on Cooperation*

**Coooperation**

**Knowledge of EU programmes**

**Knowledge of local actors and needs**

In relation to the international level, it is found that SDEO do possess the relevant knowledge in some cases, other times, they focus on the wrong programmes. However, this was not the only issue; another issue in relation to cooperation was that some municipalities went around SDEO and straight to the EU level instead.

From the perspective of the municipalities, it is a problem that the municipalities do not have a internationalisation strategy, as this will hinder the cooperation with the regional office, as it is most likely that they will not know how to be involved in EU projects.

## *The Case of South Norway (Camilla Willadsen)*

The following will be an analysis of the empirical finding in relation to the theoretic and empirical founded hypotheses, to examine which hypotheses seem to have an effect on the lack of cooperation between the regional office and the municipalities. Like on the case of South Denmark, the five theories will be presented one at a time. The first will be organisational theory, second inter-organisational theory, thirdly network theory, fourth communication and lastly multi-level governance.

### *Organisational influence on cooperation (Camilla Willadsen)*

In a country as special as Norway in the EU, there are several factors which may halter the deepening of cooperation. By analyzing the hypotheses, a more nuanced analysis of the overall structure and possibilities are exploited.

***Rational organisations***

The hypothesis concerning the theory in the instrumental perspective states that “*The more knowledgeable the municipalities are on EU matters and the gain of the EU funding opportunities, the more likely they are to engage in cooperation with the regional EU offices and EU projects.*”

Being able to deliver optimized decisions are crucial for any public organisation especially in times of budgetary cuts and optimization of resources and their efficiency. However, it seems there is a divide between being too knowledgeable and knowing too little.

As an example Kristiansand municipality is very much aware of the EU funding means but seem to engage less in cooperation with the EU office due to other means.

Øyvind Lyngen Laderud*: “We do work together sometimes, and sometimes they work really hard at investigating the possibilities of different programmes. But we participate in several EU projects every year and some people here have worked with EU projects for many years. Longer than the regional office.”* (ØLL:2-3).

This indicates that when municipalities are knowledgeable, the most rational choice will be to do most work on their own. Only when they require knowledge they do not possess on their own, will they use the service of SNEO. Thus, it seems that Kristiansand has a very rational approach to using the regional office, and this rational approach comes due to great knowledge. As the municipality rationally can determine when they will gain from the help of the regional office, and when they will not. This knowledge is lacking from most municipalities in South Norway. According to the survey only 3 municipalities had ever had any work done together with the EU office and only four receive the newsletter. All have heard of the regional office, but this is not the same as have in-depth information about the use of the regional office. Therefore this could indicate that the municipalities do not obtain enough knowledge about the EU office in order to decide if they should cooperate. Thus the hypothesis cannot be falsified, as it is not clear how the municipalities would react had they complete information and knowledge.

***Path-dependency***

The hypothesis relating to path-dependency as affecting cooperation goes *“The actors will be more likely to cooperate with the same actors which they are used to work with.”*

The findings in relation to path dependency vary when examining the empirical data for the regional office and the municipalities.

**Regional office**

Some things indicate that Bodil Agasøster (BA) does to some degree rely on path dependency. When communicating to the municipalities, BA has a tendency for approaching the same two municipalities all the time, not focusing on the smaller and weaker municipalities of the region. Instead they must come to her, if they want something done.

BA*: “I serve first the people who queue up and who want to speak to us. It must be like that.” (BA:12).*

However, the municipalities which BA does contact are also the owners of the regional office, and therefore she is obliged to send any relevant information to them. Thus this focus on a few municipalities might not be because of path-dependency, but simply because they are the owners, requiring information. At the same time, one must take into notion, that the regional office in Brussels has only existed for one year, and thus, it is most likely that BA has not yet developed any behavioral patterns.

**Municipalities**

From the point of view of the municipalities, there might be some evidence of path dependency. As BA states, she does not from Brussels relate a lot to the municipalities (BA:2). Instead, the consultant the national unit of SNEO, the part of the EU office which has existed for the longest, is the one mainly in contact with the municipalities,

“*The closest contact is to the home office…they have a clearly defined role in relation to us*” (Ole Jørgen Etholm (OJE):2-3).

 This indicates that there is a path dependency from the side of the municipalities. However, path dependency can also create a lack of cooperation. As ØLL from Kristiansand stated, they have consultants who have been working with EU projects, for longer than the regional office (ØLL:2-3), thus they have been active in EU projects before the regional office existed, and thus, they have developed another way of participating, than via the EU office. Thereby path-dependency becomes a hindrance for cooperation. Thus path dependency can affect the cooperation between the involved parts, in both a negative and a positive way.

Path dependency claims that organisations have been created in a time and culture which affects them and their work in the years to come and they are difficult to change.

The paper is therefore dealing with municipalities which have been used to one agenda and a newer EU office which has been created in the wakening of multi-level governance and partnership agenda in the EU. Their outset are therefore different, which different histories

***Norm sharing between organisations***

The following hypothesis on myths and norms states that; **“***The regional office and municipalities will find it easier to adhere to the same overall values and norms due to environmental interest”.*

73 % of the respondents in the survey claimed that the EU office had the ‘correct’ focus areas for the region. But in which retrospect are they right? Because they do not necessarily enhance cooperation between the organisations and they differ in relation to the focus areas of the municipalities as seen in figure 5.9 below;

*Figure 5.9 - What are the focus areas of the municipalities?*

In addition to the replies, one municipality also focuses on art and culture. Therefore it is seen that there are some overlap in the focus areas of the municipalities and the EU office in South Norway. However, as was the case in South Denmark, the findings also suggest that the foundation for a more widespread cooperation may not be present. It seems to be the fact that BA is aware of the other interest areas in the municipalities and is therefore trying to incorporate them in newsletter from time to time (BA:8). However this is not really sufficient if there are no receivers.

The myth perspective in organisational theory relies on the fact that it is outer pressure and surroundings which are defining the organization. An organization exists in relation to its stakeholders and its consumers etc. This gives perspective towards the lack of engagement for some municipalities and the lack of internationalization strategies perhaps. 41 % of the respondents in the survey claimed that they would like to have a network and a relationship workwise with the EU office, despite the fact that they would not have an internationalization strategy and it was only 1 % which states firmly no to any cooperation. However, 53 % responded that they knew not whether there were interests for cooperation in the municipality.

If the surroundings are unaware of EU possibilities, then the organization may not see the need to further develop on that matter simply because there is no demand or there is no awareness of the need.

In relation to the 41 % of the respondents wanting cooperating with SNEO, one can question how genuine this interest is because 67 % of the municipalities claim they do not have the resources for an international focus and only 2 municipalities does in fact have an internationalization strategy and only four respondents receives the newsletter. These factors combined indicate that on the surface the municipalities might have an interest in cooperating with SNEO but they do not follow up on this interest with any action.

***Target setting***

The theory on target setting states that; ***“****If the overall goals of the municipalities and the regional EU offices differ, the municipalities are less likely to work with the EU office.”*

There are various ways in which the target setting agenda can be matched with strategies for the future and short term goals for achieving specific targets.

However, for better cooperation in any circumstance, matching strategies must exist otherwise, there is no reason for cooperation between actors who do not have the same interests or means of achieving their interests. It is a simple matter of demand and supply;

ØLL*: “yes, we don`t want to be involved in projects that`s not beneficial for our priorities or target areas we have set up in a master plan or strategies”* (ØLL:5).

However, for the EU office it is important to become more visible in order to state their own existence and enhance cooperation with municipalities in the region as the purpose of SNEO is to increase growth and development to its stakeholders. The idea is to bring the EU closer to the region and vice versa but the targets and settings of each municipality and the EU office must be compatible. BA tries to achieve this via the newsletter;

BA*: “We also really need to make ourselves as relevant as we can, so I try to as far as possible cover something on culture or education each time, because I know that is something that is relevant in the municipalities each time.”* (BA:8).

It may be the case that the instrumental effect of short term goals and a nature of working with the issues which a municipality is strongest within, does not always and I all cases correlate well with myths on norm setting and popular agendas in the public.

However, target setting is a complicated matter with many strategies and stakeholders to consider both for the EU office but also for the municipalities. What is crucial for the EU office is to be able to communicate and show that EU projects are just another tool of accomplishing the same goals the municipality had all along.

***Knowledge sharing in organisations***

The hypothesis on integrated knowledge states that: *“If the municipalities are capable of integrating the EU knowledge from the EU offices, the likelihood for cooperation will increase”.*

According to the theoretical contribution, knowledge sharing within an organization is important for the further development and strengthening of the employees and hence the organization. It is also an important tool for integrating new objectives and creating a common norm within organisations.

However there is a divide between the focus of the paying municipalities and the non-paying municipalities and whether or not the EU office is to try to include the other municipalities in their work.

In relation to the paying municipalities, it is seen that Kristiansand municipality has an internal network which contributes to integrating knowledge in the municipality (ØLL:9). This is interesting as the municipality is the most cooperative municipality.

 At the moment most of the non-paying municipalities are not receiving the newsletter and are not a part of the EU information flow from the EU office, therefore they do not get any information from the EU office. This may indicate that it is not the internal knowledge sharing which is the problem; the problem is instead that they are not a part of the information loop to begin with and therefore there is no information to integrate. The two respondents in non-paying municipalities, who receive the newsletter, do not forward the newsletter, which also is an indication of lack of knowledge sharing internally.

However, this may be explained due to other factors such as the size of the municipalities in general as OJE states that;

“*When you are representing a municipality between 1000-2000 citizens, there are limitations as to what you can engage in.”* (OJE:4).

The hypothesis may not bear any relevance if there only are few employees in the organization because obstacles in knowledge sharing will, presumably, be very low but less manpower equals less resources for engaging in new areas. Successful internal knowledge sharing and development is always important notions in any organization but they are however not solely enhancers for greater cooperation as structure, size and capability are also indicators.

***Summary***

In relation to the case of South Norway it is seen that the hypothesis concerning myths and norm shaping surroundings holds the greatest explanatory force as it can explain the lack of action despite the positive announcements. This can be seen in figure 5.10 below.

*Figure 5.10 – The Influence of Hypotheses on Cooperation*

**Cooperation**

**Knowledgable**

**Path dependency**

**myths**

**Correlating goals**

**Integrated organisational knowledge**

Furthermore correlating goals and path dependency also seems to influence the cooperation between SNEO and the municipalities in a negative manner. The effect of organisations being knowledgeable cannot be fully proven based on the findings in South Norway, however, there are indications that it can affect cooperation negatively. Internal knowledge sharing, as a hypothesis standing alone is seen to hold some relevance, however it is questioned whether this is out ruled due to other variables such as resources.

### *Inter-organisational cooperation (Mie Jørgensen)*

As in the case of South Denmark, the analysis is structured around the different hypotheses. Thus it will first address the hypotheses that focus on interdependency. This is followed by an analysis of the effect of scarce resources, whether this makes organisations cooperate more or less. Finally the hypothesis underlining the importance of informal contact will be analysed.

***Interdependency – creating necessity for cooperation?***

As the hypothesis states “*for the regional offices and the municipalities to enter into cooperation, they must be dependent upon one another in order to reach their own individual goals”.*

In the case of South Norway, the expectations to interdependency are different than in the case of South Denmark, as all municipalities do not pay to South Norway EU office.

**Regional office**

As mentioned, the regional office has a board, consisting of the five members, and the regional office has to present its results to the board each year. They are dependent on pleasing the board, as they are the ones providing the funding for the regional office. However, they do not have a performance contract made by the board, as was the case in South Denmark. The fact that only two municipalities are represented in the board, has a great impact on the necessity of cooperation with a broader spectre of municipalities, thus there is no interdependency.

However, the long term goal of the regional office is to create growth and development in South Norway, by informing the municipalities of the funding options European projects provide. But at the moment they focus on only two of the municipalities. Thus there is interdependency between SNEO and the two paying municipalities, but not the rest.

The regional office does try to convince the municipalities that they are dependent on international cooperation and EU funding, by highlighting EU projects as a mean for getting something done they should do anyway. Thus as Bodil Agasøster states;

“*not just to do it, but to achieve something they want to achieve*” (BA:12).

This is done because the regional office needs the two municipalities to be somewhat dependent on the work that they provide.

**Municipalities**

In relation to the municipalities, only a small part of the municipalities are dependent on the work of the regional office, as most municipalities do not participate in international projects, and do not deal with an international focus. The bigger municipalities Kristiansand and Arendal are dependent upon the regional office to some degree. They are dependent on SNEO for creating an international network they can use in projects, and they are dependent on them to provide information about what is going on in Brussels.

“*So it is not like it (*SNEO*) is the most important tool for us in relation to EU projects. It is more like they hold us updated on various questions and issues*” (ØLL:3).

They might need SNEO for networking, but they are capable of entering into EU funded projects on their own, and do not need the support of the regional office for this.

The smaller municipalities do overall not participate in EU project or cooperate with SNEO at all. They would perhaps need the support of the regional office, to participate in EU projects, but as they are not interested, there is no interdependency.

Again it becomes clear that the regional office is dependent on cooperation with some municipalities, in order to reach their primary goal of pleasing the board. This means that for SNEO, there is a difference between the non-paying and the paying municipalities.

***Scarce resources – a hindrance or a help for cooperation***

In relation to the theory of scarce resources, the different theoretical approaches point in different directions, leading to two different hypotheses. These are “*due to scarce resources the regional offices and the municipalities will enter into cooperation, to fulfill their individual goals”* and “*the regional offices and the municipalities will not cooperate unless the organisations possess slack, allowing them to reallocate resources for inter-organisational cooperation”.*

**Regional office**

Ideally the regional office wishes to cooperate with many of the local actors in South Norway, including a wide spectre of municipalities (BA:10). However, the regional office has scarce resources, consisting of two fulltime employees and a trainee. According to BA the regional office is affected by lack of resources to a great extent, and it affects how much work they can engage in, and how many municipalities they actively contact in order to cooperate

“*Until we have more resources, there is a limit to how proactive we want to be, because, honestly, I have enough to do.*” (BA:10).

 In fact BA even states, that at the moment the regional office does not have the resources to engage in cooperation with any more municipalities (BA:14). Thus in relation to the regional office, scarce resources is seen to be a big hinder on elaborating the cooperation.

SNEO will due to scarce resources concentrate their resources on fulfilling their immediate goals, and thus have a more short term focus. This is the same issue as was found in the case of South Denmark that scarce resources seem to hinder long term goals and cooperation with a wider spectrum of municipalities.

**Municipalities**

In relation to scarce resources, it is acknowledged that all municipalities operate under scarce resources but still it is seen that some municipalities are more affected by this than others.

It is seen that there is a difference in relation to size of the municipality; many of South Norway’s municipalities are very small, and the survey shows that most of these municipalities state that they simply do not have the resources for international cooperation. As can be seen in figure 5.11 below, there is a correlation between size of municipality and resources for international cooperation. Up to 66% of the municipalities have stated that they do not have the resources for international focus.

*Figure 5.11 Correlation between size and resources for international focus*

Respondents: 14 municipalities. Yes= the municipalities does have resources for international focus,

 No= the municipality does not have resources for a international focus

Most of these are seen to be the small municipalities, with populations up till 10.000. Thus this indicates that in the case of South Norway, the smaller the municipality, the less likely they are to have the resources for international focus in relation to inter-organisational cooperation.

The sudden change in resources that has occurred with the financial crisis has overall had very little effect on the municipalities. Kristiansand states, that it enters into fewer EU projects and Bykle municipality enters into more, but most are either unaware of how they are affected, or unaffected. This is most likely due to the fact that most municipalities did not participate in EU project before, thus the financial crisis has made no difference to them.

Bykle is one of the smallest municipalities in South Norway, and it is therefore interesting that they state that they do have the resources for international focus and that the financial crisis has made them apply for more EU projects, thus this indicates that scarce resources does affect their international cooperation positively. Despite this, they have very little contact to SNEO. Thus this indicates that scarce resources can affect positively, possibly in correlation with other variables as well, such as path dependency.

In relation to the examined hypothesis it is seen that lack of resources does affect the regional office so it does not cooperate as much with the municipalities as wanted. The scarce resources mean that this is simply not an option. In relation to the municipalities, it is seen that 66% of the municipalities state that they do not have the resources for cooperation, which means that either resources or perception of resources is a big hinder for cooperation.

***Informal contact***

In relation to the theory of informal contact as having a positive effect on cooperation, the hypothesis states that *“the regional office and the municipalities will be more likely to cooperate if they have informal contact or have a shared history”.*

According to Ole Jørgen Etholm from Arendal municipality, the fact that SNEO is located in both Brussels and South Norway makes a big difference for cooperating;

“*the home office has a clearly defined role in relation to us. …and we meet several times during the year*” (OJE:3).

This indicates that informal contact makes cooperation easier, as the involved parties know each other. The strategy of having one person in Norway and one in Brussels works quite well, as this allows for more face-to-face contact. On the downside, there is less informal contact to the Brussels department. As BA states, she is back home in Norway about 5 times a year, and when she is there she tries to meet the relevant actors, but is takes a long time (BA:9), which can be a hinder for cooperation.

It can therefore be seen that informal contact does have an influence on cooperation, as the regional office meets often with the municipalities with whom it cooperates.

***Summary***

In the figure 5.12 below, the results of the examined hypotheses are presented.

*Figure 5.12 – Effect of Hypotheses on Cooperation*

**Cooperation**

**interdependency**

**Scarce ressources negative**

**Scarce ressources positive**

**Informal contact**

The findings show, that not hypotheses hold some explanatory force. The hypothesis of scarce resources creating more cooperation is seen to be false in this case, except in relation to one outlier. Thus in the case of South Norway, scarce resources, lack of interdependency and informal contact are seen to be the main reasons for why the regional office and the municipalities do not cooperate more. The strongest effect is clearly from scarce resources, affecting interdependency.

### *The importance of a good network (Camilla Willadsen)*

The network structure in South Norway is different than in South Denmark due to the fact that the office has two departments; one in Brussels and one in Kristiansand. This is an interesting way of dividing resources and competences when resources are scare. But how well does it function with a person dealing with the national network and not dealing with the international network at the same time?

Below the hypotheses gained from the section on network theory are the starting points for the further analysis. They are all hypotheses on the foundations of networks.

***Stage of Network***

The theory on stage of network involvement states that “*The stage of network involvement will determine the closeness between the EU offices and the municipalities”*

There are several interesting aspect in relation to network involvement in South Norway.

On an overall position it is difficult to say that there is no network containing all municipalities in the region, regardless of their relationship towards the EU office, as they are represented by the two councils and can gain access to information and contact to SNEO;

BA*: “I mean we are sending everything to the paying municipalities directly, you know, the other ones are not in our loop, so they have to struggle harder to get information , they have to contact us directly, while we contact our people continually. Obviously they can have the newsletter, everybody can.”* (BA:12).

As has been stated above, all municipalities are, in theory, free to access the resources of the EU office, therefore they must also be a part of the network that is the region but perhaps so far out positioned that it does not seem possible at all to engage in the closer positioned network which exists between the rest.

This closer positioned network contains the two paying municipalities; Arendal and Kristiansand. But their network can be divided even further as there is a diversion between the EU office as a whole and the EU department in Brussels. The network at home is at a closer stage with the involved parties whereas the Brussels office is more of a satellite. This position in the closer network could be due to the Brussels being only one year old, which could explain why there is a closer relationship with the national department.

OJE*: “The national office does have a defined role in relation to us. We have fixed venues and meet about 10 times a year. This is not so easy to do with the employees at the office in Brussels.”* (OJE:3).

Therefore there is a complex pattern of stage involvement depended on which actor focus is on. Defining roles, structures or even agreement on responsibilities in a network which had grown from only a national department to including a satellite in Brussels may not have been accomplished at the EU office, which then will become a less marked node in relation to the home office.

In relation to the remaining municipalities the network stage is more of an overall network where they are in the periphery of the central core, making communication and relevance more difficult. This may be a problem both in relation to cooperation and the purpose of having the EU office, which is exemplified by Øyvind Lyngen Laderud from Kristiansand municipality.

ØLL*: “The reason why we support the establishment of the European office is that we consider it important for the rest of the city, the region and, the rest of the smaller municipalities surrounding us, which do not have sufficient experience or knowledge on dealing with EU projects. So the office should serve more as a regional tool for increased competence and knowledge, skills, and networking for more European partners and collaboration with those we share common interests or target groups.”* (ØLL:2).

In order to optimize the relationship between the EU office and the municipalities, it is important to understand where one another are positioned. It is not possible to reach an agreement or even engage in the same political interests if both parties diverge in the initial idea of each role.

***Geographical distance***

As in South Denmark, another aspect affecting cooperation is geography, which *“will determine how close the regional EU office and the municipalities will cooperate”.*

It is important to be present in one’s surroundings because otherwise there will not be an integrated understanding of the functions in one network in relation to another. As SNEO started ut being positioned in South Norway, they are geographically grounded in Norway with a satellite in Brussels. If the aspect of geography was to play the crucial part in having good cooperation, then the municipalities and SNEO should have no problem in cooperating. The paying municipalities have a good relationship with the regional office, however, there is still much less cooperation with the Brussels department. Having a regional office may not mean that the EU office as a whole is present in the region.

BA*: “I think it would be beneficial if I had more direct contact with them, preferably through direct meeting, because people open up and they listen more when they meet someone. It feels more relevant to them when they have met me and it is easier to contact us, when they know who I am.”* (BA:10).

Dividing the office in two places seems not to give the positive added value, which may have been intended by establishing an office in Brussels. This does not mean that it is a bad idea to have it divided but it does enhance the need for better cooperation between the two offices and a more tight strategy for implementing themselves into the mind of the municipalities.

Arendal municipalities elaborates on the functions of the two delegations in the EU office;

*OJE: “Just having an office at home wouldn’t have worked out so well. It is the combination of a home office and a Brussels office which works. What the real problem is that that the combined resources in SNEO are very limited and that sets limits to what we can accomplish.”* (OJE:2).

However, geography within a network is closely connected to the organisational aspect of knowledge sharing. This means that it may be relevant to have an office at home but as Bodil Agasøster stated above, there is a lack from her side in the engagement of the national network. Arendal municipality suggests that it is due to the limited amount of resources that there is such a diversion and lack of coherent work between the two departments.

In relation to the non-paying municipalities it is seen that geographically does not create a better cooperation. However, this aspect may also be due to scarce resources as OJE mentions or lack of priority.

Thus in relation to the effect of close geographical distance it is seen not to have the expected positive effect. However, it is not certain that geography cannot have a positive effect, if the two departments of the regional office cooperated better.

***Verbalization and identification of networks***

The network theory states that; “*network amongst the municipalities and the EU offices are more likely to last if they have been verbalized and identified.”*

As a contrast to South Denmark, there is no identified and verbalized network for the Norwegian municipalities and their EU office. It is seen that there is a defined network between the owners of SNEO and SNEO. It is verbalized and agreed upon by the scheduled meetings and knowledge of the other nodes.

In relation to the non-paying municipalities, what seems to be the issue is not that there may or may not be a network for the rest of the municipalities to gain service from. It seems instead to be the fact that it has not been identified, which to the same extent is as useful as a non-existing one. The result, at least, seems to be the same; the cooperation and development of a network is not present.

***Integration of network in daily work***

The hypothesis states that “*the network will be strengthened and integrated if the objectives of the network are used by the employees on a regular basis.”*

The frequent use of a network will enhance the collaboration and the incitement of the very idea of a network. However there is no point in using a network which does not appeal to the work of the municipalities and vice versa.

The regional EU office focuses on international and European lobby work and projects but 65 % of the responding municipalities had no focus on internationalization during a normal workweek. Comparing with the fact that the majority of the responding municipalities populate only up to 10.000 citizens (67 %), indicating that the municipalities do not have too many employees to focus on various areas, hence limiting the ability to span across wider networks. Bogason claims that *“activities do not just happen, but are a part of work procedures employees put to use”* (Bogason, 2000: 52). This is the basic assumption for any social cooperation on a common agenda. But this claims that there is a common objective or objectives which the nodes – the municipalities and the EU office – are coherent on but and must organize to further develop the network. According to the survey, three municipalities did not know the objectives and means of the EU office. These results give poor chances for a strong network which can contain and maintain interests of many parties.

Therefore it is simply not possible for a network to be maintained and implemented in the organisations according to the theory developed hypotheses which is evident in the results as well.

***Size matters***

The hypothesis on network states that size of a network is important; therefore “*An organization with fewer resources will maintain a less prominent role in a large network and engage in a more focused network”.*

The following quote illustrates that smaller municipalities may want to obtain a more prominent role in a large network but this is not possible due to lack of resources in the municipality.

*ØLL: “That is a difference from municipality to municipality. There are some persons in smaller municipalities that think it is a great idea and other do not think so. But when you are such a small municipality with 1400 people allocating 1 full time person to a project is a lot of resources.”*(ØLL:8-9).

This statement is backed up by Iveland municipality who has responded that they *“have prioritized not to engage in EU projects in fear of too many reports and too much paperwork.”* Combined with “*capacity issues and we would rather engage in projects which are nationally funded”* (survey questions:21 & 24) engaging in international, large networks and projects as the EU office offer, seem unrealistic for some municipalities. This could also be the explanation as to why 67 % states they have no international focus at all. On the other side, there in fact is 3 municipalities with resources to have an international focus who does not hold a prominent position in the network (Survey question:20). Therefore fewer resources alone cannot explain a network position.

Based on the empirical findings from the regional EU office, it became clear that an office with two employees will find it difficult to embrace and engage in networks as large and broad as the networks for EU project participation. Therefore SNEO tries to optimize their resources;

BA*: “There are some advantages (*in having two units in the office*), for instance, we try to optimize the little resources that we have, so that one person has a network at home and covers that, whilst the other one has the network in Brussels”* (BA:10).

Thus, due to lack of resources, the EU office will focus on a smaller defined network containing the two paying municipalities. They do not have the resources to reach out and research if there are other relevant non-paying municipalities.

***Summary***

The overall result of the South Norwegian network is that it is unclear, unstable, loosely defined and lacks coherence in tasks and targets.

These findings are indications of very poor interaction if none at all between the regional EU office and the municipalities. This is due to the effect of several of the hypotheses, as can be seen in figure 5.13 below.

*Figure 5.13 – The Influence of Hypotheses on Cooperation*

**Cooperation**

**Stage of network involvement**

**Geography**

**Formal structures**

**Usefulness in daily work**

**Size of network**

It is seen that the two hypotheses seeming to hold greatest explanatory force are the ones concerning usefulness in daily work and stage of network involvement. Furthermore, the hypotheses is formal structures is seen to be more relevant in the case of South Norway, than in the case of South Denmark. Also size of network does influence the lack of cooperation. Finally the analysis gave no clear answer to the expected positive effect of a local office, however this cannot be ruled out.

### *Intra and inter organisational communication (Mie Jørgensen)*

Like in the analysis of South Denmark, the following analysis will be divided and first address the hypothesis focusing on inter-organisational communication issues, namely the issue of a communication block. This is followed by an analysis of the intra-organisational communication issues, addressed via the three hypotheses. Firstly it is analysed if SNEO does apply several communication channels and finally it is examined if SNEO does apply a one-way communication, as well as two-way communication.

***Communication block***

Unlike in the case of South Denmark, inter organisational communication will be analysed for both the municipalities and SNEO, as it was found that there were some interesting issues in relation to inter organisational communication within the regional office.

**Regional Office**

Internally in the regional office there is a communication issue which occurs because the regional office is divided in two, located geographically far from one another. One of the main disadvantages that occur is in relation to communication, because, as BA from the EU office states, they do not prioritize communication enough (BA:10). This means that both consultants end up functioning as a communication block, as the information is not passed on to the other part for who the information is relevant. However, this has been covered more thoroughly in the section addressing knowledge sharing.

**Municipalities**

Also in the municipalities it is seen that there is often a communication block. One of the biggest issues is that it is not clear who to contact in the municipalities in relation to different relevant topics.

“*There is no contact person in the municipalities … you cannot find a function on who is responsible for this and that, it is ridiculous they are making them so hard to get*” (BA:11).

This means that often SNEO will have to send the information to the info email of the municipality, and then there is a good chance that the information will never be passed on to the final receiver.

The regional office is trying to make a database of the relevant actors in the municipalities in all the relevant sectors, so they will be able to contact the individuals directly, and be less dependent on others forwarding their information (BA:2). Thus this database can, when finished, be a help for the regional offices to go around the communication block in the municipalities.

The two municipalities interviewed had different approaches to forwarding communication, in Arendal OJE is the receiver of communication, and he must distribute the information to the relevant receivers. As in South Denmark, this can be a problem as he must have a great overview of everything that is going on in the municipality.

In Kristiansand municipality ØLL is also to some degree a key person who is in charge of forwarding information. However, each department has its own contact person who is also in charge with the regional office (ØLL:9). As Kristiansand municipality are better at cooperating with the regional office, this indicates that it is very important to have more than one contact person in the municipality, as this then might enhance cooperation. Thus, they apply several different communication channels, and thus the issue of a communication block is less severe.

***Communication channels***

The hypothesis states “*Applying a multitude of communication channels will enhance the possibility of cooperation*”.

It is seen that the regional office does apply a multitude of communication channels in order to communicate with the municipalities, but only in relation to the two municipalities that help funding the regional office.

As BA states, the municipalities that pay get the one advantage that the regional office is more outreaching towards them than they are in relation to the other municipalities.

“*We send everything to the paying municipalities directly, but the others, they have to work harder to get the information, they have to contact us, while we contact our people continually*” (BA:12).

This is also illustrated by the survey, were 35% of the municipalities state that they have no contact with the regional office. Only three municipalities state that they have contact with the regional office at a monthly basis, two of these are the paying municipalities Kristiansand and Arendal. The last municipality Vennesla is one of the few other municipalities that has the resources for international cooperation, and they have visited the regional office in Brussels a few times as well (Survey Question:10).

In relation to the municipalities that do pay and some of the other municipalities as well, the survey shows that the regional office does apply different types of communication channels, such as meetings and emails.

Overall it is seen that the regional office does apply a multitude of communication channels in relation to the municipalities they do cooperate with. However, many of the municipalities with whom they do not cooperate, there is no communication at all.

***One-way Communication***

The hypothesis stated that “*applying one way communication will improve the foundation for cooperation”.*

The regional office relies mainly upon standard one way communication, as the newsletter is the primary communication platform for the regional office. According to BA, they do try to have a variety of articles in the newsletter each time, so there is something relevant for everyone. But at the same time, all receive the same newsletter.

”*We need to get the newsletter more widely read, and make sure that there is something that is relevant for the municipalities each time*” (BA:12).

Thus despite the fact that the newsletter is not differentiated, they try to make the articles cover a broad spectrum, so there is something of relevance for all who receive it.

13 municipalities or 76 % of the respondents state that they do not receive the newsletter from the European Office, which is the regional office’s primary source of one-way communication. The 24 %, four municipalities that do in fact receive the newsletter do also read it. This indicates that once the municipalities do receive the newsletter, they find it relatively relevant.

It is seen that the municipalities of Arendal and Kristiansand do receive the newsletter, whereas many of the municipalities they do not cooperate with do not receive the newsletter. Thus one-way communication does hold some relevance for creating a better foundation for cooperation.

***Two way communication***

The hypothesis states that*, “if the regional office engages in genuine dialogue with the municipality, it will create a better foundation for cooperation”.*

The regional office and the municipalities do to some degree have different perceptions of whether the regional office enters into genuine two-way communication or not.

According to BA, the regional office will do the work the stakeholders want them to do. Thus, they will monitor the issues they find important and they will do the work they want from them. An example of this is that they get more involved in projects, as this is one demand from their owners (BA:2,4). However, the regional office has as mentioned limited resources, and therefore they cannot focus on everything at once, as they would be stretched too thin.

”*We have to find the right balance, so we can make a good contribution to the region*” (BA:4).

BA states that it can be difficult finding the right balance, because the different owners want them to focus on different aspects (BA:4).

The municipalities on the other hand sometimes feel like they cannot affect the focus area of the regional office. ØØL from Kristiansand states;

“…these offices tend to live their own life after a while… the follow their own priorities or preferences….” (ØLL:4).

He believes the focus of the regional office is wrong, but it does not seem like it is possible for him to affect this. They have discussed in at meetings, but without any great effect (ØØL:4). However, in genuine two way communication both sides must be willing to listen and compromise, and in this case something indicates that Kristiansand municipality is not engaging in genuine two-way communication either, as they demand, they do not negotiate.

Despite these issues, it is seen that the regional office and the municipalities communicate frequently face to face, which is an important element in promoting genuine conversation and thus cooperation (OJE:5)

Overall there is a difference between the paying and the non-paying municipalities. In most cases, the non-paying have little or no contact with the regional office and most of them do not know if they can affect the focus areas of the regional office (Survey question:26), indicating that there is no communication between the two involved parts.

***Summary***

Overall it was found that that the effect of all hypotheses examined held relevance in relation to cooperation, as can be seen in figure 5.14 below.

*Figure 5.14 – Effect of Hypotheses on Cooperation*

**Cooperation**

**Communication block**

**communication channels**

**One way communication**

**Two way communication**

The effect of a communication block was present, and affected the options for cooperation a great deal. Furthermore, it was seen that the paying municipalities where the regional office applied both many communication channels, one-way and two-way communication all improved cooperation, compared to the non-paying municipalities, where there was little or no contact.

### *Multi-level governance (Camilla Willadsen)*

The following section addresses the two different aspects of multi-level governance. First the international level, second the local level.

### *Multi-level Governance – the International level (Camilla Willadsen)*

Multi-level governance seeks to explain the effects of a more integrated EU system on cohesion and development. In the wake of the popularity of the cohesion funds, the EU offices need to cover and be able to inform about many different EU policies, structures and possibility. The knowledge they do have then may not correlate to the needs of the municipalities, which is the reason for the following hypothesis;

*“The regional offices do not obtain the relevant knowledge about the EU level to accommodate the needs of the municipalities”.*

It is seen that there several relevant aspects in relation to the influence of multi-level governance. First the larger municipalities have the resources to become aware and investigate the EU market on their own. They may have seen and exploited the benefits of EU projects and international work as well. As ØLL claims they already have an international network of previous partners as they have built up their own network as they went along (ØLL:2). At the same time, the strong municipalities do use SNEO from time to time.

Secondly, it seems that less resourceful municipalities are less likely to engage in the European partnership status set out by the EU via the cohesion funds, because they do not actively seek information from the EU office and SNEO states that they must come to the office to engage in European cooperation.

But where to begin for less resourceful municipalities that may not have been able to see the benefits of engaging in the EU arena? It is most unlikely that they will be proactive and approach SNEO as they may be unaware of the relevance of EU funding.

This means that the result is to some degree the same as with the South Danish region; the multi-level approach seems to offer too many approaches to international partnerships that smaller municipalities cannot conceive and that better municipalities can handle themselves.

Lastly, the EU office may focus on the wrong programmes in relation to the municipalities’ focus areas. This effect was seen to be quite prominent in the case of South Denmark where SDEO have clearly defined focus areas. SNEO do of course also have focus areas but if a municipality is to address SNEO on a matter outside their scope, they will research the opportunities (BA:4).

### *Multi-level governance – the local level (Mie Jørgensen)*

The hypothesis states “*the municipalities do not know what their local stakeholders want and can therefore not make sufficient use of the regional EU offices”.*

In relation to multilevel governance it plays an important role, as it is up to the municipalities to gather and forward the needs of both the municipalities and the companies in the municipalities, in order for the regional office to best possible find the relevant EU programmes. Thus if the municipalities do not have the necessary knowledge about the needs of the municipality, and which of these they plan to address via an international focus, the two sides will not be able to make the most from the structural funds

In the case of South Norway it is found that only five municipalities have a Business strategy (Survey question:27), and therefore it is unlikely that the municipalities have an overview of the needs of the companies, and that they work actively at addressing these. This is of course a problem if the municipality is to gain the most from the work of SNEO.

At the same time, only two municipalities have developed an internationalization strategy, meaning that it is unlikely that the rest of the municipalities have determined which of their issues they wish to address via international funding. As BA stated the regional office tried to make the municipalities combine the activities they wished to do with international funding;

“*they should not just do it (*participate in projects*), but do it to achieve things they want to achieve*” (BA:12).

Unfortunately it is seen that this is often not the case, as the municipalities do not have a strategy for how they want to us international funding. This lack of strategy is likely to prevent cooperation between the two sides, or at least reduce the output from the cooperation.

Both Kristiansand and Arendal have developed international strategies, which falls well in line with them having an international focus and cooperation with the regional office.

***Summary***

The findings showed that both hypothesis can partly explain why there is lack of cooperation between SNEO and the municipalities, as can be seen in figure 5.15 below.

*Figure 5.15 – The Effect of Hypotheses on Cooperation*

**Cooperation**

**Knowledge of EU programmes**

**Knowledge of local actors and needs**

However, unlike in the case of South Denmark, it is not due to SNEO focusing on wrong programmes, more a matter of the municipalities either being to skilled therefore not needing SNEO, or the municipalities having no interest in EU projects. Therefore most municipalities have not developed internationalization strategy, indicating that they are not interested in EU funding.

# Analysis II – Comparative Analysis of South Denmark and South Norway (Mie Jørgensen)

The following section will first present a table of the findings made in Analysis I, comparing the findings from the case of South Denmark and South Norway, in order to determine where there is inter-case variation. Table 6.1 below will therefore summarize the explanatory force of the different examined hypotheses. Following this table will be a discussion of some of the most interesting findings from Analysis I.

*Table 6.1 – The effect on cooperation of the stated hypotheses*

|  |  |  |
| --- | --- | --- |
|  | *South Denmark* | *South Norway* |
| *Organisational hypotheses* |
| 1. *The more knowledgeable the municipalities are on EU matters and the gain of the EU funding opportunities, the more likely they are to engage in cooperation with the regional EU offices.*
 | *Neither proven nor falsified* | *Neither proven nor falsified*  |
| 1. *The actors will be more likely to cooperate with the same actors which they are used to work with*
 | *Large* | *Large* |
| 1. *The regional office and municipalities will find it easier to adhere to the same overall values and norms due to environmental interest*
 | *Large* | *Large* |
| 1. *If the overall goals of the municipalities and the regional EU offices differ, the municipalities are less likely to work with the EU office.*
 | *Medium* | *Medium*  |
| 1. *If the municipalities are capable of integrating the EU knowledge from the EU offices, the likelihood for cooperation will increase*
 | *Medium* | *Medium* |
| *Inter-organisational cooperation hypotheses* |
| 1. *For the regional offices and the municipalities to enter into cooperation, they must be dependent upon one another in order to reach their own individual goals.*
 | *Large* | *Medium* |
| 1. *Due to scarce resources the regional offices and the municipalities will enter into cooperation, to fulfill their individual goals.*
 | *Differentiated;**Overall: falsified**Outliers: true* | *Differentiated;**Overall: falsified**Outliers: true* |
| 1. *The regional offices and the municipalities will not cooperate unless the organisations possess slack, allowing them to reallocate resources for inter-organisational cooperation.*
 | *Differentiated;**Municipalities: falsified**Regional Office: Large*  | *Large* |
| 1. *The regional office and the municipalities will be more likely to cooperate if they informal contact or have a history.*
 | *Small/medium* | *Small/medium* |
| *Network* |
| 1. *The stage of network involvement will determine the closeness between the EU offices and the municipalities*
 | *Large* | *Large* |
| 1. *Geography will determine how close the regional EU office and the municipalities will cooperate*
 | *Neither proven nor falsified* | *Falsified*  |
| 1. *Network amongst the municipalities and the EU offices are more likely to last if they have been verbalized and identified.*
 | *Small* | *Medium* |
| 1. *The network will be strengthened and integrated if the objectives of the network are used by the employees on a regular basis.*
 | *Large* | *Large* |
| 1. *An organization with fewer resources will maintain a less prominent role in a large network and engage in a more focused network*
 | *Medium* | *Medium* |
| *Communication* |
| 1. *One person in the municipalities or the regional office can function as a communication block and thus the information will not reach the end target in organisations, preventing cooperation.*
 | *Large* | *Large* |
| 1. *Applying a multitude of communication channels will enhance the possibility of cooperation.*
 | *Medium* | *Medium* |
| 1. *Applying one way communication will improve the foundation for cooperation.*
 | *Neither proven, nor falsified* | *Large* |
| 1. *If the regional office engages in genuine dialogue with the municipality, it will create a better foundation for cooperation.*
 | *Neither proven, nor falsified* | *Large* |
| *Multi-level governance* |
| 1. *The regional offices do not obtain the relevant knowledge about the EU level to accommodate the needs of the municipalities.*
 | *Large* | *Large* |
| 1. *The municipalities do not know what their local stakeholders want and can therefore not make sufficient use of the regional EU offices.*
 | *Medium* | *Large* |

Based on the findings in the previous analysis, underlined in the table 6.1 above, the following will be an analysis of some of the most interesting findings based on explanatory force and inter-case variation. However the following will not contain the hypotheses relating multi-level governance, as the findings from these will be discussed further in the discussion.

## *Organisational influence on cooperation (Camilla Willadsen)*

In the following the most interesting issues found when analysing the two cases from an organisational perspective will be discussed.

**Path dependency**

One interesting finding is in relation to hypothesis 2, concerning path dependency as a factor in establishing the work pattern of the EU offices and of the municipalities. Here it is extremely relevant to see that both SDEO and SNEO work mostly with the municipalities they have worked with previously and with municipalities that regularly are in contact with the EU offices. The effect of path dependency is furthermore seen to be enhanced by the need to deliver the ‘quick hits’, not having enough resources allocated and that there is a performance contract to live up to.

Being able to get the quick hits in Denmark, sees the institution not just in relation to path dependency but from an instrumental perspective as well, focusing on the written down statements for the EU office – here in the form of the performance contract from SDEO, as this will generate short term goals affecting the outlined path. But it is also a problem that the offices have this tendency. It could be caused by the habit of path dependency in which institutions generate norms over time and on the background of the context in which they were established in the first place. Their offices are established within in an international environment and in the context of EU partnerships and multi-level governance. Focusing on the theoretical assumption on the past events for future action (Sydow et al, 2009), an explanation is offered to as why it seems to be the case for both EU offices. The past projects, relations and networks create a system of how the offices can stay in the EU game of partnerships and competition. They must not only adapt to their stakeholders at home, they must also adhere to the rules of the international partnerships and the forum created there.

In both regions, path dependency is not just limited to the EU offices as the behavior within municipalities to the same degree is influencing cooperation. In South Denmark especially the resourceful municipalities seems to have a tendency of managing EU projects on their own and cooperating with the partners they have worked with for years. This is also seen in South Norway where path dependency seems to be more established in relation to the national department of the EU office, where there are clearly defined roles. The behavior is self-reinforcing in the cases which generates success but also in relation to when a more negative cooperation or lack of cooperation occurs as this will not enhance the chances of future involvement.

Suitable behavior may provide an explanation as to why and how they seem to do as they do – simply because they will still deliver satisfactory results and will, besides engaging municipalities, also be able to work with schools and other stakeholders.

**Myths**

In relation to how organisations develop and sets targets for further development of norms outside the organisations become very interesting, especially in relation to the goals and targets, which both the EU offices have as well as their municipalities. In both regions it became apparent that what the organisations say they think is important and state what they want to do does not always match what they in fact are going to do. The aspect of myths in organisations draws on the assumption that some organisations will be likely to adhere, on the surface, to norms and interests formed in the environment in which they operate but what seems to be the case in both regions is that they may not bear any relevance in the daily focus areas of the single municipality.

In South Norway the issue with the goal setting and focus areas were a complicated matter because 73 % of the respondents said that the EU office did in fact focus on the areas they wanted them to but when asked about their municipality’s core competences 27 % answered that tourism was their main focus, which is not the self-proclaimed focus area of the EU office. Therefore there is a miss-match even on the outset of a greater cooperation. Adhering to the focus areas of SNEO becomes an easy commitment for the municipalities but they will most likely not generate further cooperation. The statement of the municipalities then sounds more as wishful thinking.

In South Denmark, on the other hand, there seemed to be more of a match between the municipalities’ core competences and their goals which also correlated well with the goals of the EU office. However, it became evident that even though they were matching on focus areas this did not seem to increase the cooperation. This is somewhat unexpected, but it can be due to the fact that targets are tools just as organisations are tools for achieving certain policies or activities beneficial for the community. In theory there is a distinction between the short term goals and the long term goals. The first are easy to maneuver, flexible and can be adapted towards new changes it seems to be the performance contract, which can be seen as a list of short term goals under the overall strategy of focus on the three main areas that sets out one way of achieving these strategies on the short run, however, they may collide with the municipalities’ way of perceiving these overall goals. It seems to be that even though the municipalities and the EU office agree on the long term strategies and goals, they differ on the short term goals – on how to achieve the strategies and future achievements, which then seems to make their statements about their commitment to the EU office seem as myths rather than actual goals.

**Integrated knowledge sharing**

In connection to cooperation and developing a culture on EU projects within municipalities it was investigated whether or not integrating EU knowledge internally in the municipalities would increase the cooperation with the EU offices. In this case it important to note that internal communication and knowledge sharing within municipalities and the EU office will strengthen both the integration of the cooperation as well as the aims of getting involved with EU projects. However, it may not always be the sole enhancer of cooperation. Many hypotheses on communication becomes relevant but as seen in analysis 1, most of the receivers of the newsletter does not send it forward internally, this is a sign of weak integration of the EU offices news. Knowledge sharing is creating a field for problem-solving and individual perspectives. In South Norway, Kristiansand municipality stated that there was an internal knowledge sharing. This is also the case for Vejle municipality in South Denmark.

However, whether or not knowledge sharing in organisations will generate better cooperation between the EU offices and the municipalities is difficult to answer. In South Norway it may not be the case of lack of knowledge sharing internally, which is limiting the cooperation between the non-paying municipalities and SNEO. Most of the municipalities are very small, which sets a limit to what they can engage in. Therefore they may be very good at knowledge sharing but with limited resources, knowledge sharing will most likely not matter.

In Denmark, the resourceful municipalities were seemingly better at sharing knowledge internally. However, knowledge sharing is not limited by small municipalities to the same extent as in South Norway. It may be the case that the reform of larger municipalities in 2007 has made it easier for the municipalities to engage in EU projects due to their size and larger resources.

## *Inter-organisational cooperation (Mie Jørgensen)*

In the following the most interesting issues found when analyzing the empirical data from an inter-organisational cooperation perspective will be addressed.

**Interdependency**

Interdependency was seen to have a great effect on cooperation in the case of South Denmark, whereas the effect was present, but somewhat smaller in South Norway. Interdependency had another effect on the cooperation amongst the organisations than first expected. However, this can be explained based on the empirical findings and the theory. The theory states that the organisations are dependent on each other’s resources for fulfilling their *primary* goal, and this is what forces them to cooperate (Litwak and Hylton, 1962:403).

In relation to the hypothesis it was seen to hold great explanatory force in the case of South Denmark, both when explaining the lack of cooperation from SDEO and from the municipalities.

In relation to the municipalities it is seen that the hypothesis can explain at least to some degree why there is a lack of cooperation between the regional offices and the municipalities. In both South Denmark and South Norway cooperation functions within a frame were the municipalities are not dependent upon the regional offices, which will have an effect of the cooperation.

It is seen that in both the case of SDEO and SNEO, the regional offices are dependent on some municipalities but not all of them. This lack of dependency is caused by the subtle difference there is in the overall purpose of the regional office, and the primary goal of the regional offices. The overall purpose of the regional office examined is as stated to create growth and development in the region, whereas the primary goal of the regional offices is to keep the board happy. In South Denmark, the performance contract makes this effect even stronger, as this increases the interdependency of a small segment of municipalities. This also indicates that necessity for cooperation can be affected by pressure from a higher power, in the examined cases, the boards. Thus the demands from the board will increase interdependency with a small group of municipalities.

**Scarce resources**

In relation to scarce resources, this is seen to have a large effect on cooperation for both the case in South Denmark and in South Norway, in relation to the regional office. However, in relation to the municipalities, the findings point in different directions.

The regional offices are under pressure in relation to resources, which forces them to focus their resources around their immediate goals, which as stated in the above standing is to fulfill the performance contract or please the board. This priority leaves no room for development or long-term goals. It is natural that organisations when being put under pressure in relation to resources focus their energy at the most important areas. Thus, the two regional offices are affected a great deal by scarce resources, and it prevents them from entering into cooperation with a broader spectrum of different municipalities. Therefore, the effect of scarce resources will enhance the effect of interdependency in relation to both SDEO and SNEO.

In the case of South Norway it was found that the municipalities overall have no resources for international cooperation. This is quite different than the findings from South Denmark, where most of the municipalities state that they have the resources for international focus. In South Denmark, almost all municipalities are substantially bigger than the municipalities in South Norway, and in South Denmark there is also a tendency for the smaller municipalities being the ones stating they do not have the resources for international cooperation. Thus the Danish reform of the municipalities in 2007, were 78 smaller municipalities in South Denmark were merged into 22 larger municipalities, has made the foundation for entering into EU projects better, as bigger municipalities are more likely to have the resources for international cooperation. In relation to the municipalities not having the resources for cooperation, this thus prevents cooperation. However, this does not necessarily mean that the theory stating, that organisations will cooperate if they are dependent upon each other’s resources for reaching their own primary goal, is false. Perhaps the regional office simply does not supply the resources needed by the municipality to reach its core goal.

Another interesting finding in relation to resources is despite the South Danish municipalities state that they have the resources for international cooperation, this does not make them cooperate with the regional office. Thus, scarce resources can prevent the municipalities from participating with the regional office, but having the resources does not mean that they will cooperate. Hence resources are seen to be necessary but not sufficient for explaining cooperation. Therefore another variable will influence the effect of resources; one such could be path-dependency.

On the other hand, the municipalities are overall pressured on resources, thus it is not because they have too many resources, and therefore not participating because they do *not* need resources. Therefore, the findings overall indicate that it is necessary to have resources to enter into cooperation, but this variables cannot stand alone.

As mentioned, a few municipalities responded differently to the increased lack of resources, and stated that the financial crisis made them apply for even more EU funded projects. Thus scarce resources made them seek cooperation more, perhaps not cooperation with the regional office, but international cooperation in EU funded projects. Bykle municipality from South Norway, and Ærø municipality from South Denmark are outliers, as these are the only two small municipalities stating that the crisis has made them seek more international cooperation, and that they overall do have the resources for international cooperation. This indicates that Bykle and Ærø municipality responds differently to the scarce resources. It is plausible that the reason for this is to be found in path-dependency and the culture within the municipality, as Ærø municipality has a history of participating in EU funded projects. Thus one reason for this could be that they are used to being under pressure in terms of resources, but they have been participating in international projects for a number of years, and so, the increased scarceness of resources does not make them apply for less funding, as they are used to this process with limited resources.

## *Network (Camilla Willadsen)*

Going from empirical findings suggesting colliding structures in organisational approaches and priorities and cooperation within the means of these, looking further at network related issues and structures is crucial for the broader picture.

**Stage of Network Involvement**

It is seen that the effect of stage of network involvement is dominant in both South Denmark and in South Norway as the general stage of network involvement in an overall view contains the ego involvement of the EU offices and a few, relevant municipalities in combination with less involved municipalities.

Stage involvement is important for both regions as it can be seen as a measure of maturity in the development. In South Denmark there is a verbalized network, thus they have established the foundation of collaboration between the municipalities and the EU office. They have also tried to identify the relevant actors in each municipality for the chances of greater knowledge sharing in the network. In this case the EU office then is trying to bring the outliers closer to their own position in the network.

However in South Norway there is no defined network and no clear structures as to how to engage the different municipalities in the international network. The network between all actors has the character of an overall network with the non-paying municipalities as large outliers in the network. There is some cooperation between the two paying municipalities and the EU office but that is not to the same extent a fully developed network. And as the theory suggests a network must develop defined structures and means in order to last.

Stage involvement may be an indicator for some municipalities are not ready or do not have the resources for a tighter network, it may be an indicator of the network itself not being strong enough and it may be an indicator of inequality in the municipalities where one municipality may not be able to contribute with and engage in as much as other municipalities. It may also be an indicator of the EU office as being less resourceful than some municipalities and in that way creating some differences in involvement, which will also be defining a leader role problematic.

**Geography**

Geography is another hypothesis which is very important but on two different parameters. Geography also puts a limitation to the size of networks which also plays a role in relation to resources and to the functioning of a network.

In Norway the dealing of the geographical aspect was done by locating an office in Kristiansand as well, taking care of the day to day interactions with the stakeholders in the region. The department in Brussels then deals with political issues and tendencies and other relevant matters in the European context, on behalf of the national stakeholders.

In Denmark the office is located solely in Brussels leaving the employees to connect with the municipalities through regular visits and other channels of communication.

In the first case there is a presence in the region, in the latter case there is no presence in the region. But they both still deal with the same problems; the lack of integration and full potential outcome of their services for the region.

It is interesting to see that it is not just the geographical placement, which enhances the collaboration between the various stakeholders.

If you are not physically present in the region then it is more difficult to maintain ties and follow up on issues at home, this hypothesis is evident both the empirical findings as well as the theory. But if the office is only represented in the home region then they will be less able to integrate and operate within the relevant network in Brussels due to the limitations of geography and physical presence. Therefore it is seemingly a good idea to have an office both places in order to integrate the two networks and merge the regional with the European level, which is the whole idea of the European partnerships and multi-level governance. However, if it was this simple it would mean that SNEO did not face the same obstacles as SDEO but they do.

The problem is the internal knowledge sharing and internal organisational structure. According to Bodil Agasøster, they contact each other very little (BA:10). It seems they are not optimizing the opportunity to incorporate the two agendas into their daily routines, which will ultimately mean that the regional network will not be very compatible with the European network.

Therefore, geography is important for the establishment and full outtake on a network but only as long as the EU offices are capable of being visible and working with the department at home.

In general terms both offices are almost there, reaching the finishing line but they fail at giving the extra effort to make it truly work.

**Implementation of objectives**

Another finding suggests the lack of implementing the objectives, structures and aims in the network will affect the usage of the network. This is an aspect which is closely connected to knowledge sharing in organisations as well as the theoretical understandings of target setting, strategy development and cultural norms. South Norway does not have a defined network among its stakeholders but does in great deal interact and meet with the two municipalities. However, the same rule applies to both of them; a network will not be integrated and useful by volunteers in an organization. The theory states that it is functionally due to outer forces. Therefore in order for any network to become truly useful, it needs to become invaluable and an important tool for the municipalities involved.

In general, establishing a network, as South Denmark has done, is crucial for raising a common interest and action towards an area which lacks a definition and historical context. This is the ground rule for South Norway, if the aim is to generate general growth to the whole region, not just parts of it. Even though South Denmark has come a long way, they still need to invest more in the work in order for it to become fully functional and develop from joint interest to joint movement.

However, neither the employees in the EU office nor in the municipalities will have a chance at integrating the objectives of any network if they are not compatible or relevant in the daily work in the municipalities as well as the EU offices. Therefore short term goals and long term strategies must also be in relation to one another internally as well as externally.

The fragmentation of stakeholders may be an explanation as to why it is difficult to maintain a focus on the municipalities in both countries, as there are schools and companies and organisations etc. which are also a part of the overall network the EU offices have in both regions.

## *Communication (Mie Jørgensen)*

In relation to communication theory, it was stated in the theory section, that one must be careful not to blame communication for everything that goes wrong in cooperation amongst organisations, as communication will often be an expression of a different conflict less easy to solve.

However, in the case examined it is seen that there are some issues relating communication that do seem to affect cooperation in either a positive or a negative direction.

**A communication block preventing cooperation**

First off, it was found that in the municipalities in both regions and in SNEO, there was an issue of one person functioning as a communication block, limiting the regional office from spreading information internally in the municipalities. This communication is seen to be a big problem for cooperation, as this means that the regional offices will often rely on one person for spreading their information throughout the municipality, and more often than not this will not happen, as this individual will most likely not have the overview over who the final receiver of the information should ideally be.

Another element indicating that a communication block functions negatively is that in Kristiansand, there is a smaller issue of a communication block. Øyvind Lyngen Laderud is the main contact person, but at the same time, all departments have their own contact person to the regional office, thus communication has been structured, so it is less dependent on one individual, and this is seen to have a positive effect on cooperation. Therefore the findings indicate that a communication block can be a hindrance for cooperation.

**Communication channels**

In both South Norway and South Denmark it seems there is an effect of communication via different communication channels. In both cases, there is a division between the municipalities which the regional offices work with and also communicate on a regular basis, and the municipalities they do not cooperate with, or communicate regularly with. Furthermore, when communicating, both regional offices does apply more than one communication channel, as this gives them more entrances into the municipality. This indicates that a regular use of a multitude of communication channels can affect cooperation in a positive direction. The effect of communication channels was clearer in South Norway than South Denmark. In South Norway there was clear intra-case variation, and thus it became clear that SNEO applied several communication channels to the paying municipalities’, and almost none in relation to the non-paying. As there is more cooperation with the paying municipalities, this finding indicates that the effect of several communication channels is present.

**One-way and two-way communication**

The findings were the same in relation to one-way and two-way communication. In South Denmark there was no clear intra-case variation, although it was found that they do communicate more two-way with the municipalities they cooperate with. However, all municipalities in South Denmark had the impression that they would be able to affect the focus areas of the regional office, indicating that they believe there is genuine two-way communication. Therefore, the positive effect of two way communication was not identified in the case of South Denmark.

In the case of South Norway there was inter-case variation, and this proved that the effect of both one-way and two-way communication was present, and did hold some explanatory force. If there is no one-way communication, this will have a negative effect on cooperation, as the municipalities will then have no knowledge of the regional offices. Thus based on the findings in South Norway, it is believed that one-way communication does play an important role. The same goes for two-way communication, as it is found that when the regional offices and the municipalities do in fact approach one another in conversation, willing to change their point of departure, it enhances the foundation for cooperation. Thus, despite not being able to prove the positive effect based on the findings of South Denmark, it is believed that there is a positive effect of both types of communication, based on the findings in South Norway. However, it is also seen that one and two-way communication is not enough to make the two sides cooperate; this is dependent on a combination of the other examined variables as well.

One communication channel which both regional offices rely heavily upon is the newsletter. This has the advantage that they potentially can reach everyone with the newsletter. However, it seems like the newsletter might not be the ideal form of communication channel, as some municipalities do not read the newsletters, most likely because there is an information overload, as it is limited how much communication one can process. And when the municipalities receive a huge amount of communication, they will attend to the most relevant first, and as international focus is not a core area, they might sort out the newsletters from the regional office. Still the newsletter has the advantage that this allows the regional office to communicate regularly to the municipalities, which can help the regional office stay in the consciousness of the employees of the municipalities. Thus, the newsletter is far from an ideal form of communication, but if the alternative is to have less regular communication, then the newsletter might still be the better solution. The paper analysed if it would be beneficial to differentiate the newsletter, sending different types to different stakeholders, but the findings showed no clear indication that this would be an advantage making more of the receivers read the newsletter. One the other hand, one could assume that if the newsletter was differentiated, they would be able to address the core areas of different stakeholders, making the newsletter more relevant.

# Discussion (Mie Jørgensen)

The following will be a discussions of the results found in the analysis above, focusing on whether they answer the problem formulation. Following this, the paper will put the results into perspective, addressing the effect the findings have on the usage of EU cohesion policy. This involves the discussion of the two hypotheses generated on multi-level governance.

## *The findings (Mie Jørgensen)*

The paper set out to examine the problem-formulation;

*“The regional offices and the municipalities do not always cooperate. Is this a problem, and if yes, what is causing it?”*

The problem formulation is twofold, first determining if it is in fact a problem that the regional office does not cooperate with all municipalities, second, what is causing this lack of cooperation. When trying to determine this, it becomes clear that the answer to this is manifold, as the issue is somewhat complex.

***Is lack of cooperation a problem?***

As mentioned in the introduction, lack of cooperation can be a problem in relation to different aspects. It can be a problem for the municipalities, a problem for the regional office, or it can be a problem for the effect of EUs cohesion policy. The last aspect will be addressed in the discussion.

**A problem for the municipalities?**

In relation to international cooperation, one can divide the municipalities in two groups, Group 1 and Group 2. Group 1 is the municipalities capable of participating in EU funded projects. This group is further divided into two groups, once which the regional offices cooperates with, and one which they do not cooperate with. In relation to the ones they do not cooperate with, this is not seen to be a problem for the municipalities, as they are capable of entering into EU projects on their own, getting their share of the structural funds. Thus as long as the municipalities have the competences for participating in the EU projects they want, it is not seen as a problem that the regional office does not cooperate with the municipalities. Group 2 is the municipalities that do not have the resources either in relation to knowledge or manpower, to access the EU structural funds. In relation to this group of municipalities, it is seen that it is a problem that they do not cooperate with the regional offices, as their lack of ability for participation in EU-projects means that they do have access to the structural funds. However, it is a paradox that these municipalities will often not be interested in cooperation with the regional office, because they are not dependent on them, or need the cooperation to fulfill their core goals.

Thus in relation to the municipalities the answer to the first section of the problem-formulation is split in two and it becomes clear that it cannot be said that just because there is no cooperation, it is a problem, whether or not there is a problem is dependent on the knowledge and the skills of the municipality.

**Is lack of cooperation a problem for the regional offices?**

Also in relation to whether or not it is a problem or the regional office, the answer to the problem formulation is ambiguous, as the answer differs in relation to long-term and short-term goals.

In relation to short term goals, it is not seen to be a problem as their primary goal is to fulfill the performance contract or please the board. Thus the regional offices can reach their goals without cooperating with all municipalities. The analysis showed that both regional offices generally do a good job, making ends meet, reaching their immediate goals, with limited resources. Therefore, the regional offices are seen to do a good job, and it might not be a problem that they do not cooperate with a broader spectrum, as this is not a demand from the board.

 None the less, it is seen that the way the regional offices solve their jobs is done in a rather short time manner, as they do not focus on long term goals, but instead on fulfilling the performance contract or pleasing the board as efficient as possible. As MDL said, working directly with the weaker municipalities was an attempt to broaden the group of municipalities the regional office could work with, so in the long run they would be able to cooperate with more municipalities (MDL:1). Thus the work done here had character of being more of a development goal. And in the long run, this will most likely prove necessary. One could imagine that the municipalities with which the regional office cooperates now will gain more knowledge about EU projects, and thus eventually not need the support from the regional office. Thus if this group of municipalities stop using the regional office, the regional office will need to cooperate with a new group of municipalities, and therefore it would be an advantage if they started this work now, as these municipalities need a bit more work. However, this aspect has been downplayed in the work the regional offices perform now, as they are under pressure in relation to resources.

**Is lack of cooperation a democratic problem?**

Also, one can state that it is a problem having a *regional office*, which simply does not help some of the municipalities of the region. Thus they are supposed to service the entire region, but this is seen not to be the case.

It can be a democratic problem that not all municipalities seem to have access the structural funds, and the regional offices do not help them, because it is too demanding for them. This by focusing on small segment of municipalities there can be a problem in fulfilling the self-proclaimed long-term goal of the regional offices, creating growth and development in the region. Thus the funding they help attract to some municipalities is supposed to create development in the region, but with the focus the regional offices have, this might not be the outcome of their work, because they help the municipalities that are stronger and could do this on their own. They do not help the weaker municipalities that could need the support of the regional office. Thus, the lack of cooperation can create a distortion in the development of the region.

***What is causing the problem?***

It has now been determined that in some cases it is seen as a problem that the regional offices do not cooperate with municipalities, as they will then not be able to access the structural funds. The analysis has examined a number of theories, that all help explain why these issues arise in relation to cooperation. It was found that some theories hold a greater explanatory force than others, but overall the examined theories do explain at least partly why the issues occur.

The structure of the analysis does not allow for the paper to determine which of the found effects is in fact the root of the cooperation problem, instead the effects are interlinked and all four theories are made more relevant by the effect of the others.

As an example, if one focuses on resources as a main problem for lack of cooperation, it is seen that this is only true in some cases. Therefore resources are seen to be necessary but not sufficient for explaining cooperation. Thus one variable affects the effect of resources. One such variable could be path-dependency. If the municipality has the resources and has a history of working internationally with the regional office, they are more likely to cooperate. However, based on the analysis, it cannot be said, which of these variables is the mediating effect and which is the direct. Another element affecting path-dependency could be communication, if the municipality and the regional office have been in continually contact over a period. This again can be affected by whether or not the municipality is part of the network of the regional office. Thus, there is a good chance, that elements from all four theories will interact, and that they combined have an effect on cooperation.

The design of the study does not involve a model that allows for examining the interactive effects. The study made it clear that there is interaction, but to fully determine the interactions between the hypotheses could be the foundation for further research.

The findings indicate that all four aspects examined hold some explanatory force, but the analysis also showed that it can be quite difficult isolating the one area that is causing the problem, or is the root to the problem. It is seen that all four theoretic approaches interact and affect the lack of cooperation. It is not possible to determine which of these comes first, as the effect is very interlinked. Thus, the lack of cooperation is caused by a combination of all four approaches, all affecting each other.

***External impacts***

The paper has analysed were and why the lack of cooperation occurs. However, some of the issues the paper has discovered are set within a certain frame of limitation, and it is within this frame that the regional office must optimize. However, it is acknowledged that external changes would be beneficial for cooperation between the regional offices and the municipalities. These will shortly be touched upon here.

First it is seen as an issue that the board does not focus more on long-term development goals, instead they focus on goals that most efficiently will be solved without an eye for development. Thus one thing that could change the incentive for cooperation from the side of the regional office would be to have a board focusing more on long term goals for development.

Another thing found is that in South Norway, most municipalities are too small to have an international focus, thus their resources prevents them from cooperating more with the regional office. In Denmark, resources are not seen to play the same role, as most municipalities state that they do have the resources for cooperation. Thus, the bigger municipalities, the more resources. Therefore the municipality reform in Denmark has improved the conditions for cooperation, and so bigger municipalities would perhaps have the same effect in South Norway.

Finally, the problem might be due to how the structural funds are structured. However, the implications for the structural funds will be discussed in more detail, for now the paper only states, that the lack of cooperation could also partly be explained by the structure of the structural funds and the European cohesion policy.

## *The implications of the findings for the EU cohesion policy (Camilla Willadsen)*

In this discussion, the foundation for the paper, laid out in the historical context, will be tied together with the empirical findings in order to view the findings from a more distanced perspective. This brings out several implications as well. In the light of the EU’s cohesion policies, lack of cooperation causes a problem on both a regional level and for the cohesion policy overall.

As stated in the previous section, the results of the findings suggest several propositions because the EU offices at the same time both do their jobs and do not do what they are assigned to do. Both offices do so to speak fulfill their role of, in general terms, bringing better conditions to their home region as is their job, as they do collaborate with the efficient and resourceful municipalities. In that sense they do a good job by fulfilling their task set by the paying municipalities, counties and the board.

To some degree they do fulfill their means, established in the European context of greater cohesion, but one can also argue that they are not fulfilling the EU goal of cohesion, because they are neglecting the weaker municipalities. This is done for a variety of reasons; the municipalities might seem uninterested, they may not see the relevance of EU projects and partnerships but most importantly, they may not have the resources to participate in EU funded projects. All of this combined makes the regional office prioritize these municipalities less, as the regional offices also need to prove their existence, which is easier justified with hands on results, which to some extent are measurable. So, in terms of European partnerships and EU projects, the resourceful municipalities will stay resourceful and the less resourceful municipalities will stay less resourceful.

Following this line of thought, where the EU offices on the one hand do obtain their objectives and they do what they are asked to do and on the other hand overlooking the weaker municipalities creates, the link to the setting in which the EU offices are operating. Because, as is stated in the theory section organisations are a part of the environment in which they are established, meaning that this will affect their behavior. Since the EU offices are established in order to facilitate the multi-level governance approach to their local authorities and other interested, it is important to note whether or not they are actually doing so. The answer is; no, not in relation to the overall aim of the EU cohesion policy, where the purpose is to help the weaker develop and level with the stronger. Thus the regional offices are not doing a good job, as they are focusing all of their efforts on the municipalities that are already amongst the strongest.

The implications of the findings are not just on the national and organisational level with focus on the miss-match area between the EU offices and their municipalities. As any organisations to be investigated, it is not enough to view their environment solely; it is needed to view the greater context to understand the bigger picture, which they are sought to operate within.

One of the main aims of the strengthening of integration in the EU cohesion policy is the partnership; involving the closest possible cooperation between the Commission and the ‘appropriate authorities’ at ‘national, regional and local level’ in each member state, and at every stage in the policy process from preparation to implementation (Wallace et al. 2009:218). This is the definition of partnership and the main aim of the cohesion policy. This is also the foundation for the theory of multi-level governance in which multiple actors in the overall framework has the same opportunity for cooperation with the Commission for greater growth and development in their area. The multi-level governance means that no actor in general terms, are too small for gaining access to the European market. However, in reality, it may mean instead that all these levels of entrance create an uncertainty about each actor’s stance in the European partnership context.

With the findings, another dimension towards the multi-level governance approach for a better integrated EU is added. As mentioned in the review of the cohesion policy, Gary Marks and Liesbeth Hooghe state in their paper of 1996, that multi-level governance may not be useful in creating better coherence and a stronger “Europe of the Regions”. Because of the various ways in which regions in Europe is ‘governed’, due to differences in nation states, there is no common ground for the multi-level approach or scheme of how all these jurisdictional levels can be executed properly and equally in order to make the integration of the regions in EU the same.

*“A distinctive feature of multilevel governance in the EU is that all regions do not engage in these activities equally. There is no congruence, nor even convergence, in the political role of cities, municipalities, and regions in the European Union. Instead, there are enormous differences in the level of organization, financial resources, political autonomy, and political influence of subnational governments across Europe.”* (Hooghe & Marks, 1996:73-74).

In this light, there are some obstacles for some regions, cities, and local organisations already in the frame of EU partnership, because of the natural difference in the EU and because there is no system for greater coherence in the application process. And this affects the municipalities and EU offices examined because the possibility of flexibility and the aim of addressing every actor in the EU actually, in some cases makes it more difficult to know how and where to start and to generate some guidelines in approaching the multi-level governance. Therefore it is believed that the regional offices can function as an equalizer, helping the weaker municipalities access the structural funds, thus making the cohesion policy function more ad intended.

This theoretical observation made by Hooge and Marks is seen as capturing for the findings in the cases examined in this paper. This will be shown by discussing the two hypotheses for multi-level governance. One hypothesis stated that one of the main problems for multi-level governance was due to the regional offices focus and knowledge of the structural funding, by stating: “*The regional offices do not obtain the relevant knowledge about the EU level to accommodate the needs of the municipalities”* (Hypothesis 19).

As has already been concluded, based on the findings of South Denmark, it can be a problem if the regional offices have a too narrow focus on only a section of the structural funds. Thus by focusing on a small part of the programmes, all municipalities with other focus areas cannot gain as much from the regional office as they might need in order to get their share of the structural funds. As stated this can explain why some municipalities do not cooperate and others are seen to go straight to the European structural funds, without the regional office as a mediator.

This is the case in both South Norway and South Denmark, where it seems that the focus of the EU offices does correlate with the focus of the EU in the framework of multi-level governance, however the focus of the regional office does collide with the municipalities, making it more difficult to integrate the relevance of EU in the region as a whole.

*Figure 7.1 – Multiple entries in Multi-Level Governance*

**EU Level**

**Regional Office**

**Municipalites**

**Local stakeholders**

In this light the figure 7.1 shows that the connection and possible ways of approaching multi-level governance is a part of the confusion in the findings in hypothesis 19. The figure, as shown in the introduction shows the relevant focus area and problem area between the municipalities and the regional EU offices. This has now been extended to include further levels of multi-level approach, which highlights the diffusion of channels. This means that the problem is two-fold: it is generating several levels of entry, which is making it more difficult for the EU offices to be the main partner for resourceful independent municipalities in relation to regional development and cohesion policy, thus also limiting the relevance of the EU offices. It is also at the same time generating possible entries for a multiple set of partners and actors on all levels to engage in EU partnerships, which should make it possible for even less resourceful municipalities to engage in EU projects with the EU offices as partners. However, it is not the case because the several levels of multi-level governance seem to hinder the involvement from less experienced municipalities in the two regions. Partly because the multi-level governance approach generates inequality in means of accessing the EU level because small and less resourceful municipalities in one region may not be the same in another region, partly because the EU offices focus on the wrong municipalities in their region not helping the ones that need it the most.

There is so much of everything in the EU that the need for a more systematised and equal level of internationalization as an everyday tool is crucial for getting the smaller municipalities in the game.

Another hypothesis focuses on the local ability to take advantage of both the regional office and the EU structural funds in general by stating: *“The municipalities do not know what their local stakeholders want and can therefore not make sufficient use of the regional EU offices”* (Hypothesis 20)*.*

Again this is seemingly so to be the case, in Norway it became more difficult for the EU offices to know what the municipalities knew about their local stakeholders as many of the municipalities did not have an internationalization strategy or a business strategy. In Denmark, all municipalities have a business strategy, so all knows internally what their businesses demands of the municipality. In this aspect, the hypothesis is wrong. It is however, only 6 municipalities which have an internationalization strategy. They might not know what they want internationally speaking. Therefore the hypothesis explains the lack of knowledge on the added value of EU projects and partnerships from the municipalities towards their local stakeholders.

In relation to the municipalities that do not cooperate because they do not have the resources, this is seen to be the key problem for the cohesion policy, as this prevents its intended effect of cohesion from happening. These municipalities do not have access to the structural funds, as they receive no attention from the regional office, and they cannot do it alone. This reflects well the assumption that the regions and municipalities are too differentiated to gain equal access to the structural funds. The municipalities of Norway are very small, and even though they in theory have the same options as others, this is far from the case in reality. Thus the differentiated entities, which is the main advantage of cohesion policy, is also in this case seen as its greatest obstacle for having the intended effect. One could have hoped that having a regional office would have diminished this effect, as the small municipalities would have a mediator and partner for approaching the structural funds, but as the regional offices offers them very little attention, this does not have the hoped effect on the cohesion policy. Therefore if the cooperation between the regional offices and the weaker municipalities was improved, this would have a positive effect on the European cohesion policy.

# Conclusion (Camilla Willadsen and Mie Jørgensen)

The paper operates within a frame of EU multi-level governance and the cohesion policy. As stated, the intention of the cohesion policy is to bring growth and development throughout the regions of Europe, bringing them to the same level. As actors in this grand frame the regional offices are found. Their role is to help the regions attract these structural funds, so the EU offices via their position help create growth and development in their home regions. It was therefore seen as an issue that the regional offices do not always cooperate with all municipalities in the regions. This can be a problem if lack of cooperation means that the municipalities do not get their share of the structural funds, thus not being able to develop by the means of the cohesion policy. The paper therefore set out to examine why there was lack of cooperation, and if this was in fact a problem, both for the municipalities not cooperating, the regional office and the overall cohesion policy. This led the researchers to the problem formulation stating *“The regional offices and the municipalities do not always cooperate. Is this a problem, and if yes, what is causing it?”*

This was in the paper examined as a comparative case study of the compatible cases, South Denmark and South Norway. These cases were selected based on a number of criteria, such as municipalities as stakeholders, relatively small populations, a relatively small number of municipalities and a regional office located in Brussels.

The data used in the analysis consists of interviews with regional offices and municipalities as well as a survey sent to the municipalities. Overall the data is seen as creating a solid foundation for the analysis, but the data from South Norway is slightly less solid than in the case of South Denmark, wherefore the researchers throughout the paper have been more conservative when examining the findings in South Norway. Therefore, had findings from South Norway been substantially diverse from the findings in South Denmark, without any reasonable explanation for this difference, the findings would have been analysed more conservatively.

The empirical material was analysed according to a variety of theories believed to hold relevance in relation to the lack of cooperation. These theories were selected inductively, as the theories were chosen based on empirical observations and empirically generated hypotheses. The theories were afterwards narrowed down, as the first interviews proved some theories more relevant than others. Based on the selected theories and the empirical findings, hypotheses were developed. The empirical data was analysed according to these, thus the paper is deductive in its approach as well. The theories applied were chosen as it was believed that they combined hold the greatest explanatory force in relation to why there is lack of cooperation, allowing the researchers to determine if this lack of cooperation is a problem.

The theory on organisations found that one of the main explanations for lack of cooperation was due to path-dependency. If the municipalities are not used to cooperating with the regional office, it is likely that they will take no initiative for starting cooperation, as they cannot see the purpose of the cooperation. Thus the culture of the municipalities plays an important role in relation to cooperating. Another relevant element is the creating of myths in relation to norm sharing. It was found that the municipalities state they agree on the focus areas of the regional offices, however, these do not always correlate with the focus areas of the municipalities. Meaning that even though they say they want cooperation and agree on the focus areas, it is evident that words do not lead to action. Another notion can be made in relation to knowledge sharing in the organisations. If there is no knowledge sharing this will affect further cooperation, as the knowledge of each actor is not an integrated part of the organisations.

The examination of inter-organisational cooperation showed that the lack of cooperation was often due to lack of necessity for cooperation, thus there was no interdependency. This was most evident in relation to the municipalities, as EU projects do not correlate with their core goals. Also the regional offices were only dependent on a small segment of municipalities, as there is no demand for cooperation with a broad spectrum of municipalities. This effect was further enhanced by the scarce resources possessed by the regional offices, forcing them to focus on short term goals, best reached by cooperating with the same municipalities. Also for the municipalities, scarce resources is a hindrance for cooperation, but having the resources does not equal cooperation, this is affected by other variables as well.

The network theory shoved that the stage of the network influences the cooperation between the nodes in a network. In this case it became evident that the network involves all municipalities; however, there is unevenness in their closeness to the regional office, where the regional offices focus on the actors closest to themselves, excluding the municipalities having the outer positions in the network. Furthermore the purpose of the network must have relevance in relation to the daily work of the municipalities; otherwise the network will not be able to evolve. All municipalities had their own internal cooperation, but if these are not merged with the network of the regional office, this will be a hindrance for cooperation.

Another aspect having a positive effect is verbalizing and identifying the network, allowing for greater cooperation.

In relation to the communication, it was seen that most municipalities have a communication block, so the information from the regional office might not reach the end receiver, as the communication is not spread throughout the municipality. This can be an expression of the lack of culture for cooperation, or the lack of necessity for cooperation. Furthermore it was found that a positive effect was achieved by applying a multitude of communication channels, both one-way and two-way as this allowed for multiple entry points in the municipality.

Finally multi-level governance was examined, to see if this had an influence on cooperation. It was fund that it can be a problem if the regional offices have a too narrow focus on a small section of the structural funding, as they might not match with the needs of the municipalities. Furthermore, it is seen that some resourceful municipalities are able to go straight to the structural funds, as the regional office is far from the only entry point to the structural funds.

On the other side, the small municipalities are not capable of doing so, it is therefore crucial that the EU office and the less resourceful municipalities cooperate better. This is not only up to the regional office, because the municipalities must be better at identifying the areas where they find international cooperation could be useful for them.

The findings indicate that all five aspects examined hold some explanatory force, but the analysis also showed that it can be quite difficult isolating the one variable that is the root to the problem. It is seen that all five theoretic approaches interact and affect the lack of cooperation. It is not possible to determine which of these comes first, as the effects are very interlinked. Thus, the lack of cooperation is caused by a combination of all five approaches. For a further study it would be interesting to examine which of the effects is in fact the core reason for lack of cooperation, and how the variables affect one another. However, the findings indicate which of the variables hold the greatest explanatory force. It is seen that path-dependency, scarce resources, interdependency and the myth perspective seem to be the main reasons, and the effect of these seem to be enhanced by the presence of the other variables.

Furthermore the paper has addressed who this lack of cooperation is a problem for. In relation to some municipalities which the regional office does not cooperate with, this is not a problem, as these have the resources for accessing the structural funds on their own. Another group of municipalities are too weak to access the structural funds, and thus it is a problem for these municipalities that there is limited cooperation, as they will not be able to get their share of the structural funds. It is however a paradox that these municipalities will be less interested in participating in EU projects.

For the regional offices it is not an immediate problem that they do not cooperate with more municipalities, as this is no demand form the boards and their short term goal is to keep the board happy. Thus as long as the board does not prioritize long term goals, it is no problem that there is lack of cooperation.

In relation to multi-level governance and the influence of having a regional office, it is seen that it is to some degree a problem. Again, it is not a problem for the municipalities that can access the structural funds on their own, but a group of weak municipalities do not get their part of the structural funds. This is a problem in relation to the intention of the cohesion policy, which is to develop the weaker regions of the EU and when only the strong access the structural funds, this cannot be fulfilled. Therefore the focus of the regional offices on the strong municipalities means that they will not be able to make the cohesion policy function more optimal.

## *Best practices for enhancing cooperation (Camilla Willadsen and Mie Jørgensen)*

Based on the analysis the paper will develop a set of best practices, which are useful for cases with the same characteristics as the two examined cases. As stated, one must be conservative when generalizing the findings, and therefore the following best practices are only applicable for organisations that have the same characteristics as the examined cases. The best practices are applicable for the regional offices and for the municipalities as well.

The best practices will be guidelines for a number of actions the EU offices and the municipalities can take for improving their cooperation. The paper does not hold a final answer for how these actions are to be fulfilled but merely states the areas where the action is to take place.

***Best practices for improving cooperation – Regional Offices***

1. ***Establish a Network and be ambitious about it***

The findings show several indicators that cooperation will be improved via a well-functioning network. This means that the network must be verbalized, identified, put into structure and have a clearly identified goal for it to evolve and become relevant for all actors.

Once the network is established it is seen that it is creating a positive effect; however, these are depended upon the regional offices being ambitious about the development of the network. Meeting twice a year is not sufficient for the establishment if the intention is to engage the less resourceful municipalities in cooperation. Therefore the EU offices must be ambitious once the network is established.

1. ***Incorporate long term developmental goals***

The regional offices must lobby for their boards to focus more on long term development goals. There are several advantages in focusing on long term targets instead of focusing on short term goals. Long term targets will focus more on development. Therefore the effect of the cohesion policy will be more apparent throughout the region, as the EU offices will then be able to engage less resourceful municipalities to a larger extent.

1. ***Send out differentiated newsletters***

As most municipalities receive large amount of information each day, they will be most likely to process only what most relevant for them. It is therefore seen that a differentiated newsletter with articles specifically relating to municipalities, taking into consideration the different focus areas of the municipalities, will provide better visibility of the EU office. A way of being able to differentiate could be by having the municipalities select areas which are relevant for their work and focus areas.

1. ***Broader focus on programmes***

The focus areas of some municipalities do not correlate with the focus areas of the EU offices. This sets a limitation on cooperation. Therefore, the EU offices could with advantage focus on a broader spectrum of programmes and thereby creating a better foundation of cooperation with the municipalities.

***Best practices for improving cooperation – municipalities***

1. ***Develop an internationalization strategy***

In order for the municipalities to gain better use of the structural funds and thereby also the services provided by the EU offices, they should develop an internationalization strategy in which they incorporate areas they find relevant for international projects. For an internationalization strategy to work, the municipalities must identify what they want to gain from the EU partnership possibilities.

1. ***Integrate knowledge sharing on EU matters internally***

In order to optimize cooperation, the municipalities could with advantage develop better integration of knowledge throughout the organization. In this way, EU knowledge from the EU offices to the municipalities is not depended on one person to pass on information.

One way of doing so is to develop an internal platform of development and knowledge sharing, thereby combining the various administrations.

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# Appendix

For appendix see attached CD.