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The Implications of Globalization on Local Communities

A Microperspective of Farsund

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Abstract

This thesis explores the impact globalization has on local communities. Farsund, a Norwegian town with approximately 9500 inhabitants, is studied in depth and conclusions are based on this specific community.

Personal in-depth interviews are accomplished with four groups of representatives in Farsund. These four groups include representatives for employees, representatives for farmers, representatives for Norwegian companies, and representatives for international companies. The interview guide is based on a model, which combines four units of free flow with five controversies in the globalization theory. The four units of free flow are information and research, investments and capital, products and services, and people (labor). The five controversies are culture, politic, economy, security and equality. Additionally, barriers are discussed in relation to the four units of free flow.

An interesting finding in this thesis, is that the view on globalization depends on which group one belongs to in the local community. The representatives for the employees, Norwegian companies and international companies argue that increased globalization has positive consequences for them. The farmers, however, believe increased globalization has negative consequences for them. The general conclusion is that globalization has an overall positive impact on local communities, even though globalization also has its disadvantages such as less power to local authorities and the risk that local communities will vanish.

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Chapter 1: Introduction

1.1. Background

Globalization is a highly debated concept today. As the world grows more global this is bound to affect the people living in it in one way or another. Globalization influences people on a national level and also on a local level. Some argue globalization has had a positive impact on local communities while others believe globalization to have had a negative impact on local communities. Furthermore, some dispute globalization as having any direct impact neither on a national level nor on a local level. Today's debate concerning the environment and the "global warming" is interesting in relation to the question of globalization. It is not possible to shield one nation from pollution elsewhere in the world. All countries have a responsibility towards the environment, and this creates an incentive for cooperation across borders. Pollution in China will necessarily also reach Norway, and it is consequently just as important to reduce pollution in China as it is to reduce pollution in Norway. The purpose of this thesis is to conduct research on the impact globalization has on local communities. The thesis will be concentrated around Farsund, a small town in Southern Norway. Personal interviews with corporations, employees and farmers in Farsund will be conducted and analyzed in order to understand the view these persons have on the concept of globalization. Globalization can be seen as an opportunity or as a threat, and the purpose with this thesis will be to find out whether globalization has a positive or a negative impact on local communities, like Farsund. The reason for choosing this specific town is that the author of this thesis has grown up here and knows the town and its corporations well. This is important in order to make a thorough analysis of the community.

1.2. Problem definition

The main interest is to explore whether local communities, like Farsund, have been changed as a consequence of globalization, and if this change is positive or negative for the local communities. The problem definition is formulated as follows:

“How is a small Norwegian community (Farsund) impacted by globalization?”

1.3. Definitions

It is important to define and explain the central concepts, which are used in this thesis. Of special importance are the concepts “globalization” and “local communities”. These are concepts used in the problem definition and will be central throughout this paper.

1.3.1. Globalization

The concept of globalization has endless definitions and meanings. Globalization can, for instance, be defined as “Growing interdependence between different peoples, regions and countries in the world as social and economic relationships come to stretch worldwide” (Giddens, 2001, p 690). Another definition on globalization is:

“The process whereby political, social, economic and cultural relations increasingly take on a global scale, and which has profound consequences for individuals’ local experiences and everyday lives” (Bilton, 2002, p 542).

This thesis puts considerable emphasis on the braking down of barriers, and also on an increasing degree of free flow of four elements. These elements are information and research, investments and capital, products and services, and people (Falkenberg, 2007c, p 18).

1.3.2. Local communities

The concept of local communities can be defined as:

“A specific group of people, often living in a defined geographical area, who share a common culture, values and norms, are arranged in a social structure according to relationships which the community has developed over a period of time. Members of a community gain their personal and social identity by sharing common beliefs, values and norms which have been developed by the community in the past and may be modified in the future. They exhibit some awareness of their identity as a group, and share common needs and a commitment to meeting them”. (Nutbeam, 1998, p 353-4).

In this thesis, the Norwegian town Farsund will be used as an example. Farsund is a relatively small town located in the very south of Norway with approximately 9.500 inhabitants. The town was established in 1795 by Jochum Brinch Lund who was a distinguished merchant in the 18th century. However, the earliest immigrants were established in the area as early as

10000 years ago (Dannevig, 1967, p 17). Shipping, fishing and farming have been the most important economic bases for Farsund, and Farsund is today the largest farming area in the county of Vest-Agder with about 180 farmers. Shipping in a more modern form started in the 17th century and towards the turn of the century, almost 50 ships belonged to Farsund (Dannevig, 1967). Although Farsund still is considered a shipping town, industrial plants have dominated the town since the 1970s when it comes to employment. The shipping industry was increasingly moved abroad to countries with lower taxes and cheaper labor. Only two shipping lines originated in Farsund still remain. These are Brøvig's Rederi and Mosvolds Rederi.

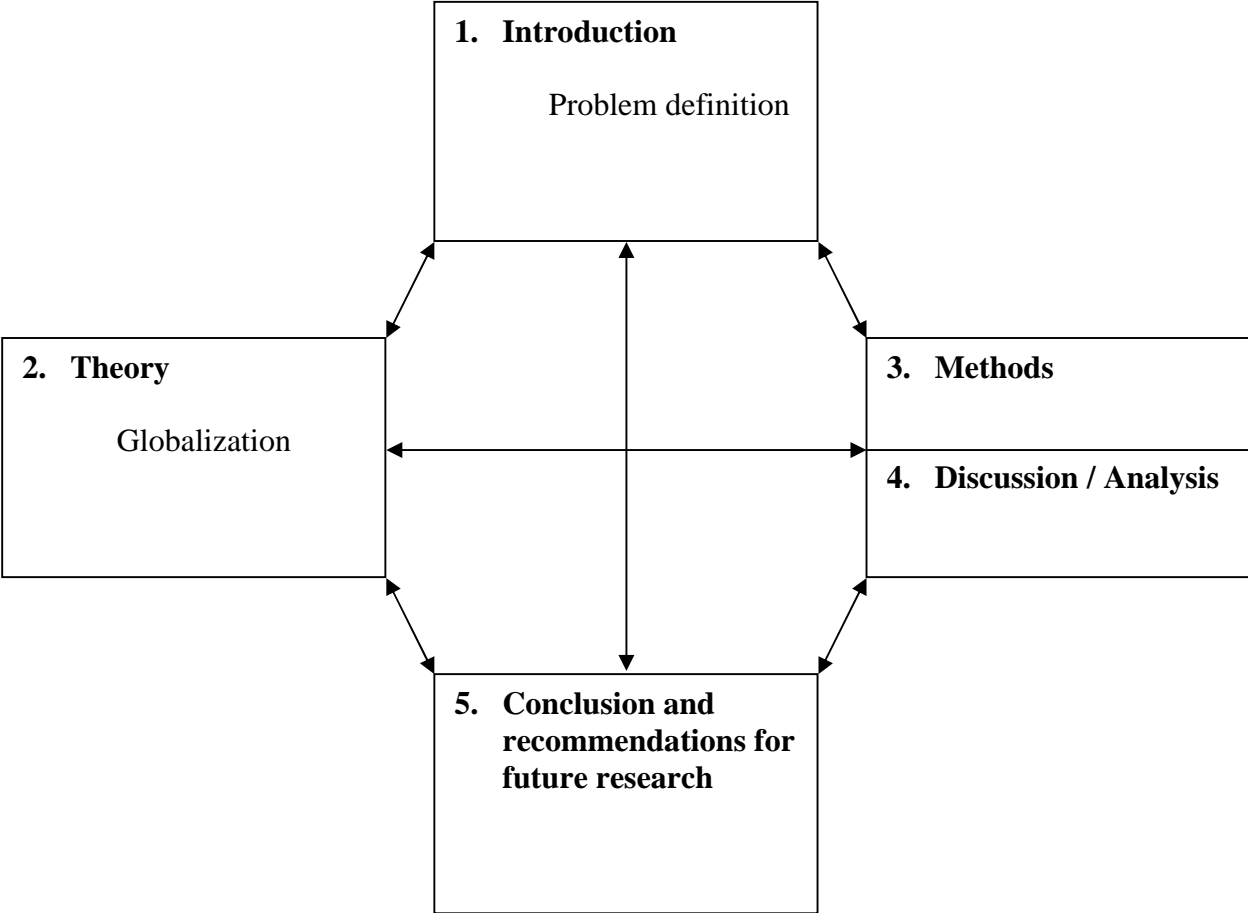
1.4. Limitations

One important limitation for this thesis is that local communities are defined as a town like Farsund. There are probably differences among communities depending on their economic bases. Furthermore, a limited number of interview objects are chosen and there is always a risk that these persons do not have the same views as the rest of the population.

1.5. Structure

First, the paper will study theories concerning globalization, since globalization is the main element of this thesis. Previous studies concerning globalization will also be looked at. Next, these theories and studies will be applied on the problem definition. There will be conducted personal interviews with four groups of people in Farsund. Firstly, the analysis will find whether globalization has had an impact on employees in the community. Secondly, one will look at how globalization has affected the farmers and the agriculture in general. Finally, the analysis will find out whether globalization has had an impact on local companies. Norwegian companies and international companies will be studied separately. When having conducted and analyzed these interviews, there will be made a conclusion. The following figure shows the structure of this thesis:

Figure 1: Structure



Source: Falkenberg, 2007a, p 2.

Chapter 2: Globalization

2.1. Defining globalization

There are several definitions on the concept of globalization. The word has many meanings and is used in several different ways. This depends on whether one chooses to look at the term as a wider or as a narrower concept. A narrow definition on globalization has been written by Soros. He defines it as "... the development of global financial markets, the growth of transnational corporations, and their increasing domination over national economies" (Soros, 2002, p 1). Another narrow definition has been made by Anne Krueger: "... a phenomenon by which economic agents in any given part of the world are much more affected by events elsewhere in the world ..." (Wolf, 2004, p 14). David Henderson defines globalization as

"... free movement of goods, services, labour and capital, thereby creating a single market in inputs and outputs; and full national treatment for foreign investors (and nationals working abroad) so that, economically speaking, there are no foreigners" (ibid.).

Giddens, on the other hand, has defined the term in broader strokes. He argues:

"Globalization should not be thought of simply as the development of worldwide networks – social and economic systems that are remote from our individual concerns. It is a local phenomenon, too – one that affects all of us in our daily lives" (Giddens, 2001, p 51).

He further argues that globalization does not only concern economical aspects, but is a phenomenon of political, social, and cultural dimensions as well. His definition on globalization is "[g]rowing interdependence between different peoples, regions and countries in the world as social and economic relationships come to stretch worldwide" (ibid, p 690). Another explanation of globalization is created by Stiglitz, the winner of the Nobel Prize for Economics 2001. He describes it as:

"... the closer integration of the countries and peoples of the world which has been brought about by the enormous reduction of costs of transportation and communication, and the breaking down of artificial barriers to the flows of goods, services, capital, knowledge, and (to a lesser extent) people across borders" (Stiglitz, 2002, p 9).

Bilton also has a definition on globalization. He defines it:

“The process whereby political, social, economic and cultural relations increasingly take on a global scale, and which has profound consequences for individuals’ local experiences and everyday lives” (Bilton, 2002, p 542).

Finally, the definition by Deresky is worth mentioning. She defines globalization as “[t]he global strategy of the integration of worldwide operations and the development of standardized products and marketing approaches” (Deresky, 2006, p 482).

These definitions are all different. Globalization is a wide and complicated concept, and it is therefore difficult to define it precisely. It depends to a large extent on the view of the author. Authors who are critical to globalization will often define the concept more negatively than will authors who are positive to globalization. However, according to Stiglitz “[g]lobalization itself is neither good nor bad. It has the *power* to do enormous good, But in much of the world it has not brought comparable benefits” (Stiglitz, 2002, p 20). Scholte describes five points, which deserve particular emphasis when defining a concept. First, the definition should serve to advance knowledge. Second, no definition is neutral. This means that it is important to read a definition with a critical view. The third point is that every definition is relative to a context, and the fourth point concerns that no definition is definitive. Finally, the fifth point argues that each formulation should be as clear, precise, concise, explicit, consistent and cogent as possible (Scholte, 2005, p 52-53).

What characterizes globalization today is efficiency. The goal of corporations is to receive more output out of less input. This goal can be obtained by using the whole world as a market, and take advantage of the different costs on factors like labor and raw materials. Several corporations have, for instance, moved their production facilities to China, where the production costs are low. There they can sell the products to more expensive countries, like Norway, and receive a larger surplus than they would achieve if they produced in Norway, where the production costs are high.

Globalization can be compared to a weather system where winds blow from one part of the world to another without any boundaries to stop them. There are mainly four elements, which flow across borders. These are information, money and investments, products and services,

and people (Falkenberg, 2007c, p 18). The winds develop differences, which makes it natural to relocate these four elements. We can also find these elements in the European Economic Area (EEA) agreement, where the four elements of freedom are capital, labor, products, and services. These four elements are supposed to flow freely within the EEA. When discussing globalization, the four elements described above are supposed to flow freely within all the countries in the world. However, this is not always the case because there exist several barriers. These barriers can exist on a macro level, on a meso level, and on a micro level. On a macro level, these barriers are international. International barriers are, for instance, barricades towards specific types of trade with weapon, food, technology, or labor. On a meso level, one finds national barriers such as customs, taxes, quotas, and foreign ownership. Language can also be a barrier since it can be difficult to communicate with people in a country who speak a different language than you. On a micro level, the barriers are typically resistance in the mind of the people. This can be discrimination of foreign ideas, products, religions, ethnicities, and ownerships.

2.2. History

Mike Moore (2002) explains globalization in the following way.

“Globalisation is not a policy, but a process, which has been going on since man climbed down from trees, emerged from caves and began to organise his life, by harvesting as well as hunting, exchanging goods and ideas. It is the acceleration of international integration, spurred by a number of factors, and is now largely technology-driven. Information-driven investment – actively encouraged in countries where politicians think ahead of the game, such as Switzerland, Singapore and Costa Rica – and the dramatic lowering of transaction, transport and information costs have been the beachheads” (Moore, 2002, p 20).

Globalization is, as argued by Moore, a relatively new term on a phenomenon, which has existed for centuries. Early forms of globalization were concerned with forcing a culture or a mode of thought upon other people. Power was the quintessential paradigm of these early forms of globalization. The earliest form of globalization is possibly the slave trade in Northern Africa in the ancient times and in the middle ages. Furthermore, the crusades were another form of globalization, forcing people and countries into being Christians in the middle Ages. Another good example of early globalization is the British Empire during the 1600s. The British established themselves in the Caribbean, in North America and in India, and

started production of products like cotton, sugar and tobacco. Finally, the slave trade in the US in the 18th century can be termed as an early form of globalization as the US brought African labor to America and used them as slaves.

We can find a more modern form of globalization in the 19th and 20th century's studies of "modernity", which is the previous term on globalization. Karl Marx has written several works concerning modernity. Marx is one of the very first analysts of globalization, and has been called "the guru" of globalization. Marx was ahead of his time, and already in the 19th century, he predicted a global economy. He further predicted "... that capitalism will grow, that inequalities will grow with it, that the working class will be destroyed and that the workers will be poor" (Kampfner, 2006, p 29). This has not turned out to be true in the developed world, but globally it is partially true. Also Lenin "... predicted and prophesized the development of globalization almost 90 years ago" (McVeigh, 2005, p 64).

Roland Robertson argues that globalization was developed through five phases. The first phase took place from 1400 to 1750 and included Western expansion through, for instance, "... Spanish and Portuguese exploration in Africa and the Americas, followed shortly by Dutch, British, and French exploration" (Dorfman, 2005, p 107). The second phase was from 1750 to 1875 when there was a systematization of relations between nation-states, which had been developed during the first phase. This included colonialism, and the exchange of culture between Europe and the rest of the world increased. Phase three was between 1875 and the mid 1920s. This phase included imperialism, the First World War, and economic internationalism. The fourth phase took place between 1925 and 1969, and included global conflicts via the Second World War. Several international organizations were founded, for instance the United Nations, the World Bank, and the International Monetary Fund. The last phase Robertson describes takes place from 1969 to present.

"This era includes the development of increasingly rapid cross border communication technologies, mostly in terms of telecommunications, the consolidation of multiple international organizations ..., and the increasing invocation of world-wide standards of human rights" (ibid.).

Others argue that we are now striving towards globalization for the fourth time during the last two centuries. The first attempt came at the end of the 18th century and collapsed with the

Napoleonic wars. The second attempt came at the end of the 19th century, collapsing with the First World War. The third attempt of globalization came at the 1920s and collapsed with the Second World War (Kampfner, 2006, p 29).

In the aftermath of the fall of the Iron Curtain in 1989, the question of globalization has perhaps become more relevant than ever as this era emphasizes a world with lesser physical barriers, which has opened up for a freer flow of information and research, capital and investments, products and services, and people. The speed of globalization today is also much faster than it has ever been before, and this separates the concept of globalization today from earlier forms of globalization.

2.3. Contending theories

Next follows a short description of six main types of explanations for globalization.

According to Scholte, these are liberalism, political realism, Marxism, constructivism, postmodernism, and feminism. Each of these theories has a different view on globalization, and each of them can explain why global relations have been reintroduced in the world today.

2.3.1. Liberalism

Liberalism is the political ideology, which has influenced the Western society the most since the 1700s. This philosophy has emphasis on individuality and the value of the individual. According to this view, society has only value to that extent that it gives the individual possibilities for development (Aschehoug og Gyldendals Store norske leksikon, 2005-07a). “From a liberalist position globalization is, at the most elementary level, a result of “natural” human desires for economic welfare and political liberty” (Scholte, 2005, p 124). Liberalists think that globalization is a result of people who strives to escape poverty, civil rights, and political rights, and that this is a natural process. A limitation of liberalism, in the question of globalization, is that liberalists often tend to ignore the element of culture and how culture is affected when globalization occurs. Liberalists also pay little attention to power and differences in power.

2.3.2. Political realism

Contrary to liberalism, political realism pays much attention to the element of power. Political realists argue that struggles for power is the main reason of globalization. This theory disputes that everything in globalization comes down to the acquisition, allocation and implementation

of power. Knowledge is also an important concept in political realism. “Political realists assume that territorial sovereign states are the principal actors in world politics” (ibid. p 126). They explain globalization as the way dominant states, like the US, have developed an environment of controlled competition among states. Also, globalization can be explained as “... a strategy in the contest for power between several major states in contemporary world politics” (ibid. p 127). Some argue that political realists take the importance of power too far, and that there is put too little emphasis on factors like culture and economy in the question of globalization.

2.3.3. Marxism

Marxism is a philosophy developed by Karl Marx and Friedrich Engels. This idea emphasizes that power of dominant thoughts inspires and direct the people. There are different forms of Marxism. The Soviet Marxism, pursued by Lenin and Stalin, is perhaps the best known. In Marx’ Communist Manifesto, he suggests a transition from a capitalist society to a socialist society – a classless society under the communist paradigm. Marxism believes that the historical development is going through phases, which follows each other and have a logical relation to each other. Furthermore, Marxism rejects both liberalist and political realist explanation of globalization. Marxists explain the increase of global relations as an outcome of the capitalist approach of production. The most important reasons for globalization are, according to Marxism, capitalism and class relations. This also implies that Marxists are preoccupied with social power relations and the degree of inequality in a globalizing economy.

2.3.4. Constructivism

Constructivism is a phenomenon, which believes that objects, institutions, facts or truths are constructed. Some constructivists also think that gender is socially constructed. The study of international relations has been highly influenced by this viewpoint since the late 20th century. “According to this approach, the behaviour of humans is determined by their identity, which itself is shaped by society's values, history, practices, and institutions” (Encyclopædia Britannica Online, 2007a). Even though constructivists have not yet focused on explaining globalization, “[t]hese would suggest that transplanetary connectivity has increased as people have reimagined society on transworld rather than, or in addition to, country-national-state lines” (Scholte, 2005, p 131). A limitation to this theory is that it pays relatively little attention to factors like inequalities, power hierarchies and economy.

2.3.5. Postmodernism

Knowledge as power is important in the theory of postmodernism. The concept was particularly popular in the 1980s. Postmodernists question the central values and ideas of the Age of Enlightenment, like truth, progress and reason. They further claim that these values primarily protect the structures in the capitalist societies by excluding forces, which are challenging the cultural dominance of capitalism. In order to neutralize this, postmodernists favour heterogeneity over homogeneity, plural over singular, and the local over the universal (Aschehoug og Gyldendals Store norske leksikon, 2005-07b). This indicates that postmodernism, like Marxism, goes beyond liberalism and political realism in order to look at the deeper social conditions that have driven globalization. Furthermore, postmodernists are interested in protecting local cultures and values. A limitation to this theory is that postmodernism is too little concerned with economy and ecology.

2.3.6. Feminism

Feminism is “the belief in the social, economic, and political equality of the sexes” (Encyclopædia Britannica Online, 2007b). It is a set of ideas concerning what femininity is and how sexuality defines sexual identity. It is a critical ideology where the goal is to change unequal distribution of power between men and women and to improve women’s position in society. Gender and class were seen as reasons for the repression of women. Feminism was especially emphasized in the 1960s and 1970s, and the feminism we have today shows signs of how many of the requests from that time are met. However, feminism is still strongly counteracted by religious fundamentalists in many countries. Also in the question of globalization, gender relations are very important among feminists. Women have tended to be marginalized, silenced and violated in global communications, global migration, global finance, global organizations, and global wars (Scholte, 2005, p 133-34). Some feminists argue that gender relations are the reasons for global social relation. Others take a view, as an alternative to existing theories, for instance feminist liberals and feminist postmodernism. “In these different ways, much feminism has advocated an “add-gender-and-stir” approach to other theories” (ibid. p 134). A limitation to this theory is that many feminists can overlay the role of gender relations in the discussion of globalization.

2.4. The globalization debate

Held (1999) identifies three different views on globalization. These views are adopted by the “hyperglobalists”, the “sceptics”, and the “transformationalists”. These views are also discussed by Giddens (2001) and Bilton (2002).

2.4.1. Hyperglobalists

The hyperglobalists argue that “[g]lobalization is seen as a process that is indifferent to national borders” (Giddens, 2001, p 59). Hyperglobalists “... are believers, in the sense that for them globalization is a real and significant historical development” (Schirato and Webb, 2003, p 7). As Kofi Annan puts it, “Arguing against globalisation is like arguing against the laws of gravity” (Moore, 2002, p 38). Furthermore, hyperglobalists see globalization as leading to a world without borders, and think that nations should welcome the economic gains attached to globalization instead of resisting it. “Nothing can stop this process, so we should all participate and try to profit from it – and as we do, we shall help to homogenise the world, leading to increasingly similar ways of life” (Bilton, 2002, p 52). As one can see, hyperglobalists have a rather extreme view that the world should be homogeneous with no differences between countries and cultures. Furthermore, individual countries will no longer control their own economies, and national governments will decline in importance and influence. In David Held’s *a globalizing world*, he divides between two types of globalists. These are positive and pessimistic globalists. Positive globalists and pessimistic globalists have mainly the same thoughts about globalization, but the positive globalists are optimistic and points to the benefits of globalization. “They focus on the potential of stretched social relations to improve the quality of life, raise living standards and bring people together ...” (Held, 2004, p 22). Other possible benefits of globalization can be expansion of human rights to everyone in the world, growth of democracy, sustainable economic growth, end of violence and conflict in international politics, and establishment of international human rights courts (Patience, 2001, p 5). Pessimistic globalists point to the disadvantages of globalization. “They see the diminution of national identities and sovereignty negatively and point to the uneven consequences of globalization” (Held, 2004, p 5). Other negative factors the pessimistic globalists see, are potential child labour, forced adult labour, unjust working conditions, abuses of human rights, political corruption, and torture and execution of political dissidents (Patience, 2001, p 6).

2.4.2. Sceptics

The sceptics have an opposite view on globalization. They argue that the world is not getting more global, but that:

“... the world is increasingly divided into large trading blocs (Europe, Asia-Pacific, and North-America), within which there are powerful national economies and important cultural divides” (Bilton, 2002, p 53).

This can be termed “regionalization”. It can also be a “... synonym for Westernization or Americanization” (Held and McGrew, 2002, p 3) according to the view of the sceptics. One can see this happening, for instance in the European Union (EU) where there is free flow of capital, labor, products, and services within the union, but there can be great barriers for countries outside of the union. Also in North America one can see the same problem, for instance regarding the element of people. One can not enter the US without having a visa, and this makes it more difficult for foreigners to visit or work in the country. The sceptics argue that “[f]ree markets need not rule supreme” (Bilton, 2002, p 53), and they believe that national governments will continue to be important actors since they must involve in regulating and coordinating economic activity. According to Schirato and Webb the sceptics:

“... consider that what we are experiencing at present is simply a continuation of trends that developed in the period of European colonial expansion ...; so, for them, globalization is principally ideological, present more in the discourse than in reality” (Schirato and Webb, 2003, p 7).

Held (2004) terms the sceptics “*the inter-nationalists*”. Furthermore, he explains the view of the inter-nationalists as follows: “They believe that most economic and social activity is regional, rather than global, and still see a significant role for nation-states” (Held, 2004, p 23).

2.4.3. Transformationalists

Finally, we have the transformationalists, who reject both the view of the hyperglobalists and the view of the sceptics. “They see globalization as the central force behind a broad spectrum of changes that are currently shaping modern societies” (Giddens, 2001, p 59).

Transformationalists argue, “... the global order is becoming transformed, but many of the

old patterns still remain” (ibid.). They also believe that globalization is a two-way process, (rather than a one-way process), where images, information, and influences flow. This leads to that “... globalisation is producing division and difference as much as similarity and integration” (Bilton, 2002, p 53). According to Held, “[t]hey argue that there is still significant scope for national, local and other agencies” (Held, 2004, p 23).

2.5. The controversies of globalization

This paragraph will shed light on some of the controversies attached to globalization. These controversies include culture, politics, economy, security, and equality. Furthermore, for each of these factors, the views of hyperglobalists, sceptics, and transformationalists will be discussed.

2.5.1. Globalization and culture

Culture is people’s thought-, communication-, and behavior patterns. Each country has its own culture, and the culture can also differ among people within the country. As the world is growing more global, many argue that countries and cultures are becoming increasingly similar. It is also argued that the globalization of culture will be dominated by the Western culture. This can be referred to as cultural imperialism. The media, for instance, is dominated by US and Western European TV channels, which are also broadcasted in other parts of the world, like Eastern Europe, Asia, and South America. This contributes to transforming these countries and cultures into being more similar to the cultures of the Western world. “In the process, local cultures are undermined” (Bilton, 2002, p 58). Others argue that the opposite will happen. Mike Moore is one of those who believe that globalization can contribute to more cultural diversities. He writes that

“... there are now more people speaking Welsh and Maori – the language of indigenous New Zealanders – than a century ago. In my youth, Maori was not used in schools, and children were discouraged from speaking it. Government policy and parental influence saved the language from near extinction” (Moore, 2002, p 22).

“Globalists argue that the growth of global culture flows signals the demise of national cultures” (Held, 2004, p 55). Positive globalists see this as a good thing, and have two reasons for this view. Firstly, they see the possibility of the “global village”. The global village is a concept first developed in the 1960s by Marshall McLuhan and it refers to a world and all its

inhabitants, interconnecting via electronic communication. Another reason why positive globalists see this as a good thing is "... the democratic nature of the free market and the benefits for viewers of greater choice" (ibid.). Pessimistic globalists, however, have a negative view on this development, and they believe that globalization of culture will lead to growing inequalities and concentration of ownership. The sceptics, or inter-nationalists, argue that cultural forms and institutions remain national. They do not argue that national cultures have not changed, but the sceptics believe that local and national cultures are durable and will not disappear. Transformationalists have a view that lies in the middle of the hyperglobalists' and the sceptics' views. As already discussed, they believe that culture does not only flow one way, but that culture flows both ways. Transformationalists also argue that national cultures remain flexible but, in the same time, distinctive.

2.5.2. Globalization and politic

Many claim that globalization has caused a power shift from national governance to global governance. In the past, the individual country controlled its own actions. Today, other countries often control individual countries. One example is the European Union. The most powerful countries in the EU, like Germany and France, exercise a certain control over less powerful countries in the EU, like the Baltic countries. This has "... posed a major challenge to the sovereignty and autonomy of all nation-states" (Bilton, 2002, p 61). The EU is, for instance, claiming that all new member states must employ the Euro. The G8 organization is another example of certain countries exercising power over other countries. This organization consists of eight of the main industrialized countries, which are the US, the UK, Canada, France, Germany, Italy, Russia, and Japan. The group of eight "... meets annually to discuss economic policies" (Schirato and Webb, 2003, p 216).

The question of democracy or despotism is also important in the discussion of globalization and politic. One can ask whether "... globalization enhance or undermine the public's awareness of, involvement in, and control over the decisions that shape its destiny" (Scholte, 2005, p 35). Some regard globalization as a drive for democracy, and believe that, for instance, the mass media have encouraged democracy activists from all over the globe. Others, however, argue that globalization is leading away from democracy. They believe that globalization results in a "... new world order with "low-intensity democracy" and "polyarchy" where a narrow élite holds control" (ibid. p 36).

Hyperglobalists, sceptics, and transformationalists have different views on globalization's impact on politics. Hyperglobalists argue that "... in a globalized world, national governments are increasingly powerless and irrelevant" (Held, 2004, p 130). National governments are too small to deal with global problems and too big to deal with local matters. Conversely, sceptics do not believe that the national state will disappear. Rather, they argue that globalization confirms the importance of national governments to manage human interactions.

Hyperglobalists and sceptics have consequently contrasting interpretations of what global governance is and what intention it has. The sceptics believe that global governance is only in the interest of the US and the rest of the Western world. Hyperglobalists, however, argue that "[d]iverse global and particular interests varying from issue to issue within a framework of distorted global governance" (Held and McGrew, 2002, p 75). Furthermore, the sceptics believe that the goal of global governance is to maintain US and Western dominance, while hyperglobalists argue that the goal is to "[p]romote and reproduce global liberal capitalist order" (ibid.). Transformationalists dispute that national governments will remain, but they will have to change their roles and functions. "As a result, a significant reconfiguration in the power, jurisdiction, authority and legitimacy of states is underway" (Held, 2004, p 130).

2.5.3. Globalization and economy

There is no doubt that globalization also has an impact on the world economy. A central issue is the globalization of the industrial production. As discussed shortly in the *defining globalization* paragraph, corporations seek to sell products to the highest possible surplus. In order to accomplish this, firms should produce the products to lowest possible costs. Bilton describes three priorities of a corporation. These are to keep production costs as low as possible, to target production at rapidly changing markets, and to stay innovative through the latest scientific and technological developments (Bilton, 2002, p 54). However, it is important to emphasize that globalization creates risk. Ulrich Beck has argued that "... the gain in power from the "techno-economic progress" is quickly being overshadowed by the production of risks" (Encyclopedia of informal education, 2007). Risks linked to industrial production can fast spread beyond the instant context in which they are created. "... risks become globalized" (ibid.). Often when discussing globalization, one mainly thinks of globalization in relation to economics. However, the globalization of the economy also has an effect on cultural and political globalization. Economic globalization can be powerful when it comes to influencing other countries and cultures.

“If American or any other culture is seen to be dominating the world, it is partly because the investments and products of McDonald’s, Microsoft, Disney, etc. are so visible and significant in other parts of the globe” (Held, 2004, p 90).

Three important actors in the discussion of globalization and economy are The World Trade Organization (WTO), The International Monetary Fund (IMF), and the World Bank. These institutions dominate the globalization process. Since we have no world government to oversee the globalization process, these actors are controlling the procedure through a system Stiglitz has named “... *global governance without global government* ...” (Stiglitz, 2002, p 21). The WTO is perhaps the most advanced and developed of the international institutions. It was established in 1995 to supervise and liberalize trade. “The mission of the WTO is the rule-based liberalization of international trade ...” (Soros, 2002, p 32). The organization works towards open world trade and for a dismantling of the tariff barriers. Not everyone agrees with this development, and critics of the WTO claim that the organization acts in favor of the rich countries (particularly the US) and the multinational corporations. The IMF was established at Bretton Woods in 1944, and it was supposed to make growth of international trade possible. “[T]he IMF was designed for a world characterized by fixed exchange rates and capital controls” (ibid. p 116). However, the fixed exchange rate system broke down in 1971 due to the US abandonment of the gold standard. The move to floating exchange rates in Western economies forced the IMF to end its role as controller of the world monetary system. Instead, the organization started providing advice and information to its members. Later, the IMF moved towards a role as an international lender of last resort to the world economy. Critics to the IMF argue that the organization is secretive, undemocratic, and unresponsive to the needs of poorer members. Together with the WTO and the IMF, the World Bank “... plays a central role in overseeing economic policy and reforming public institutions in developing countries and defining the global macroeconomic agenda” (Encyclopædia Britannica Online, 2007c). This bank is the largest source of financial assistance to developing countries. However, the World Bank is being criticized “... for being a bureaucratic organization with too large a staff and for engaging in lending activities that could be taken care of by the capital markets” (Soros, 2002, p 101).

The goal of the globalists can be said to be “[a] single fully integrated global economy” (Held, 2004, p 89), while the goal of the sceptics, or the inter-nationalists, is “[a] world of

totally independent and sovereign national economies” (ibid.). Transformationalists will have a view between these two goals. This can be illustrated in figure 2.

Figure 2: The "Debate on economic globalization" continuum



Source: Held, 2004, p 89.

Positive globalists see everyone as potential winners from economic globalization. They see benefits such as faster growth, quicker access to new technology, cheaper imports and greater competition, and argue that globalization has contributed to a more efficient world economy. They further argue that this will be positive for the poor countries since the global market opens up for a faster transfer of technology from rich to poor countries. “Moreover, the richer countries have a surplus of funds to lend, and this provides a real opportunity for rapid industrialization of poorer countries” (ibid. p 95-6). Pessimistic globalists, however, see everyone as potential losers from economic globalization. They believe that deregulated trading agreements and open borders will increase the inequalities in both rich and poor countries. They also imply that organized crime and terrorist networks can take advantage of the open borders and make use of global communication and technology in a negative way. Sceptics reflect “... a cautious interpretation of contemporary global economic trends” (Held and McGrew, 2002, p 38). Furthermore, the sceptics argue that the present world economy only remains loosely integrated rather than a completely globalized economy. They also look at economics as principally local or national, and not global. The transformationalists argue that political and cultural groupings are formed by economic conditions, but they are not fully determined by these conditions. States and cultural communities can still resist or embrace changes. “In this view the consequences of global economic activity are complex and unpredictable, and their effects may be very uneven” (Held, 2004, p 105). Even though there are significant changes in the world economy, transformationalists still think that national and local economic institutions are important.

2.5.4. Globalization and security

Security covers several different factors such as peace, crime, ecological integrity, health, and financial stability. “Often people have drawn associations between this heightened vulnerability and increased globality” (Scholte, 2005, p 280). Since absolute security is not possible, the challenge is to maximize the benefits and minimize the problems of globalization for human security (ibid.). Many worry that globalization has caused less peace in the world as it has brought technologies like nuclear weapons, fighter jets, missiles, and spy satellites to countries around the world. Many also argue that globalization therefore is the reason for terrorist attacks like the 9/11. However, others argue that this is not because of globalization, but because of specific policies. When it comes to crime, most people today will feel this as a larger threat than warfare. The Internet is a technology that has served as an advance for criminals such as fraudsters and pedophiles. Global finance has increased the crime of money laundering, and transworld criminal networks have risen. These are reasons why several people think that globalization has caused more crime. However, there have also been established ways to combat crime. Interpol, which was established in 1923, operates as a “... global governance agency to pursue lawbreakers across the planet ...” (ibid, p 285). Ecological integrity is furthermore an interesting factor within globalization and security. People need breathable air, clean water, and arable soil in order to survive. Lately, there has been an increased focus on the environment and on the threat of so-called *global warming*. The government tries to inspire people into taking more care of the environment by polluting less. Factories, or power plants, can not be operated if their emissions are too high. This is the case in the Western world. However, in developing countries there are still factories with enormous pollution of CO₂ but these are not instructed nor requested to be more environmental friendly. Furthermore, more and more airplanes pollute the sky, and ships poison the sea. Like global ecological issues, global health problems have also caused insecurity in the world today. Global transmission of diseases like HIV and SARS kill vast amounts of people every year. Greater global mobility has also increased the spread of cholera, malaria and tuberculosis. However, even though globalization has experienced a spread of illnesses and diseases, the flow of information has also cured people from diseases. Free flow of medicines, disease information, and technologies has helped treating a lot of illnesses in the whole world. Scientists from countries all over the globe are trying to find a cure for AIDS. Globalization has also caused financial instability. Finance capital has been available for investments across the planet, and the sums and speeds of transactions have

implied "... greater risks of large and rapid movements in the values of currencies, securities and derivatives" (ibid. p 294).

Hyperglobalists argue that globalization is happening, and the positive globalists believe that globalization is a good thing. Positive globalists believe that globalization itself has not caused insecurity for the people in the world, and that globalization in total has more benefits than difficulties. They further argue that diseases like SARS have killed fewer people than was foreseen, and that "... aeroplane crashes and terrorist attacks have killed far fewer people than the barrage of often lurid media coverage would suggest" (ibid. p 311). Pessimistic globalists, however, do not dispute globalization as an occurring phenomenon, but they argue that globalization has ensured less security in the world. They think, for instance, that increased globalization is the reason for increased warfare, crime, global warming, health problems and financial instability. Sceptics, on the other hand, are denying the existence of globalization. They also witness a growing insecurity in the world, but they believe that the reason for this is the increasing clustering of the world into large trading blocs. Since they believe that most economic and social activities are regional, and not global, they argue that nation states also have a responsibility when it comes to decreased security. Finally, transformationalists believe in globalization, but they also think that the nation states will remain. Decreased security is therefore a result of globalization, but also a result of the nation states.

2.5.5. Globalization and equality

Inequality is another controversy in the debate on globalization. Some argue that globalization has caused more inequalities within the population. This can be class inequalities, country inequalities, and gender inequalities. Class refers to "... the division of a population in respect of different roles in the production process" (ibid. p 320) and class diversity is considered unfair when class creates unequal life chances. Inequalities between classes existed long before the globalization we have today, but many argue that these inequalities have increased with globalization. Country inequalities refer to specific countries, which are discriminated compared to other countries. For instance, the Third World countries are discriminated by the Western world. This discrimination is also argued being the result of globalization because the Western world can create barriers for the poor countries in the "free" flow of information, investments, products, services, and labor. Finally, the question of gender inequalities is important when discussing globalization. This is especially emphasized in the feminism

theory, and it is believed that men are favored over women. The inequalities of genders are related to the inequalities between countries, and there are mainly larger differences between genders in developing countries than in developed countries like the Western world. This is also connected to religion and the view on gender in the specific religion.

Hyperglobalists see the connection between globalization and equality, and they believe that globalization will make everyone better off. In countries where women were previously not allowed to work, one can now see more and more firms offering women paid employments. Furthermore, global social movements have placed much emphasis on gender equality issues and on racial equality issues. Human rights are also being focused on by global regimes, resulting in a better life for many people. The sceptics are, conversely, not as excited as the positive globalists. They think that the attempt on globalization, with help from the WTO and the IMF, has increased the differences between classes, countries, races, and genders. Feminists argue that globalization has caused larger inequalities in gender, because "... women are said to have had less access than men to global communications networks, global financial markets, global corporate management, and global governance institutions" (ibid. p 33). Transformationalists believe that the truth lies in between the view of the hyperglobalists and the view of the sceptics. They believe that globalization is potentially good for equality, but that it must be used in the right way in order to result in benefits for people regarding equality of classes, countries, and genders.

2.6. Trading blocs and barriers

Critics argue that the world is not growing more global, but is increasingly separated into large trading blocs, like the European Union, the Free Trade Area of the Americas, the Asia-Pacific Economic Cooperation, and the African Union. These trading blocs will be described in the next paragraphs, together with a presentation of the various barriers, which are attached to them. It can be argued whether barriers can be considered ethical or not. In one way, barriers are created to protect certain countries or people from too fierce competition on production, labor force etc. In another way, barriers can be regarded unfair by the people or countries that experience to have the barriers against them.

2.6.1. The European Union

The European Union (EU) was established in 1957 by six Western European countries; Belgium, France, Italy, Luxembourg, the Netherlands, and Western Germany. Today, the EU consists of 27 member states from both Western and Eastern Europe. The expansion of the EU towards east indicated a reunited Europe after periods with war. The first member states originally wanted to remove tariffs, quotas, and other obstacles for free trade between the member countries. They proposed a common custom tariff and a common trade politic towards third countries, and to remove all obstacles for the free trade of goods, services, capital and people between the member states. Furthermore, a common farming-, transportation-, and economic politic should be introduced, and the member states were supposed to harmonize their laws. Discrimination because of nationality was forbidden. From 1985, the EU began realizing their ideals of a free market and it was formally established in 1993 even though not all goals were fulfilled. The EEC agreement was established in 1989, and this included Norway, Iceland, and Liechtenstein in addition to the EU countries. These countries were then allowed access to the free market. However, countries that are not members of the EU can experience large barriers when trading with EU countries, or what some call a “Fortress Europe” (Deresky, 2006, p 6). In 2002, the Euro was introduced to most of the member states, indicating a European Monetary Union (EMU). Even though the member states of the EU share a common economic politic, the individual countries are concerned of not “... giving up too much power to centralized institutions or of giving up their national cultures” (ibid.).

2.6.2. The Free Trade Area of the Americas

The North American Free Trade Agreement (NAFTA) was founded in 1992 and was a trade pact “... that would gradually eliminate most tariffs and other trade barriers on products and services passing between the United States, Canada, and Mexico” (Encyclopædia Britannica Online, 2007d). This trading bloc was inspired by the EU and has become one of the largest trade areas in the world. “[F]aster growth, more jobs, better working conditions, and a cleaner environment for all as result of increased exports and trade” (Deresky, 2006, p 7), was a goal for the organization. NAFTA was later expanded into the FTAA (Free Trade Area of the Americas) including 34 countries on the American continent, which involves all countries except from Cuba. The goal of the FTAA is to increase the economical growth and reduce poverty by removing barriers for trade and cooperation between the member countries. However, the free trade process has met resistance in the Latin American countries because of

fear of US dominance. Similar to the EU, this union also includes free trade between the member countries but creates barriers for countries outside of the FTAA.

2.6.3. The Asia-Pacific Economic Cooperation

The Asia-Pacific Economic Cooperation (APEC) is an “organization that seeks to promote free trade and economic cooperation throughout the Asia-Pacific region” (Encyclopædia Britannica Online, 2007e). It was established in 1989 as a response to the EU and the FTAA (then known as NAFTA) and consisted then of 12 founding member states. These member countries were Australia, Brunei, Canada, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and the United States. In the end of 1990, APEC was expanded to also include Chile, China, Hong Kong, Mexico, Papua New Guinea, Peru, Russia, Taiwan and Vietnam. APEC was originally established in order to “... raise living standards and education levels through sustainable economic growth and to foster a sense of community and an appreciation of shared interests among Asia-Pacific countries” (ibid.). The goal of APEC is to achieve a free trade and investment system in the Asia-Pacific area within 2010. Some countries, like Canada and the US, are members of both FTAA and APEC and have therefore great advantages for trading both on the American continent and in the Asia-Pacific area.

2.6.4. African Union

Organization of African Unity (OAU) was established in 1963 with activities like diplomacy, mediation of boundary conflicts and regional and civil wars, and research in economics and communication (Encyclopædia Britannica Online, 2007f). The OAU was replaced by the African Union (AU) in 2002. The goal of the AU was to “... promote unity and solidarity of African states, to spur economic development, and to promote international cooperation” (ibid.). The AU consists of 53 member states. This includes all African independent countries, except from Morocco, in addition to Western Sahara. Inspired by the European Union, the AU is more economic in its nature than was the OAU. It contains a central bank, a court of justice, and an all-Africa parliament. The organization also holds a peacekeeping force, the African Standby Force, which consists of 15.000 soldiers. However, even though Africa has its own union, the continent is often excluded from trading with the rest of the world. The EU and the FTAA often operate with so high tariffs and other barriers, that African countries have no chance to compete with member countries of the EU or the FTAA. Therefore, many argue that the phenomenon of globalization does not include Africa and can therefore not be called

globalization. In addition to these barriers on a macro level, there are also several barriers on a micro level against trade with Africa. This entails resistance in the people against African products because some people think that African products have lower quality than products from for instance Europe or North America.

2.7. What drives globalization?

There are several factors driving globalization. An open market, capitalism, imposing of Western cultures, and power are four important incentives, which will be further discussed in the next paragraphs.

2.7.1. An open market as a motivation for globalization

To begin with, globalization was explained as a weather system blowing winds from one part of the world to another without boundaries. In reality, this is not the case yet. Large trading unions like the EU and the FTAA have set up tariff walls in order to protect the free trade within the unions. This causes problems for countries outside the union, which want to trade with countries within the union. An important incentive for globalization is that information, money and investments, products and services, and people can flow freely from country to country (Falkenberg, 2007c, p 18). These factors will be further discussed in the next paragraphs, and can be shown in figure 3, which is developed by Falkenberg.

Figure 3: Globalized exchange facilitation (sourcing): “blowing winds from high pressure to low pressure”

| Freedom of flow... | Information: research & news | Money & investments | Products & services | People: experts & migration |
|---|------------------------------|---------------------|---------------------|-----------------------------|
| Macro institutions International level | | | | |
| Messo institutions National level | | | | |
| Micro institutions Local culture | | | | |

Source: Falkenberg, 2007c, p 18.

Information and research are probably the elements best suited to easily flow from country to country. Information, for instance, flows through the Internet, and people who have access to the Internet have therefore also access to the information. However, this has some exceptions. In China, for example, there has been put up barriers on the search engine, Google, which in turn reduces the information flow. Also in Turkey there has been put up barriers against the popular web page YouTube. These restrictions are results of the lack of freedom of speech in many countries. Nevertheless, in most cases there are not many arguments why information and research should not be allowed to flow freely in the world. Information concerning diseases like AIDS is important to send out to as many people as possible in order to slow down the diffusion. The same goes for free flow of research. It is, for instance, important that research within medicine can be used by as many doctors and hospitals as possible.

On the question of free flow of money and investments, there are divided opinions whether free flow is a positive or a negative thing. When rich people from the Western world are going to invest their money, they often invest them in, for instance, factories in developing countries. Some argue that this tendency has a positive influence on the specific society in which he or she has invested in, because it employs the local inhabitants and contributes to build up the community. Others, however, think that this is negative for the local society. This is because they claim that these plants take advantage of cheap labor, and in some cases also child labor. The critics argue that this is not contributing to build up the community, but rather results in worse living conditions for the inhabitants.

There exists a free flow of products and services between some countries today, but mainly within unions. Although Norway, Iceland, and Liechtenstein are not members of the EU, they are member of the EEC agreement. These countries have therefore a relatively free flow of goods, services, capital and people with the member countries of the EU. Services will probably flow easier than tangible products. One can argue that there should be free flow of products and services because the market powers should rule. According to Adam Smith's *invisible hand*, the market powers will adjust supply and demand. If barriers exist, these will disturb this natural force and cause disequilibria between supply and demand. The critics will, however, argue that there indeed should exist boundaries in order to protect one's home market. Otherwise the home market will be out priced by other countries, which are able to produce the same products and services at a lower cost.

The final factor in this discussion of globalization, is people. In several countries today, including Norway, cheap labor from Eastern Europe is increasingly taking over the jobs of the natives. Also here there are divided opinions concerning the moral and practical questions of free flow of labor. Eastern Europeans get much better paid in countries like Norway than they would have if they did the same work in their home countries. Since we all live in the same world, many believe that it is a human right for people to work where they would like to, as long as they are law-abiding workers who perform their work well and behave properly. Others, however, think that these workers get their jobs at the expense of, for instance, Norwegian workers. There are not many countries where the salaries are as good as in Norway. Many argue that because of this inequality, it can be necessary for Norwegians to accept smaller salaries in order to keep their jobs. Others argue that Norwegian firms should pay their Eastern European workers the same high payments as they pay their Norwegian workers in order to avoid this so-called social dumping.

Falkenberg (2007c) also describes three different levels of institutions in his model (figure 3). These are macro (international level), meso (national level) and micro (local level). Institutions at the macro level are for instance the WTO, the EU, and traditions present in industries like the shipping industry and the oil industry (Falkenberg, 2007b, p 2). Here, the exchange of the four units (information, money and capital, products and services, and people) is controlled by these international organizations. At the meso level, the flow of the four units is controlled by "... institutions associated with the governance of each country. These include the local political, economic and legal systems, which may or may not present obstacles to trade and investments" (ibid.). Finally, at the micro level, institutions in local cultures have an impact on the flow of the four units. "These are the local traffic rules of behavior: values, preferences, expectations and definitions of right and wrong and the like" (ibid. p 3).

2.7.2. Capitalism as a locus for globalization

"Capitalism is at the heart of the neoliberal ideology, being a system of economic and social organization based on private ownership of the means of production, and the separation of the economy and the state" (Schirato and Webb, 2003, p 79).

Capitalism has furthermore been defined by Adam Smith as "... a system that eliminated all need for a sovereign power in the economic realm, replacing the visible hand of the absolutist

or mercantilist state with the invisible hand of the market” (Foster, 2001, p 2). Today this invisible hand has been globalized so that the “... sovereign power of nation states over their territorial domains themselves has been vastly diminished” (ibid.). Capitalism produces wealth for a large number of people, but many people have also suffered. “The gap between rich and poor has widened as global capitalism has expanded” (Encyclopedia of informal education, 2007). This statement can, though, be discussed. Some argue that the poor, in fact, have become less poor since capitalism has opened up for new opportunities for them in order to obtain paid employments. Schirato and Webb (2003) argue that capitalism operates through the creation of surplus value. “Surplus value is created when the value of production exceeds labour and other associated costs” (Schirato and Webb, 2003, p 74). Foster (2001) discusses the term *monopoly capitalism* in his work. Monopoly capitalism, which is frequently used within Marxian economists, can be described as “... the stage of capitalism dominated by large corporations” (Foster, 2001, p 3). This represents a capitalism where free competition is history, and with “... global militarism and imperialism ...” (ibid. p 11). Monopoly capitalism therefore represents centralized power to the large corporations. This is the fear of several pessimistic globalists.

High productivity is an important incentive for globalization in relation to capitalism. The same is valid for high efficiency. As described earlier, efficiency means to receive more output out of less input. This creates incentives for corporations to take advantage of cheap labor and raw materials. Trade between countries helps the globalization process. If two countries have their own specialties, trade will most often benefit both countries. This can, for instance, be trade of Norwegian salmon in exchange for French wine. Furthermore, high efficiency often implies the need for multinational companies. These companies play an important role in the globalization process. The danger is to give them all the power. This is described above as monopoly capitalism. When large chains of stores like Wal Mart want to establish in local communities, they often meet strong protests from local firms, who fear that Wal Mart will out price them because of Wal Mart’s advantages of large scale production. This meets critique because some argue that “... after the international firm drives out the local competition it uses its monopoly power to raise prices” (Stiglitz, 2002, p 68). In this way, the low price benefits were short termed. According to the Encyclopedia of informal education (2007), multinational companies can impact communities in different ways. First, they establish operations in countries or regions where they can use cheap labor and resources. Second, they seek out new or un-exploited markets. The third way in which

multinational firms can impact communities is the erosion of public space by corporate activities. Instead of having public spaces where people can use their leisure, these areas are now rented out to the highest bidder. Fourth, multinational companies have considerable influence on some national governments and in transnational organizations like the EU and the World Bank. Some argue that there has been a shift in power from the nation state to multinational corporations. These four reasons are results of capitalism where the corporation seeks to maximize its profits, and they are all driving the phenomenon of globalization. As Schirato and Webb put it: “[t]he long-term goal of capital is the capitalization of the entire world” (Schirato and Webb, 2003, p 74).

2.7.3. Imposing Western cultures on the third world

Some argue that globalization is synonymous to westernization. They think that the imposing of Western cultures on the third world is a drive for globalization. As Tomlinson puts it in his article:

“The culture that is currently emerging via globalisation is not a global culture in the utopian sense. It is not a culture that has arisen out of the common experiences and needs of all of humanity and it does not represent a confluence of divergent cultural practices. It does not draw equally on the world’s many cultural traditions. It is neither inclusive, integrative, pluralist, balanced nor, in the best sense, synthesising. Rather, globalised culture is the enforced installation, world-wide, of one particular culture, born out of one particular, privileged historical experience. It is, in short, simply the global extension of *Western* culture” (Tomlinson, 1996, p 25).

This is also called cultural imperialism. Furthermore, these implications and the reasons of critical concern can be understood in four ways. First, the process is seen as homogenizing. Second, it visits the cultural troubles of the West. Third, both these tendencies are seen as particular threats to the traditional cultures of the third world. Finally, the process is viewed as a part of wider forms of domination (ibid.). Through TV programs like Sesame Street, food chains like McDonalds, and clothing brands like Nike, the whole world is influenced by Western cultures. Anthony Giddens argues in his book, *Runaway World*, that “... globalization is led from the west, bearing “the strong imprint of American political and economic power” (Lee, 2002, p 1). Lee further writes:

“As we look around us today, at the clothes and shoes we are wearing, the brand of make-up and perfume, and the fact that we use make-up and perfume, speaks volumes for the close-likeness of lifestyle, globalisation, westernisation and colonisation, all seemingly very much the same animal, evolving over time” (ibid.).

This can also be said to be a drive mechanism for globalization. The Western world thinks that when transforming the third world into having a more Western culture, they will also gain more power. Power as a drive for globalization will be discussed further in the next paragraph.

2.7.4. Power as a drive for globalization

According to hyperglobalists, the power of national governments will decline as globalization increases. One consequence is that national governments lose their power to direct and influence their economies. Shifts in economic activity in, for instance, the US will therefore affect countries in the whole world. The European Union has a lot of power over its member countries, and the largest member countries will have more power than the smaller member countries. Since the EU also is a monetary union where most of the member states have the Euro as their common currency, the individual countries can no longer use their rates to direct their economy. Institutions such as the European Central Bank involve new constraints and requirements for the member states of the EU, and they have accordingly much centralized power. A consequence of this is increasing inequalities, for instance in share of income.

“A small minority (maybe 10 %) of the global population today consumes about 80 % of the world’s food and energy resources. The vast majority of the world’s people (especially infants or the old) suffer, starve, even die, as a *direct* consequence of the minority’s greed” (Patience, 2001, p 6). Michel Foucault draws heavily on the subject of power. He describes power as a “... net-like structure ...” (Bilton, 2002, p 195). Furthermore, “Foucault saw power in a micro way, finding it present in all social relationships and operating in specific ways in various institutional settings ...” (ibid. p 196). He saw power and resistance as important factors in the networks of social relations, and meant that power worked through communication in order to form popular attitudes towards phenomena like crime and sexuality. These attitudes were created by people with power or authority, who people look up to. In this way “... discourses can be used as a powerful tool to restrict alternative ways of thinking or speaking” (Giddens, 2001, p 676). In the context of globalization, this means that developed countries with power and authority, like the US, can have much power over countries, which are

impressed by the US and believe that they have more knowledge than themselves. Institutions like WTO, IMF, and the World Bank are very powerful when it comes to affecting the world economy. Also, the European Union, the Free Trade Area of the Americas, and the G8 government are organizations, which have enormous power in the society. Relatively new and poor member states of the EU, like the Baltic countries and other Eastern European countries, are dominated by the rules and laws of the EU, even though these countries are very different from other more powerful countries in the EU, like Germany and France. Furthermore, they have almost zero influence on the union. Power flows thus mostly only one way. The most powerful countries can easily dominate poor countries, especially countries of the third world, and this can motivate the powerful states towards increased globalization.

Chapter 3: Model for Analysis

The model, which will be used for the interview guide and for the analysis will partly be based on figure 3 in the theory chapter, developed by Falkenberg (2007c), and partly be based on the five controversies described in the theory chapter (chapter 2.5) in addition to the question of barriers (chapter 2.6).

The first part of the model for analysis is Falkenberg’s (2007c) model (figure 3). Falkenberg’s model consists of the four freedoms of flow, which are: information, money and investments, products and services, and people, combined with three levels of institutions. The three levels of institutions are macro institutions (international level), meso institutions (national level), and micro institutions (local culture).

The second part of the model for analysis, includes the five controversies in addition to barriers. The five controversies consist of culture (discussed by Bilton (2002), Giddens (2001), and Held (2004)), politic (discussed by Bilton (2002), Giddens (2001), Held (2004), and Scholte (2005)), economy (discussed by Bilton (2002) and Held (2004)), security (discussed by Giddens (2001) and Scholte (2005)), and equality (discussed by Giddens (2001) and Scholte (2005)). These controversies are heavily debated in the discussion on globalization. Finally, barriers are discussed in order to see which barriers that prevent the free flow of the four units in Falkenberg’s (2007c) model.

Figure 4: Model for analysis

| Free flow of units | Information and research | Capital and investments | Products and services | People (labor) |
|----------------------|---------------------------------|--------------------------------|------------------------------|-----------------------|
| <i>Controversies</i> | | | | |
| Culture | | | | |
| Politic | | | | |
| Economy | | | | |
| Security | | | | |
| Equality | | | | |
| Barriers | | | | |

In figure 4 the free flow of Falkenberg's four freedoms are connected to the five controversies, debated by Bilton, Giddens, Held, and Scholte, in addition to barriers. In this way, one can find out how a freer flow of the four units will impact the specific controversies. For instance, one can check whether and/or how a freer flow of products and services has an impact on the economical aspect of the specific firm or employee.

Chapter 4: Methodology

4.1. Defining methodology

This chapter will describe the method used to solve the problem. A definition on the concept of method can be: “A means or manner of procedure, especially a regular and systematic way of accomplishing something” (Answers.com, 2007). The method specifies the procedures, which shall be used to describe the reality. Green and Tull use the following definition on marketing research: “Marketing research is the systematic and objective search for and analysis of information relevant to the identification and solution of any problem in the field of marketing” (Green and Tull, 1975, p 4).

4.2. The method’s four problems

According to Jacobsen (2003), there are four problems tied to methods. These will be explained next.

4.2.1. Inductive or deductive data collection

The first problem is whether to use an inductive or a deductive data collection. An inductive data collection goes from empiricism to theory, while a deductive data collection goes from theory to empiricism. This thesis applies a deductive data collection since it first explains relevant theories, and then collects empirical data that are based on the theory.

4.2.2. Individualistic or holistic approach

The second problem is whether to use an individualistic or a holistic approach. An individualistic approach implies that the individual person is the most important data source. Two methods, which are tied to this approach, are supervised experiments and large sample examinations. A holistic approach involves that phenomenon must be seen as a complex interaction between individuals and the special context they are included in. Observation in natural connections is a common method tied to this approach. As for this thesis, the holistic approach will probably be the most interesting one. A person can act very differently depending on whether he or she is at work, together with his or her family, or on a holiday. In this assignment, one shall look at how individuals believe globalization has had an impact on the local society, in which they work. This is a specific context, and the thesis has therefore mainly a holistic approach. However, all examinations have their blind spots and no research worker have the opportunity to collect all information.

4.2.3. Closeness or distance

Closeness versus distance is the third problem. This concerns whether the distance between the researcher and the research object is large or small. Some argue that the ideal answer to this is that there should be a certain distance between the researcher and the research object. In this way the examination will remain objective. However, critics argue that this will never be possible since it is not possible to remove the relation between the researcher and the research object completely. Others argue that closeness is better than distance because the researcher then can go deeper in the research object's understanding and interpretation of the issue. In this thesis, there will be closeness between the researcher and the research object because the researcher will have personal interviews with the research objects.

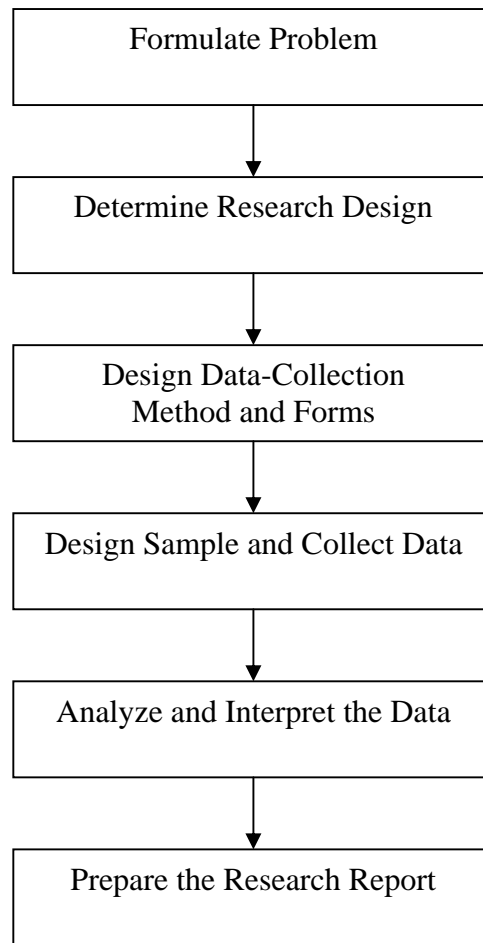
4.2.4. Qualitative or quantitative research

The final problem concerns whether one shall use words or numbers. This is a question of qualitative versus quantitative research. The qualitative method concerns how people interpret the social reality. Field work and open interviews are common qualitative methods. The quantitative method is based on how the social reality can be measured by using methods and instruments, which can give us information in the shape of numbers. The information can further be analyzed through statistical techniques. A typical quantitative measure instrument is the questionnaire. As for this thesis, the research will mainly be qualitative since the idea is to conduct personal interviews with people working in various corporations in Farsund. Also the analysis and the conclusion will be characterized by a qualitative interpretation.

4.3. The research process

Churchill (1999) describes six phases, which the research paper must go through. In each of these phases, the researcher must be concerned with validity and reliability. The first two phases will be the same, no matter whether we choose a quantitative or a qualitative method. The rest of the phases, however, will differ depending on which method one chooses. As for this research there will be used a qualitative method. The research process is illustrated in figure 5, and will be further explained below.

Figure 5: The research process



Source: Churchill, 1999, p 64.

4.3.1. Problem formulation

In phase one, the problem definition must be developed. As will be explained in the *research design* paragraph, the problem definition in this thesis is exploratory. Furthermore, it is vital to decide between using a clear or an unclear problem definition. The problem definition used for this thesis is relatively open and unclear.

4.3.2. Research design

In the second phase one shall choose research design. “A research design is simply the framework or plan for a study, used as a guide in collecting and analyzing data” (Churchill, 1999, p 98). Research design depends on two factors. The first one is whether the study is extensive or intensive. This is also a question of breadth versus depth. While an extensive study concerns how many units one will examine, an intensive study concerns how we want

to approach the specific phenomenon we wish to examine. This thesis will use intensive research since it tries to collect information through personal in-depth interviews with relatively few interview objects. The second factor of the research design is whether the study is exploratory, descriptive or causal. In an exploratory research, the emphasis is usually on the discovery of ideas and insights. The problem here is often unclear and open. The descriptive research concerns more about the frequency with which something occurs or the relationship between two variables. Finally, a causal research is concerned with so-called cause-and-effect relationships. Both for descriptive and causal research design, the problems are well explained and well structured. In this thesis, the purpose is to explore how globalization affects local communities. This is an exploratory study because the purpose is to know more about the phenomenon of globalization and how it affects local communities. Exploratory research is flexible, unstructured, and qualitative, which will be reflected in the conduction of personal interviews. Moreover, when using an exploratory research, the hypotheses are usually vaguely formulated or non-existing.

4.3.3. Data collection method and form

The third phase deals with what kind of data to gather. Firstly, this is a question of qualitative data versus quantitative data, which is discussed earlier as the method's fourth problem. Secondly, this is also a question of primary data versus secondary data. It is important to know whether one shall collect information directly from people or groups of people (primary data), or if one shall rely on information, which is already provided by others (secondary data). Primary data is gathered by using methods like interviews, observations, or questionnaires. Historical research, however, must be based on secondary data since this is information, which lies back in time. It is important to make use of reliable sources when utilizing secondary data. According to Jacobsen (2003), it will often be ideal to use both primary and secondary data since there always will be errors attached to using only one type of data. As already explained, there will be used mainly qualitative data in this thesis. Furthermore, this thesis focuses mainly on primary data. There has not been done much previous research on the exact problem of this thesis, and it is therefore necessary to focus on primary data collected directly from the research objects. Qualitative data can be collected through personal interviews, focus groups, case-studies or observations. In this thesis it will be most fruitful to collect the data by using personal interviews. Personal interviews can be structured, semi-structured or unstructured. Structured interviews use fixed alternative responses while unstructured interviews will give maximum freedom to the interview object.

In semi-structured interviews, the interviewer attempts to cover some topics but “[t]he timing, exact wording, and time allocated to each question area are left to the interviewer’s discretion” (Aaker et al, 2001, p 187). Since this research design is exploratory with a relatively open problem definition, the interviews will be semi-structured. In this way, the interview objects have the freedom of saying what they want but they have to stay within some specific topics.

Next, an interview guide was created. Since the interviews are semi-structured, an interview guide is a good, qualitative tool, which covers up the main issues one want to cover. The interview guide is, however, relatively open and the interview objects are allowed to speak rather freely within these issues. The interview guide used for this thesis is based on the theory on globalization. It was furthermore based on a model, which connected the elements of free flow to the various controversies related to globalization. This model is shown in chapter 3. The interview guide is divided into three parts. The first part is an introduction to the interview and covers a couple of general questions related to globalization. The second part is the main part, and this is strongly related to the model explained in chapter 3. This part connects the elements of free flow to the controversies related to globalization. The controversies are used as headings and ask whether, and in what way a freer flow of the four elements has had an influence on this subject. The third and final part of the interview guide is a conclusion, which states whether the interview objects believe globalization has had a positive or a negative impact on their firms or employees.

4.3.4. Sample design and data collection

After choosing data collection method and form, the fourth phase can begin. Here one decides how to choose the units from whom one shall collect data. Since the method in this thesis is qualitative, the way of gathering data will be through personal semi-structured interviews with selected interview objects from four groups of people in Farsund. These groups are the employees, the farmers, the Norwegian-owned corporations, and the international corporations. Sample techniques can be divided into probability samples and nonprobability samples. For probability samples, each population element has a known, nonzero chance of being included in the sample. For nonprobability samples there is no way of estimating the probability that any population element will be included in the sample. For this thesis, there will be used a nonprobability sample because this involves personal judgment in the selection process. Interview objects are not chosen arbitrarily. Nonprobability samples can further be

divided into convenience samples, judgment samples, and quota samples. Convenience samples are also called accidental samples because they are, by coincidence, where the information for the study is being collected. Judgment samples are also called purposive samples, and these sample elements are handpicked "... because it is expected that they can serve the research purpose" (Churchill, 1999, p 503). They are selected because they can represent the population of interest. Finally, quota samples are to select sample elements such that it reflects certain relations in the total population. This can for instance be that the sample should consist of 50 % men and 50 % women. Since the interview objects in this thesis are handpicked by the researcher, there will be used a judgment sample. Next, one must decide the sample size. This depends on several factors, for instance population size. The population in this case is people working in corporations in Farsund, who are affected by globalization in one way or another. This is a relatively small population and since the data collection method is personal in-depth interviews, the sample size will be quite small. In total there are 12 interview objects. These are distributed on the four groups of people in the following way: 2 of the interview objects are representatives for the employees, 3 are representatives for the farmers, 4 are representatives for the Norwegian-owned corporations, and 3 are representatives for the international corporations. Table 1 shows the interview objects used in this thesis.

Table 1 – Interview objects (all interviews are personal in-depth interviews)

| Group | Firm | Interview object | Position |
|-----------------|----------------------------|-------------------|--|
| Employees | Farsund Local Government | Olaf Eikeland | Director of personnel |
| Employees | Lista Kjemiske Fagforening | Jan Atle Toft | General manager |
| Agriculture | Farsund Local Government | Aud Irene Vatland | Director of agriculture |
| Agriculture | Farming | Einar Duvold | Dairy farmer and vice-president of Vest-Agder Bondelag |
| Agriculture | Farming | Odd Harald Reve | Dairy farmer and former president of Vest-Agder Bondelag |
| Norwegian firms | Kjell Ore AS | Tor Adolfsen | Finance manager, customer responsible, and safety leader |
| Norwegian firms | ABC-Metall | Markvald Hole | Owner and board member |
| Norwegian firms | Farsund Næringssselskap | Almar Friestad | General manager |

| | | | |
|---------------------|------------------------------|-------------------|-------------------|
| Norwegian firms | Sørlandets Industrisenter | Svein Skårdal | General manager |
| International firms | Alcoa Automotive Castings | Ove Norseth | Finance manager |
| International firms | Bredero Shaw Norway | Harald Guttormsen | Operation manager |
| International firms | Elkem Aluminium Lista | Kai Rune Heggland | General manager |

4.3.5. Data analysis and interpretation

When the data are collected, the data must be analyzed and interpreted. First, the data-collection forms must be edited. This means that the forms must be scanned in order to see that they are complete and consistent. Notes were taken during the interviews and these were written in more details after the specific interviews were conducted. Since the interview objects were all speaking Norwegian, the interviews were carried out in Norwegian and so were the notes that were made. Finally, the data are translated into English, and put into charts so that they are orderly arranged. In this way, the results could easily be compared.

4.3.6. Preparation of the research report

The final phase in the research process is to prepare the research report. “The research report is the document submitted to management that summarizes the research results and conclusions” (ibid. p 66). In this thesis, the analysis will lead to a conclusion. Then there will be written a summary of the report, which will be introduced in the very beginning of this thesis.

4.4. Limitations

This paragraph will describe some of the limitations attached to the research method used in this thesis. It is important to emphasize that there are two major claims to the examination. Firstly, the examination has to have validity. Secondly, the examination has to be reliable. These concepts will be further discussed below.

4.4.1. Validity

“Validity is synonymous with accuracy or correctness” (ibid. p 452). According to Aaker, “[a]n attitude measure has validity if it measures what it is supposed to measure” (Aaker et al, 2001, p 293). Validity can be divided into internal and external validity. Internal validity

questions the connection between two variables and whether there can be other explanations to the observed relation between these variables. In this thesis, the main problem is to find out whether the interview objects believe globalization has a positive or negative influence on their firm or employees. The question of internal validity is, in this case, that the research measures which influence *globalization* has on their firm, and not whether it measures which influence a third variable has on the firm. This problem has partly been solved in this thesis by using several questions on each issue and by asking the respondents to explain their answers thoroughly. External validity concerns whether the answers from the interview objects can be related to other persons who were not in the examination. Since the interview objects in this thesis are relatively few and they are non-randomly chosen, there will be a chance that the research has not external validity. However, the interview objects are carefully chosen and believed to possess much knowledge about the issues examined. Qualified representatives are chosen to represent each groups examined in this thesis. Two representatives are chosen to speak for the employees in Farsund. These are the director of personnel in the local government of Farsund, who represents approximately 1700 employees, and the manager of the labor union LKF, who represents approximately 300 employees. When it comes to farmers, the total number of farmers in Farsund is 180. It would not be possible to interview all these farmers, but the representatives chosen are farmers who are believed to function as spokespersons for other farmers since they both are, or have been, active in unions like Vest-Agder Bondelag. Additionally, the director of agriculture in Farsund local government is interviewed. Representatives of two specific Norwegian firms are chosen as interview objects. Two additional representatives are also selected, and these persons represent almost every Norwegian companies located in Farsund. There are only three international firms in Farsund, and representatives for all these companies are interviewed. They therefore represent the whole population of this group in Farsund. Probably, they also represent international firms in other local communities in Norway.

4.4.2. Reliability

“By reliability the behavioral scientist is interested in the extent to which the scaling results are free from experimental error” (Green and Tull, 1975, p 203). This implies that the examination is correct, and that it is based on reliable sources. Reliability is necessary in research methods, but not as important as validity. Furthermore, it is not a sufficient condition for validity. Validity is, however, a sufficient condition for reliability since an examination can not be reliable without being valid. Reliability is important related to the measure

instrument, the data collection, and the data processing. Reliability related to the measure instrument concerns the quality of what we measure. A good indicator that the measuring instrument is reliable, is that the respondents have the same answer. For this thesis, it is important that the respondents within the same group have similar answer to the questions. Reliability for the data collection in this thesis concerns whether the interviewer really has conducted the interviews with the interview objects, and not filled the answers out him or herself. Since the author of this thesis conducts all the interviews herself, this will not be a problem for this thesis. When it comes to reliability of the data processing, this concerns errors when putting the data into the data base. This risk can, however, be reduced by being thorough and by double checking the data.

4.4.3. Other limitations

Other limitations concerning the method used in this thesis, is the fact that the interviews were conducted in Norwegian and then translated into English. This may result in some meanings being “lost in translation”. Furthermore, there were conducted 12 interviews. In order to be sure that the conclusion was valid for the whole population, more interview objects could have been examined. However, this would have demanded much more time for the thesis. There is also a risk that the interview objects do not answer what they really mean about the different issues of globalization because they fear that it is not a political correct answer. When using semi-structured interviews, there is also always a chance that so-called “leading questions” will be asked. This is, however, tried avoided by asking relatively open questions where the interview objects are allowed to speak freely. Finally, a limitation is related to the fact that the thesis has used Farsund as a representative for all local communities in Norway. Local communities was defined in the introduction to mean a community like Farsund. However, Norwegian communities are all different. Farsund is a community, which is characterized by agriculture and industrial plants. Other local communities in Norway are, for instance, characterized by fishing, and they have therefore other perceptions of globalization. It would not have been possible to investigate all communities in Norway, and it was therefore necessary to choose one and look at this one in depth. Farsund was a natural choice since the author of this thesis was born and raised in this town.

4.5. Summary of Methods

To begin with, the method’s four problems were described. It was important to solve these problems in order to choose a good method for this thesis. For this thesis there will be used a

deductive data collection and there will also be applied a holistic approach. Furthermore, there will be closeness between the researcher and the research object due to practical reasons, and the thesis will mainly consist of qualitative research.

This study is mostly an exploratory and extensive study. The sample consists of 12 interview objects distributed on 4 groups, which are representatives for employees, representatives for farmers, representatives for Norwegian companies, and representatives for international companies. This thesis will consist of mostly qualitative, primary data, and personal in-depth interviews will be used. The data will then be analyzed and interpreted before preparing them in the conclusion and in the summary.

A shortened copy of the interview guide is shown in 4.5.1. This interview guide has a basis in the model in chapter 3, which combines the four units of free flow (information and research, investments and capital, products and services, and labor) to the controversies discussed in the theory chapter (culture, politic, economy, equality, and security). In addition, barriers are included to see what kinds of barriers that still exist, and whether these barriers are desirable or not for the interview objects. The interview guide tries to find out how a freer flow of the four units has influenced the controversies in the various companies. As mentioned, this is a shortened copy of the interview guide. The original one has several supplementary questions to most of the main questions, in order to make sure that the interview objects have thoroughly justified their answers and that the answers are understood by the interviewer. It is also important to emphasize that the original interview guide was written in Norwegian and that the shortened copy is translated into English. There is therefore a risk that the questions can have a somewhat different meaning in the shortened copy, compared to the original interview guide.

4.5.1. Interview guide

Part 1: Introduction

1. What does globalization mean to you?
2. Do you think globalization has had an influence on how your company has developed from it was established until today?

Part 2: Main part: The impact of globalization on 6 factors

Culture

3. How will you describe the organization culture in your company?
4. Do you think a freer flow of information and research has had an impact on the organization culture in your company?
5. Has a freer flow of investments and capital had an influence on the organization culture in your company?
6. Do you think a freer flow of products and services has had an impact on the organization culture in your company?
7. Has a freer flow of labor had an impact on the organization culture in your company?
8. Are there any unions, which have influenced the organization culture in your company? (for instance the EU, the FTAA)

Politic

9. How will you describe the political aspect in your company?
10. Has a freer flow of information and research had an impact on the political aspect in your company?
11. Do you think a freer flow of investments and capital has had an impact on the political aspect in your company?
12. Do you think a freer flow of products and services has had an influence on the political aspect in your company?
13. Has a freer flow of labor had an impact on the political aspect in your company?
14. Are there any unions that have had an impact on the political aspect in your company?

Economy

15. Has a freer flow of information and research had an influence on the economical aspect in your company?
16. Do you think a freer flow of investments and capital has had an impact on the economical aspect in your company?
17. Has a freer flow of products and services had an influence on the economical aspect in your company?
18. Do you think a freer flow of labor has had an impact on the economical aspect in your company?

19. Are there any unions, which have had an impact on the economical aspect in your company?

Security

20. How will you describe the security in your company? (Security for health and security for keeping jobs)
21. Do you think a freer flow of information and research has had an impact on the security issues in your company?
22. Has a freer flow of investments and capital had an influence on the security issues in your company?
23. Do you think a freer flow of products and services has had an impact on the security issues in your company?
24. Do you think a freer flow of labor has had an impact on the security issues in your company?
25. Are there any unions that have had an impact on the security issues in your company?

Equality

26. How will you describe the equality in your company? (Between classes, nations, and genders)
27. Do you think a freer flow of information and research has had an impact on the equality in your company?
28. Has a freer flow of investments and capital had an impact on the equality in your company?
29. Do you think a freer flow of products and services has had an influence on the equality in your company?
30. Has a freer flow of labor had an impact on the equality in your company?
31. Are there any unions that have had an impact on the equality in your company?

Barriers

32. Are there any barriers for the free flow of information and research that have influenced your company?
33. Are there any barriers for the free flow of investments and capital that have influenced your company?
34. Are there any barriers for the free flow of products and services that have influenced your company?

35. Are there any barriers for the free flow of labor that have influenced your company?
36. Are there any barriers that you would like to remove in order to allow for a more free flow?
37. Which barriers to free flow do you find desirable?

Part 3: Conclusion

38. Do you think globalization as a whole has had a positive or a negative influence on your company?
39. Are there other aspects of globalization, that I have not mentioned, which you find important?

Chapter 5: Analysis

5.1. Introduction to the analysis

This analysis is based on the interviews that were accomplished with twelve interview objects in Farsund. These interview objects were divided into four representative groups. These groups are representatives for the employees, representatives for the farmers, representatives for the Norwegian companies, and representatives for the international companies. These are presented more in depth in 5.2. For each controversy discussed, the answers from the interview objects have been summarized in a table. In this way, one can compare the answers more easily and find out which questions the interview objects agree on and which questions they disagree on. One can also find out whether all twelve interview objects share the same views or if the views vary between the groups of representatives. The analysis will start with an introduction to the interviews. Next, seven controversies will be discussed based on the interviews. These controversies are culture, politic, economy, health security, job security, equality, and barriers. For each of these controversies, there will be given a short summary of what the respondents answered and what the main differences were. Then the four groups of representatives will, in turn, be studied and discussed more in depth. Finally, the conclusion will reveal whether the interview objects have a positive or a negative view on globalization as a whole.

5.2. Introduction to the interviews

5.2.1. The representatives for the employees

The representatives for the employees in Farsund are the director of personnel in the municipality of Farsund; Olaf Eikeland, and the leader of Lista Kjemiske Fagforening (LKF); Jan Atle Toft. There are 1700 employees in the public administration in the municipality of Farsund and the union LKF has more than 300 members. These members are in majority employees from Elkem Aluminium Lista, which is the largest industrial plant in Farsund. The employment rate in Farsund was 65 percent of the population in 2003, constituting approximately 6200 persons. The unemployment rate in 2002 was 4, 5 percent of the labor force. This is 1, 3 percent higher than the unemployment rate in the entire country (information based on Appendix 1).

5.2.2. The representatives for the farmers

Farsund is the largest farming area in the county of Vest-Agder, consisting of approximately 180 smaller and larger farmers. Representatives for the farmers in Farsund are the director of agriculture in the local government of Farsund; Aud Irene Vatland, the earlier president of Vest-Agder Bondelag and farmer; Odd Harald Reve, and the vice president of Vest-Agder Bondelag and farmer; Einar Duvold. Vest-Agder Bondelag is the farmers' union in the county of Vest-Agder. Both Reve and Duvold are cow farmers and their businesses mainly consist of milk production.

5.2.3. The representatives for the Norwegian companies

There are several smaller Norwegian companies in the local community of Farsund. In this thesis, two Norwegian companies are investigated in depth. Furthermore, two additional representatives have been interviewed. One of the companies chosen in this thesis is ABC-Metall, which is a small firm with only three employees. This company casts aluminium, like Alcoa, but in a smaller scale. The firm delivers aluminium parts to large companies like Rolls Royce and Falkenbridge, and to smaller companies in the boat- and car industry. The other company studied in this thesis is Kjell Ore AS. This is a supplier and repair shop for Toyota cars and this firm has approximately 30 employees. Kjell Ore AS has recently won the prize for best Toyota dealer in Norway based on customer satisfaction. In addition to these two companies, representatives from Farsund Næringssselskap and Sørlandets Industrisenter were interviewed. These are companies that help people establishing a firm. They work closely together with several Norwegian companies in addition to the large international firms like Elkem and Alcoa. Representatives for the Norwegian firms are owner and board member of ABC-Metall; Markvald Hole, finance manager and customer responsible of Kjell Ore; Tor Adolfsen, general manager of Farsund Næringssselskap, Almar Friestad, and general manager of Sørlandets Industrisenter, Svein Skårdal.

5.2.4. The representatives for the international companies

In Farsund there are mainly three large international firms. These are Alcoa Automotive Castings, Elkem Aluminium Lista, and Bredero Shaw. Elkem Aluminium Lista is owned fifty percent by Orkla (Norway) and fifty percent by Alcoa (USA) and has approximately 350 employees. The plant produces aluminium, which is sold at home and abroad. Alcoa Automotive Castings is fully owned by the US firm Alcoa and has approximately 250 employees. This plant casts aluminium, which they buy from Elkem Aluminium Lista, into

automotive parts that are being sold to foreign car manufacturers like Volvo, BMW, Jaguar and Rolls Royce. Bredero Shaw is also a US company and it produces pipeline solutions for the oil activity in the North Sea. The number of employees varies heavily depending on whether the firm has many or few orders at the time. At the most, Bredero Shaw in Farsund has almost 500 employees. Representatives for the international firms are general manager of Elkem Aluminium Lista; Kai Rune Heggland, finance manager of Alcoa Automotive Castings; Ove Norseth, and operation manager of Bredero Shaw Norway; Harald Guttormsen.

Table 2: Introduction to the interviews

| | Employees | | Agriculture | | Norwegian companies | | | International companies | | | | |
|---|--|---|---|----------------------------|---|--|--|---|--|---|--|--------------------------------------|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvold</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| The meaning of globalization | Borders between countries are less important | The world has become smaller | The world becomes smaller, new possibilities, free flow across the world, differences between countries | Cooperation across borders | Trade between countries | A smaller world | Integration and co-operation between countries, borders disappear | A world without borders | A higher degree of integration between countries | No barriers, an open market | Flow across borders | Business processes between countries |
| Has globalization had impact before vs now? | No | Yes (foreign labor, social dumping, more efficient workers) | Yes (Polish labor, information flow, can learn much from Denmark, new technology and equipment) | No | No (because of the high import tariffs) | Yes (pressure on price, competition from China, costs are higher here) | Yes (Stricter rules, periodic vehicle controls which give more work and money for the company) | Yes (without the international companies, several of the Norwegian firms would not exist) | Yes (the international firms give conditions for other firms to establish) | No (because the company would not have existed without globalization) | Small impact (ideas from around the world) | No |

5.2.5. Short summary of table 2

The interview objects share, more or less, the same view on what meaning they put into the word globalization. A smaller world with more cooperation and trade are common answers. Some of them also argue that the borders between countries become less important.

The respondents seem to disagree on the extent of the impact on globalization. The director of employees in the local government of Farsund does not believe that globalization has had an impact on the employees. The manager of the labor union LKF believes, however, that globalization indeed has had an effect on the employees because of more foreign labor. He sees social dumping as a large problem, and believes that minimum wages can help in the process of overcoming this problem. The director of agriculture in the local government of Farsund agrees with this view. However, the two farmers interviewed do not believe that globalization has had any impact on them. At least not yet since the import is highly regulated by the Norwegian government. The representatives for the Norwegian companies all agree that globalization has had an affect on them. This affect can for instance be more competition and more laws. The representatives for the international firms do not believe that globalization has had an affect on their firms. The reason for this is that without globalization there would not have been international firms at all.

Table 3: Culture

| | Employees | | Agriculture | | Norwegian companies | | | International companies | | | | |
|--|--|--|---|--|---|--|---|--|---|--|---|--|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvoid</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| Description of organization culture | Flat structure, power delegation, more responsibility to the employees | Close cooperation between management and workers, well-known also beyond borders | Farmers in Farsund are organized, have their own “farmers’ café”, travels together | Well organized through farmer’s associations | Good culture among the farmers in Farsund | Very little organization with only 3 employees | Good culture, small hierarchy, communication goes fast from top to bottom | Qualified workers because much competent labor moved to Farsund in the 1970s | Flat structure, small hierarchy | Flat, team based, productive, no hierarchy | Tried to implement US culture in Norway. This did not work | Management is 100% US, workers are Norwegian. This can cause conflicts |
| Free flow of information and research | Yes (communication like e-mail and intranet) | Yes (cooperation within technology development, more involved, competence development) | Yes (uses the Internet, see how it is in other countries, more impulses, can learn from others) | Not directly | Yes (can learn from others) | Yes (technology makes communication easier) | Yes (technologies like e-mail, mobile phones make communication easier) | Yes (the Internet, mobile phones, WAP, new networks) | Yes (new technology, emigration to the USA from the area has had a large influence) | Yes (exchange of info to all time) | Yes (the US influences how one thinks and acts, through movies, tv, the Internet) | Yes (can learn from each other, come up with more ideas) |
| Free | No | No impact | No impact | No impact | No impact | No | No impact | No impact | No impact | Yes (US) | Yes | Yes (US) |

| | | | | | | | | | | | | | | | | | | | |
|---|--|---|--------------------------------------|--|---|--|---|--|--|--|--|--|----------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| flow of investments and capital | investments affect the culture) | (foreign investors impact culture) | investments also affect the culture) | | | (no investments between the countries) | impact | | | | | | | | | | | | |
| Free flow of products and services | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact |
| Free flow of labor | Yes (immigrants employed by Farsund local government, open bids in EEC, social dumping) | Yes (Scots have worked at Bredero. Can learn from people from other cultures) | Yes (language differences) | Yes (local workers may strengthen their own culture in order to not become influenced by the foreigners) | Yes (different cultures and languages can cause conflicts, but they can also learn from each other) | Small impact | No impact (he does not use foreign labor) | Yes (cultural differences, language differences, does not use foreign labor himself) | Yes (language differences, does not use foreign labor himself) | Yes (different language, has impact on culture if they live with the farmer etc, this impact can go both ways) | Yes (minimum wages, learn from each other) | Yes (immigrants employed by Farsund local government, open bids in EEC, social dumping) | EU (open bids) | EU (Norway must adapt EU laws) | No impact | No impact | No impact | No impact | No impact |
| Unions and culture | No impact | No impact | No impact | EU calls attention to cultural differences | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact | No impact |

5.3. Culture

5.3.1. Short summary of table 3

The respondents all agree that the organization culture is flat and not hierarchical. Team work is common and communication goes fast from top to bottom. The international firms see a large difference between the US organization culture and the Norwegian organization culture.

Almost all representatives further argue that a freer flow of information and research will affect the organization culture in their firms. They all believe that this influence is positive for their organization culture.

The representatives for the employees, farmers, and Norwegian companies do not believe that a free flow of investments and capital has any influence on the organization culture in their firms. The representatives for the international companies, however, believe that their organization culture are being influenced by the US since the companies are partly US-owned.

All twelve interview objects argue that a freer flow of products and services has no impact on the organization culture in their firms.

A free flow of labor will, according to the representatives for the employees, farmers, and international companies influence the organization culture in their companies. Two of the representatives for Norwegian companies do not believe that a free flow of labor has an impact on the organization culture in their firms. These firms do not, however, have any foreign employees.

The representatives for the employees believe that the EU has had a certain impact on the organization culture for the employees. None of the other groups of representatives share this view. They believe that no unions have had an impact on their organization culture.

5.3.2. Employees and culture

The organization culture for the employees has to a certain degree been affected by globalization. The elements of information and research, and labor have had a larger impact on the organization culture than the elements of investments and capital, and products and

services have. The organization culture in Norway is in general flatter and less hierarchical than the organization culture in most other countries. This also characterizes the organization culture in local communities like Farsund. The employees are delegated responsibility, and close relationships between management and employees are considered common and natural.

A freer flow of information and research has had an impact on the organization culture because new technologies have simplified communication among the people in the organization. Mobile phones, e-mails and intranets contribute in facilitating cooperation and communication for members of an organization in an efficient way. The leader of the union LKF emphasizes that a free flow of information and research furthermore contributes to increased cooperation within, for instance, technology development. He argues that the employees are becoming increasingly involved, and that this can result in higher competence among the members of the organization. The representatives for the employees in Farsund agree that a freer flow of information and research is exclusively positive for the employees in the community.

The representatives for the employees argue that a freer flow of investments and capital will not have any impact on the employees. The same goes for a more free flow of products and services.

The last element, the free flow of labor, may have impact on the organization culture. Some of the local government employees in Farsund are from other countries than Norway. The majority of foreigners are refugees who have come to the community as a consequence of war in their native countries. They have different cultures, diverse religions, and dissimilar languages from the local people. Manager of personnel in the local government of Farsund believes these differences may affect the organization culture in specific areas where they work. However, he also argues that foreign workers will not influence the organization culture for the community as a whole. The representatives for the employees in Farsund agree that a freer flow of labor will result in a positive impact on the community because of more impulses and new, creative ways of thinking. When the municipality of Farsund has a project, they have to announce an open bid in all EEC member countries. If a company from Germany offers the best bid, then this firm is awarded the project. In this scenario, Farsund has to deal with German workers. Farsund city furthermore has a manifesto, the ILO convention nr. 94, which shall prevent illegal labor, violation on safety regulations, violations on tax rules, social

dumping etc. This means that the employers must pay the foreign workers a suitable wage compared to the wage level in Norway. In this manner, internal or external employers can not take advantage of the foreign workers and cause “social dumping”. Social dumping can shortly be explained as situations where firms take advantage of cheap labor under poor working conditions (Corden and Vousden, 2001, p 125). The manifesto will also protect local employees since they will be able to compete with foreign workers on the same level. If foreign workers are allowed to work at a considerably lower wage than local workers, the local employees will not be able to compete with them. This has an impact on the organization culture because the manifesto gives foreign workers an equal starting point as local workers. Even though the representatives for the employees are positive to globalization, a negative influence worth mentioning, is the tendency that it can be difficult to inspire higher educated people to stay in the community. There are few possibilities of taking a higher education in Farsund, and those taking a higher degree often do not come back to Farsund. Rather they stay in the largest cities in Norway or in other countries where their job opportunities are better. The result is that the majority of young people living in local communities are uneducated people working in, for instance, industrial plants. The lack of jobs requiring higher education, and the consequent disproportionate level of higher educated workers and lower educated workers, creates an “industrial” society, which, in turn, affects the culture among the people in the community.

5.3.3. Farmers and culture

The farms in Farsund are relatively small, and most of them are operated by one person or one family. Therefore, there is not a specific organization culture within the specific farms. However, there is a particular culture between all the farmers in the area. The farmers organize themselves, travel together on study journeys, arrange farmers’ cafés etc.

A free flow of information and research makes it easier for the farmers to communicate. Farmers use the Internet actively and can converse with each other through e-mail, mobile phones etc. They can compare costs related to, for instance, their study journeys and get new ideas and impulses from farmers across the country, and also from foreign countries.

On the question of investments and capital, this factor will not have a major impact on the farmers in Farsund. The farmers only invest in their own farms, and subsequently capital does not flow across borders. However, the farmers invest in expensive products like milking

machines, tractors, and other equipments. These products are most often produced in other countries. Years ago, these products were produced in Norway, but today the only products produced in Norway are ploughs. This has had a certain impact also on the culture among farmers since they have to buy foreign machinery and equipments.

A free flow of labor has the potential to influence the culture among farmers. If a farmer hires a foreign substitute, he or she would possibly learn about the foreigner's culture. It is furthermore likely that they will communicate in another language than Norwegian. They will probably influence each other and possibly inspire each other with various ways of thinking. The exchange of ideas and information will, in this sense, flow reciprocally, which will facilitate a mutual learning process.

5.3.4. Norwegian companies and culture

All the representatives for the Norwegian companies agree that globalization has affected their companies' organization culture. The owner and board member of ABC-Metall believes that organizations become smaller today since companies require fewer employees. This is a result of better technologies, which make the work easier, and more pressure from investors etc. The investors demand more and more output per employee, and this results in fewer permanent positions and more personnel hired to the companies when needed. Finance manager of Kjell Ore believes that the organization culture in his firm is flat and that the communication is allowed to go fast between workers and management. General managers of Farsund Næringselskap and Sørlandets Industrisenter argue that the organization culture is characterized by competent people who moved to the community in the 1970s when the first industrial plants were established in Farsund.

All representatives for the Norwegian companies believe that a freer flow of information and research has a positive influence on these firms. Technologies such as the Internet, e-mail, mobile phones etc, have increased and speeded up the flow of information and research. It has also made it easier to reach each other within the organization.

None of the companies believes that an increased flow of investments and capital will influence the organization culture in their firms. The same goes for a freer flow of products and services.

The owner and board member of ABC-Metall has never had foreign workers in his company and has therefore no experience of how foreign labor will affect the organization culture. Kjell Ore had once a German mechanic in their firm, but the finance manager does not believe that this had any influence on their organization culture. The general manager of Farsund Næringssselskap, however, argues that a freer flow of labor has an important impact on Norwegian firms in local communities. The foreign workers bring along various cultures, languages, religions, etc., and the general manager argues that the Norwegian workers can learn from the foreigners and vice versa. The general manager of Sørlandets Industrisenter believes that a freer flow of labor can also result in the Norwegians strengthening their own culture and do not allow anyone to influence their culture.

None of the representatives for the Norwegian companies believes that any unions have had an influence on the organization culture in the firms. For instance, there is no explicit EU culture. The EU has been accused of removing country-specific cultures, but the general manager of Sørlandets Industrisenter argues that it is rather the opposite way. He believes that the EU is concerned with bringing attention to the cultures in the specific countries. If this is the case, then the EU will probably not have an influence on the organization culture in Norwegian firms in local communities like Farsund.

5.3.5. International companies and culture

The three international firms analyzed in this thesis are all fully or partly US-owned companies. This has of course had an impact on the organization culture. The operation manager on Bredero Shaw explains that when the company first came to Farsund in 1993, they brought their own culture from the US and tried to implement this on the Norwegian workers. However, this was not a success. The US organization culture was much more hierarchical than the Norwegian, and this resulted in problems. This had to be rectified, and today Bredero Shaw Norway has a relatively Norwegian organization culture, characterized by a flat structure, a long decision-making process and team work. Parts of the same story go for Alcoa. The firm was established in Farsund in 1997, bringing along the US culture. The finance manager of Alcoa in Farsund is from the US himself and has encountered several cultural conflicts throughout the ten years he has worked in the company. He has lived in Norway for almost 30 years, and explains that he often has to function as a translator between Alcoa in Farsund and the headquarter in Michigan, USA. One problem he sees, is that the leaders of Alcoa in the US have never been outside of the country and are therefore badly

informed of how the culture is elsewhere in the world. However, the organization culture and leader style in Alcoa are still partly US based. When it comes to Elkem Aluminium Lista, this company is not very influenced by an American culture. The company has been Norwegian-owned since it was established in 1971 and until 2006 when Alcoa bought fifty percent of Elkem Aluminium. The organization culture in Elkem Aluminium Lista is therefore flat and team based. Because of the expensive labor in Norway, the company has to have high productivity per worker compared to plants in other countries where wages are lower. Employees working in Elkem Aluminium Lista, and also in other plants in Norway, therefore have to be highly competent and efficient. Otherwise the plant would not be able to compete with firms in countries with less expensive labor.

All representatives for the international firms agree that a freer flow of information and research has had a positive influence on the organization culture. One can learn from each other and exchange ideas, which can gain both parts. Furthermore, access to the Internet, intranets, e-mails, and mobile phones have made it easier to communicate within the company. The finance manager of Alcoa Automotive Castings argues that the US has had a great influence on Norwegians in general through movies, television, the Internet etc., but also within the firm. Manager of Elkem Aluminium Lista argues that a free flow of information and research is positive for the company because it allows for a perpetual exchange of information.

When it comes to a free flow of investments and capital, this has some impact on the organization culture. Since both Alcoa and Bredero are US owned, there is a free flow of investments and capital streaming from the US to Norway. Since all three international firms in Farsund are partly US owned, this will also affect the culture.

None of the representatives believes that a freer flow of products and services will have any impact on the culture.

A free flow of labor, however, has probably a certain impact on the culture in the firms. For instance, several Scots have been working at Bredero. This has caused more diversity, and the Norwegian workers have learned new things and vice versa. All three representatives for the international firms agree that globalization has had an overall positive influence on the culture in international firms.

Table 4: Politic

| | Employees | | Agriculture | | | Norwegian companies | | | International companies | | | |
|--|---|--|--|---|--|--|---|--|---|--|--|---|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvoid</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| Description of political aspect | Laws set by Farsund local government, Norway and the EU | Laws are set by the government of Norway and the LO | Agriculture is regulated, yearly negotiations, Ministry of Agriculture | Laws set by the Ministry of Agriculture, the government, the EU | National and EU laws, limited freedom to the individual farmer | Laws set by the EU and the state of Norway | Laws set by the EU, the state of Norway, the car industry | Laws set by the EU and the state of Norway | EU has large impact, the Statoil-Hydro fusion | Must follow Norwegian laws, US laws, EU laws | Must follow Norwegian laws, US laws, EU laws | Must follow Norwegian laws, US laws, EU laws |
| Free flow of information and research | Yes (Easy to find the general view) | Yes (Social standards, equality for all) | Yes (can see how the laws are in other countries) | Small impact | Yes (the Internet) | Yes (information of safety equipment) | Yes (easier to follow the laws and rules) | Yes (research info can influence political aspect) | Yes (can learn from laws in other countries) | Yes (laws from the US etc) | Yes | Yes (to a certain degree) |
| Free flow of investments and capital | No impact | Yes (Much influence when plants are located in Norway, little) | No impact (because they do not invest in foreign countries) | No impact | No impact | No impact | No impact (no investments between the countries) | No impact | No impact | Yes (foreign investors have impact on laws) | Yes (US investments also affect the laws for division in Norway) | Yes (no one will invest without gaining some power in return) |

| | | | | | | | | | | | | | |
|---|---|--|--|--|--|---|---|--|---|------------------------------------|-------------------------|---|-----------|
| Free flow of products and services | No impact | | Yes (import tariffs, quotas) | Yes (import tariffs in order to protect the farmers) | Yes (import tariffs) | Small impact | Yes (EU decides how much should be produced in each country) | Does not know | Small impact | No impact | No impact | No impact | No impact |
| Free flow of labor | Yes (minimum wages and good living conditions) | Yes (must secure the employees' rights) | Yes (easier for people from EU countries to get a job than for people from outside the EU) | Yes (can pay foreign labor less than Norwegian) | Yes (for instance concerning strawberry picking, does not use foreign labor himself) | No impact (he does not use foreign labor) | Small impact (the foreign labor must adapt, there must be a minimum wage, work permits) | Yes (in the long term, can have influence if they have lived here for several years) | Yes (necessary to use foreign labor, can have impact on the laws and rules) | Yes (but LO limits this free flow) | Yes (minimum wages etc) | Yes (easier for Eastern-Europeans to work in Norway, can affect our laws) | |
| Unions and politic | EU (Rules concerning environment, safety, rights) | EU (more free flow of labor, Amnety International) | EU (some impact) | EU (some impact, not positive) | EU (some impact, negative, their laws do not fit in Norway) | EU (to a certain degree) | EU (creates rules like the periodical vehicle controls) | EU | EU | EU (laws and rules) | EU and FTAA | EU and FTAA | |

5.4. Politic

5.4.1. Short summary of table 4

The respondents agree that most laws are set by the Norwegian government. Some laws are also set by local governments, and others are set by the EU. The international firms have to follow both Norwegian laws and US laws because even though they are located in Norway, they are partly owned by US firms.

All respondents agree that a freer flow of information and research has a positive impact on the political aspect of their firms. This can be information concerning social standards, laws in other countries etc. Furthermore, many argue that a freer flow of information and research makes it easier to find a general view on which laws and rules that should exist.

Neither the farmers nor the representatives for the Norwegian companies believes that a freer flow of investments and capital has any impact on the political aspect of their firms. The reason for this, is that investments do not flow between these companies and foreign countries. Furthermore, the director of personnel does not believe that a freer flow of investments and capital will influence the employees. The manager of the labor union LKF and the representatives for the international companies, however, believe that it has an impact. Because they are owned by US firms, the US will have an impact on the political aspect of these firms.

Neither the representatives for the employees nor the representatives for the international firms believe that a freer flow of products and services has an impact on the political aspect of their companies. The farmers, however, argue that a freer flow would have a major impact since it would have implied removing tariffs and quotas on foreign farming products. The representatives for the Norwegian firms believe that a freer flow of products and services will only have a small impact on the political aspect in their firms.

All except one of the representatives believe that a freer flow of labor will influence the political aspect of their firms. The reason for this is the introduction of minimum wages and work permits, which in turn reduce the free flow.

Finally, all representatives believe the EU influences laws and rules in Norway. For the international firms, both the EU and the FTAA have an important impact.

5.4.2. Employees and politic

The political aspect, laws and rules for organizations, will have a certain impact also on the employees in the firm. The director of personnel in the local government of Farsund means that some of the laws and rules, which influence the employees, are set by the local government themselves while others are set by the national state of Norway. Also the European Union creates rules and laws, for instance regarding safety issues that employees in local communities have to follow. Since LKF is a member of the organization LO, LO has a major impact on describing the employees' rights.

When it comes to a free flow of information and research, it will be easy to search information on the Internet in order to find general rules and views, which have an impact on the employees in the local community. Views concerning social standards and equality will also reach local communities faster when there is a free flow of information and research.

A free flow of investments and capital can also influence employees if capital is moved abroad. If, for instance, capital is used to build a new plant in a foreign country, then Norwegian rules for minimum wages etc. will no longer apply for the employees. The employees are, most likely, local people in the community in which the plant is relocated. These employees will therefore not be protected by Norwegian laws. If foreign companies decide to build a plant in Norway, however, they will have to follow Norwegian laws in the same way as all other companies located in Norway. In addition, they will have to follow US laws as well.

Neither of the representatives for employees in Farsund believes an increased flow of products and services has had any influence on the employees in the community.

On the question of a free flow of labor, there is a relatively free flow of labor within the EEC area. This can have influence on the employees when the local government of Farsund hires a foreign firm for a project and has to make sure that these workers are paid a decent wage and that they have good living conditions. The representatives of the employees in Farsund argue that globalization has had a positive influence on the political aspect for employees in local

communities. A large part of the laws and rules, which have been decided by authorities like the national state or the European Union, concern the environment, safety issues, and employees' rights. These are laws that mostly will benefit and not be a disadvantage for the employee. Another organization, which can interfere when the employee is discriminated or unfairly treated, is Amnesty International. It is, however, not often Amnesty International interferes in cases related to employees and protection in Norway. Nevertheless, it is an organization with the power to meddle if necessary, which gives the employees added protection.

5.4.3. Farmers and politic

The farmers have several laws and rules to follow, passed by the Ministry of Agriculture in Norway. These are, in turn, agreed upon by the Norwegian government, which again is influenced by international institutions, such as laws and regulations from the EU or the WTO. The farmers' economy and production is regulated. If, for instance, there is an overproduction of goods, the prices go down. Therefore, the farmer tries his or her best to avoid this. Most Norwegian farmers do not export their goods, but only sell to the Norwegian market. The market is, in that way, limited.

A freer flow of information and research will, most likely, not have a great impact on the political aspect for farmers. However, a free flow of information regarding the laws in other countries may have an impact when the Norwegian government sets the rules.

When it comes to investments and capital, it is most interesting for farmers to invest in their own farms. Globalization has therefore not a particular influence on these elements.

Concerning a free flow of products and services, the import of farming products to Norway is heavily regulated through tariffs. This is done in order to protect the Norwegian farmers. It is difficult and expensive to be a farmer in Norway, for instance because of the scenery and the nature in Norway consisting of narrow fjords, steep mountains, and a 2500 km long exposed coast line (Statistisk Årbok, 2006). Furthermore, the climate in Norway is not the most ideal for farming. The farmers, therefore, believe that it is impossible for their products to compete on price with products from for instance the EU. They are not, however, afraid to compete on quality since Norwegian products are known for being clean and healthy.

A free flow of labor will probably not have an important impact on the farmers in the local community of Farsund. However, the representatives of farmers see a difference between people from countries in the EU and people from outside the EU. There are more restrictions on labor from outside the EU. Both the director of agriculture and the two farmers interviewed believe that the interference from the EU regarding political aspects is negative for the agriculture in local communities in Norway. They agree that the laws and rules, which exist in the EU-countries, do not necessary fit well with Norwegian agriculture. Furthermore, the farmers and the director of agriculture in the local government of Farsund believe that globalization has resulted in more centralization. For instance the milk produced on farms in Farsund is sent to another county, Rogaland for tillage. The milk is then sold back to consumers in Farsund. The manager of agriculture would rather see that the milk and other products was being tilled and sold directly from producers in Farsund to detailers in the region.

5.4.4. Norwegian companies and politic

The rules and laws for Norwegian companies are first and foremost passed by the Norwegian government. For Kjell Ore, some laws are also made by the car industry. Also the EU has made some laws that must be followed in Norway. For instance, the periodical vehicle controls have been introduced through the EEC agreement. The EU has also launched other laws and rules that have consequences for Norwegian companies in local communities. The general manager of Farsund Næringsselskap mentions the fusion of Statoil and Hydro as an example. Even though these companies are both Norwegian-owned, the fusion had to be accepted by the EU before the companies could go through with it.

A freer flow of information and research will possibly have an influence on the political aspect for Norwegian companies if, for instance, these firms find information concerning laws and rules in other countries and want to apply these laws on their own firms.

When it comes to a freer flow of investments and capital, this can also have an affect on the political aspect. This is dependent on whether the companies have a need for foreign investments and capital. If so, then a freer flow will result in that the foreign investors wish to have influence on the laws and rules of the company. The political aspect in the company will therefore be influenced both by the Norwegian laws and the laws of the foreign investor's country.

A freer flow of products and services may also influence the local companies. For Kjell Ore AS, there are for instance rules regarding the percentage of products that can be produced in Europe and the percentage of products that can be produced in Asia. This could change if the free flow is escalated.

An increased free flow of labor will also affect the political aspect of Norwegian companies in local communities. Minimum wages are one factor. Especially in the long run, a freer flow of labor may have impact on the laws and rules in Norway.

5.4.5. International companies and politic

Since all three plants are located in Farsund, Norway, they all have to follow the Norwegian rules that are confirmed by the Norwegian government. They also have to follow some of the laws agreed upon by the EU. This can, for instance, be regulations concerning pollution and regulations regarding the environment. Since two of the companies are entirely US owned, these factories also have to follow the US law. This can affect the factories' customers because there are certain countries, which the US will not trade with because of terrorism etc. The fact that the plants have to follow the rules of two countries makes it more complex to do business. Nevertheless, it is a necessity the firms can not escape. To follow the laws of two separate countries can sometimes be complicated and the two laws can collide with each other. One example was when the Cuban tourism delegation wanted to stay at the Scandic Hotel in Oslo where they had stayed five times before. However, since Scandic Hotel recently was acquired by the US Hilton chain, the Cubans could no longer stay in Scandic Hotel because of the US trade boycott against Cuba. However, this rule did not fit well with the Norwegian law of non-discrimination, and in a globally sanctioned unity on racial discrimination, Scandic Hotel suffered poor reputation. A free flow of investments and capital will, as one can see, influence the political aspect of globalization. No one will invest their money unless they receive some power and influence over the firm in which they invest. A dilemma related to this is that Norway on the one hand desires more foreign investments, but on the other hand does not wish to give up power. The solution is to reach a compromise where Norway and the foreign investors share power.

None of the representatives for international companies believe that a freer flow of products and services have any particular influence on the political aspect for international firms.

They do, however, believe that a freer flow of labor could impact the political aspect. A freer flow of Eastern European labor has, for instance, resulted in an introduction of minimum wages for foreign labor. This has been done in order to avoid social dumping and also in order to see to that Norwegian workers are not out priced by the foreign workers.

When it comes to unions having an impact on the political aspect for these three international firms, it is clear that both the European Union and the Free Trade Area of the Americas have influenced the laws and rules for the companies. The FTAA has, however, had less influence on Elkem Aluminium Lista than on the two other firms because of the ownership arrangements.

Table 5: Economy

| | Employees | | Agriculture | | Norwegian companies | | | International companies | | | | |
|--|---|--|---|------------------------|----------------------------|---------------------------|--|---|---|--|---|--|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvoid</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| Free flow of information and research | Yes (Employees compare wages between cities, can increase number of appliers) | Yes (Comparing wages, competition between employers) | Yes (info concerning products, technology, and prices) | No impact | No impact | Yes (more efficient) | Yes (more efficient, can find cheap car parts etc) | Yes (access to new technology, cost saving) | Yes (info and trade on the Internet can have economical benefits) | Yes (positive: access to technology, negative: others can look at their technology) | Yes (a free flow can result in that the company loses their uniqueness) | Yes (increase the competition, need free flow) |
| Free flow of investments and capital | Does not know | Yes (if the plant is moved to low-cost countries, the wages will be lower) | Small impact (because these farmers do not invest in anything else than their farm) | No impact | No impact | No impact | No impact | Yes (can be both positive and negative) | Yes (negative if investor move the plant to countries with lower costs) | Yes (because there has always been a free flow) | Yes (free flow between the US and Norway, not between all countries) | Yes (investors move the plant to low-cost countries) |
| Free flow of prod- | No impact | No impact | Yes (import tariffs,) | Yes (import tariffs in | Yes (import tariffs, | Yes (tariffs on products) | Yes (easier access to | Yes (can be positive | Yes (can buy cheaper | Yes (because without a | Yes (several products | Yes (sells only to |

5.5. Economy

5.5.1. Short summary of table 5

With exception of the two farmers, all representatives believe that a freer flow of information and research has an impact on the economical aspect of their firms.

A freer flow of investments and capital will particularly affect the international firms, because these firms are dependent on foreign investments. For the farmers, however, this will have a small impact. The same goes for many of the Norwegian firms. Some of the Norwegian firms are, nevertheless, dependent on foreign investments. A freer flow of investments and capital may also have an affect on the employees.

When it comes to a more free flow of products and services, the representatives for the farmers, the Norwegian companies, and the international companies all believe that this has an impact on the economy of their firms. A freer flow of products and services will probably not have any influence on the economy of the employees.

A freer flow of labor will definitely have an impact on the international firms. Also the representatives for the employees believe that a freer flow of labor will affect them. The farmers interviewed do not use foreign labor and subsequently they do not think that it will influence them. The same goes for some of the Norwegian companies, but for other Norwegian companies it may have an impact on the economy of the firms because these firms can have easier access to cheaper labor.

Unions will not have influence on the economical aspect for neither the employees nor the farmers. The EU will, however, have an impact on most Norwegian firms. Both the EU and the FTAA will influence the economical aspect of the international firms.

5.5.2. Employees and economy

Globalization will have some influence of the economical situation for the employees. This is shown mainly in the question of wage. Firstly, a freer flow of information and research can potentially have a certain impact on the wage. Free information concerning wages in other cities and communities can give the employee an incentive to ask for a raise. This can, in turn, change the economical situation for the employee. However, according to the manager of

personnel in the local government of Farsund, employees do not often succeed in receiving a higher wage. Furthermore, a free flow of information concerning job openings can also influence the number of appliers for a job. If a large number of people apply for a job, there is no need for the employer to use high wage as an incentive because the position will be occupied anyway. The wage will therefore be relatively low. However, a free flow of information concerning job openings can also press up the wage. If people from local communities are willing to move to other cities and communities, there can be less competition on the positions in Farsund. The employer can then use a high wage as a motivation in order to receive qualified appliers for the job. This influences the employee's economical situation in a positive way.

When it comes to a freer flow of investments and capital, this will also have a certain impact on the employees' economical situation. If capital is used to build a new plant in a country where wages are lower than in Norway and labor from Norway is used, then they will most likely receive wages according to the country they move to. However, this is a rare situation since the corporation would probably hire local workers. Norwegian workers would most likely not accept the low wages, which one can find in other countries.

The representatives for the employees do not seem to believe that a freer flow of products and services will influence the economical aspect of the employees.

On the question of a free flow of labor, the opinions are more divided. The director of personnel in the local government of Farsund argues that because of the minimum wages in Norway, this has no impact on the employees. However, the leader of LKF believes that the increased number of foreign workers will affect the employees' financial situation. He argues that since foreign labor are willing to work for minimum wages, this will lead to a downward pressure on wages in general – also for Norwegian workers. This will decrease people's purchasing power, which, in turn, can change the community negatively. The leader of LKF therefore argues that globalization has a negative impact on the employees' economical situation.

5.5.3. Farmers and economy

Farmers in Norway are supported and protected by the government through extensive subsidies and high import tariffs. Also, if for instance bad weather destroys the crops, the

Norwegian government will replace large parts of the loss. This makes Norwegian farmers unique in the world.

A free flow of information and research can have a positive influence on farmers' financial situation because the farmers can get information concerning which products are the most efficient and less costly, what is the leading technology etc. This can also have a small influence on investments and capital, although the farmers in the community do not invest across borders but only in their own farms.

A freer flow of products and services would, according to the farmers interviewed, result in the end of Norwegian agriculture. Today there is not a free flow of products. Instead, barriers such as customs and quotas exist. Farming in EU-countries is characterized by large farms with many employees. These farms can take advantage of large scale production. The Norwegian government's district politics is different from this since this country wants people to inhabit all areas in Norway. If the government stopped giving financial support to farmers, many argue that people could no longer live in outlying districts of Norway. Sweden is one example on this. Because of the Swedish government's politic to not give farmers financial support, the majority of agriculture is located in one place of Sweden, Skåne, which lies in the south of Sweden where the conditions for farming are good. Very few people live in the northern areas of Sweden. One can argue which system is the best one, the Norwegian or the Swedish. Sweden is characterized by freer competition within agriculture, where efficiency and levels of success are requirements to survive as a farmer. Some argue that being a farmer in Norway is too easy because the Norwegian government eliminates some of the risk of being a farmer through financial support and compensations if the crop gets ruined. The farmers interviewed for this assignment see a free flow of products as a large threat, and will work against a possible destruction of the barriers, which regulate the free flow of products. They are consequently negative to a freer flow of products because they can not compete with the large farms in Europe, which can take advantage of large scale production. If the government decides to remove customs on farming products, the farmers in Farsund do not see any other solution than to close down. Today, the foreign food in Norway is considered a supplement rather than a replacement for Norwegian food.

A free flow of labor could impact the economical situation for farmers in local communities. Neither of the farmers interviewed use foreign labor on their farms. Instead, they prefer using

local youths who need an extra income. The director of agriculture in the local government of Farsund believes many farmers would consider using foreign labor if they were significantly less costly than Norwegian workers. She has experienced that foreign labor can be highly qualified workers as farmers since many of them have backgrounds within farming from their home countries. However, the farmers argue that there is no moral justification in having foreign labor taking jobs away from the local population in order to save money. They therefore believe that a freer flow of labor is negative for the local community.

5.5.4. Norwegian companies and economy

A free flow of information and research will have an impact on the economical aspect for Norwegian companies. A freer flow enables them to access new technologies, which can be cost reducing. Information concerning profitability is easy to access through the Internet, and for Kjell Ore it can become easier to find less expensive car parts etc. Trade through the Internet can also be time and cost saving for many companies, no matter whether they are Norwegian or international.

Furthermore, a freer flow of investments and capital will impact the Norwegian-owned companies. In some cases, it can be positive for the economy of the firms. This can, for instance, be when foreign investors place capital in Norwegian firms. However, a freer flow of investments and capital may also be negative for Norwegian companies. Investors may, for instance, decide to move capital from the Norwegian company to firms in countries where costs and taxes are lower. This was done with a Hydro aluminium plant, which was partly moved from Sunndal, Norway to Qatar in the Middle East. This was mainly because of lower electrical power costs in Qatar. For the specific companies ABC-Metall and Kjell Ore, a freer flow of investments and capital will not affect them directly. However, they do see the possibilities in the future both for a positive and a negative outcome.

An increased free flow of products and services will also impact Norwegian companies in local communities. Today there are tariffs on several products, and if there had been a free flow of these products, it would have influenced the companies both in positive and negative ways. For ABC-Metall and Kjell Ore, the results would have been positive since they may have been able to get hold of foreign products to a lower price than at present. However, it could also potentially reduce the number of Norwegian customers since these customers could

then have ordered the products from other countries at a lower price than if they had bought them from the Norwegian companies.

When it comes to a more free flow of labor, neither the owner of ABC-Metall nor the finance manager of Kjell Ore believes that this has an influence on the economical aspect in their firms. The general manager of Farsund Næringssselskap argues that if it had not been for minimum wages etc, foreign workers could have been economically profitable for Norwegian companies. He further argues that the labor unions in Norway are the reason why there exists minimum wages in Norway. He sees positive and negative consequences of minimum wages. The positive side is that one can avoid social dumping. One also avoids that Norwegian workers are being out priced. The negative side of minimum wages is that free competition is restricted. Furthermore, companies miss the opportunity of saving costs on foreign labor. Cheap labor can be good for the economy of firms, but one can ask how morally correct it is. A freer flow of labor makes it furthermore easier to get workers in times when there is a need for labor in Norway.

Unions like the EU also influence the financial situations of Norwegian companies in local communities. For Kjell Ore, the EU influences the economical aspect in positive and negative ways. On the positive side, it contributes to more earnings through, for instance, periodical vehicle controls. On the negative side, the EU has introduced several standards. These standards make it more expensive for the companies to keep up with the right equipments, tools, etc. Neither of the representatives of the Norwegian companies believes that increased globalization will affect the production in the firms. However, they all believe that increased globalization will raise the competition in the home market. This can be seen in positive and negative ways. For the profitability of the company it will mainly be negative, but in the long run they find it unavoidable. More competition can moreover increase the firms' competencies, and contribute to make the firms better and more efficient. Increased globalization can also affect the companies' customers. The finance manager of Kjell Ore explains that people come from all over the country to buy used cars from them because the customers can see these cars on the Internet. This did not occur before. Earlier, it was common to buy a new or a used car from the local car dealer. Today, people compare prices on the Internet and buy the car from the dealer, which offers the lowest price or the best buy.

5.5.5. International companies and economy

A free flow of information and research will probably influence the economical perspective for the three international companies in this thesis. In one way, a freer flow of information and research can be positive for these firms since they will have access to technologies from other firms. In another way, a freer flow of information and research can be negative for these companies because it means that their own technologies will be available for everyone to see. Alcoa, for instance, has a very special technology that they use in their plant. Since this technology was very cost consuming to develop, they wish to keep this technology to themselves. A free flow of information and research will, however, not keep the technology secret for very long. A freer flow of information and research can therefore influence the economical aspect of international companies in a positive direction and in a negative direction.

When it comes to a freer flow of investments and capital, there has always been a more or less free flow of these elements for the international companies. Otherwise, these firms would not have existed. Some countries are, however, harder to make investments in than others are. Between countries like the US and Norway, the flow of investments and capital is approximately completely free. Today, it is also becoming increasingly easier to move capital to countries like China etc. This can constitute a threat to Norwegian divisions of international firms because the costs in countries like China are much lower than in Norway. As earlier explained, this is the reason why Norwegian plants need fewer employees and more efficient technologies and systems. The strict environmental laws in Norway further contribute to constitute a threat for Norwegian divisions of large international firms. These laws make it sometimes too expensive for the firms to sustain. In the globalized era of great environmental discussions, it is a paradox that Norwegian factories must close down because of too high emissions, but new factories and power plants are constructed continuously in the third world where laws on emissions are almost non-existent.

A free flow of products and services is necessary for the international companies. If there had not been a free flow of products, they would not have been able to sell their goods. Alcoa is exclusively selling their products abroad, and thus they would not have had a division in Norway if there was not a free flow of products. Some of the firms are also dependent on foreign raw materials.

Finally, a freer flow of labor will influence the economical aspect of international firms. However, unions like LO have contributed to a restricted flow between countries. The manager of Elkem Aluminium Lista argues that because of this, there are no economical benefits in hiring a foreign worker over a Norwegian worker. The expenses of hiring a foreign worker can often, because of language barriers, cultural diversities and minimum wages, turn out to be equally or more expensive than hiring a Norwegian. He would, however, prefer a freer flow of labor. This view is shared by the other representatives for the international firms. The unemployment rate is low in Norway, and it can be hard to find qualified workers. In order to meet the demand, a freer and more open flow of labor can be the solution. Also, when there is a need for labor, the wages are pressed up. This would have been neutralized if there had been a completely free flow of labor.

Both the EU and the FTAA influence the financial situations for the companies. More laws concerning CO2 waste etc. often contribute to a lower surplus for the company, at least in the short run. In the long run, however, this can actually have advantages for the international firms because other firms look upon this as a positive factor and they want to invest in the firms.

Table 6: Health security

| | Employees | | | Agriculture | | | Norwegian companies | | | International companies | | |
|---|---|--|---|--|-------------------------------------|---|--|--|---|---|--|--|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvold</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| Descrip-tion of health security | Small risk for the health of the employees | Some risk, focus on security | Risks attached to being a farmer, bird flu | Dangerous profession, result of stress, controls | Risks, diseases like the bird flu | Established in 1988, no injuries with absence | Safe work place, controls, no accidents | Most companies have focus on safety | The security for health is in general good | Very secure today if the workers follow the rules | Very bad when established in 1993, very good today | Very good, great focus on safety issues |
| Free flow of information and re-search | Yes (will influence the security in a positive way) | Yes (safety statistics, new technologies) | Yes (the Internet can warn about diseases etc) | Yes (safer technology) | Yes (can share research, new ideas) | Yes (information on safety equipment) | Yes (can read info concerning security issues) | Yes (influenced by the US) | Yes (can learn from laws in other countries) | Yes (influenced by the US, US is very focused on security) | Yes (can see research on safety from all over the world) | Yes (have brought the focus on safety from the US) |
| Free flow of investments and capital | Does not know | Yes (owners demand more profit, casino capitalism) | No impact (they do not invest in foreign countries) | No impact | No impact | No impact | No impact | Yes (more capital can enable them to afford expensive safety products) | Yes (the company can buy more safety equipment) | Yes (foreign investors will not invest if the safety is poor) | Yes (needs money to invest in good safety equipments) | Yes (no one will invest in insecure companies) |

| | | | | | | | | | | | | |
|---|----------------------------|---|---|---|---|---|---|---|--|---|--|---|
| Free flow of products and services | No impact | Yes (new protective equipment) | Yes (needs control on import goods) | Yes (can improve safety, but expensive) | Yes (needs control on import goods) | Small impact | Yes (can buy safety equipment from all over the world) | Yes (access to the best safety equipment) | Yes (free flow of safety products etc) | Yes (access to safer equipment) | Yes (equipment may be better in other countries) | Yes (safe equipment from various countries) |
| Free flow of labor | Yes (language differences) | Yes (foreign workers have different view on what is safe work, language differences, English warning signs) | No impact (foreign labor does an equally safe job as the Norwegian workers) | Yes (foreign labor may be less experienced) | Yes (foreign labor pay less attention to safety issues) | Small impact | Yes (foreign labor does not know our standards, used to less focus and controls, some countries are better than us) | Yes (greater risk for foreign workers) | Yes (there is a risk if the foreign labor do not speak Norwegian or English and they do not understand warning signs etc.) | Yes (easier to give info to Norwegians, Norwegian competence is often higher) | Yes (language problems, foreign workers are not so concerned with safety issues) | Yes (language problems if they do not speak Norwegian or English very well) |
| Unions and security | No impact | EU (ISO 9000 and ISO 14000, environmental issues) | EU (stands concerning safety) | EU, EEC | None | EU (but the safety rules go through Norway first) | EU (for instance garage laws) | EU | EU and FTAA | EU and FTAA | EU and FTAA | EU and FTAA |

5.6. Health security

5.6.1. Short summary of table 6

According to the representatives for the employees, the health security of the employees is quite good. Being a farmer is considered one of the most riskfilled professions in Norway today, and the farmers interviewed agree with this argument. The representatives for the Norwegian companies and for the international companies believe that safety today is very good compared to a few years ago. There is a great focus on security issues and there are few injuries.

All twelve representatives argue that a freer flow of information and research will influence the security in their firms. More information and better technology can contribute to decrease the risk for injuries.

A freer flow of investments and capital will not have any influence on the farmers since they only invest in their own farms. It may also have an impact on the employees and on the Norwegian companies. The representatives for the international firms argue that a free flow of investments and capital definitely has an influence on their firms since the firms need good safety statistics in order to attract investors.

All representatives except from the director of personnel believe that a freer flow of products and services has an impact on the security issue because one can buy safety equipments from other countries.

A freer flow of labor has, according to the representatives, also an impact on the health security for workers. Language differences can turn out to be a problem, and many of the interview objects believe that foreign workers are less focused on safety than Norwegian workers are. The manager of agriculture is the only respondent who believes that foreign workers are equally conscious on security as Norwegians.

Most respondents also believe that the EU has an impact on the safety issues for their firms and employees. For the international firms, also the FTAA has influence on the security for the workers' health.

5.6.2. Employees and health security

It is important for corporations to make sure that the health security for their employees is as good as possible. There are still high risks attached to working in industrial plants and it is important that the employees use qualified security equipment and perform their jobs in a safe manner. This is important because the corporation wants to secure their employees, but it has also an economical reward. Investors today are extremely concerned with security and they are not interested in investing their money in firms, which have bad statistics on security. Because of this, corporations today are required to focus on security in order to survive. Both representatives for employees agree that a free flow of information and research will have an exclusively positive effect on the security of the employees. Information concerning safety issues together with new technology, which puts protection in focus, contribute to a more secure work environment for the employees. Access to information on security statistics has also helped the corporations to emphasize safety at work.

A more free flow of investments and capital can also contribute to strengthen this effect because investors want to invest in corporations, which focus on security, as explained above.

A more free flow of products and services can help corporations to buy the best safety equipments in the world, which in turn also is positive for the safety of the employees.

However, the representatives for the employees see a challenge on the question of free flow of labor in relation to security. Especially the leader of LKF has experienced that some foreign workers have a different view on what is to be characterized as safe work than Norwegian workers have. Language differences can also create problems regarding safety issues if the foreign workers have problems reading signs and warnings written in Norwegian. This has, however, resulted in that some corporations in Farsund and other local communities have started to write signs and warnings in English instead of, or in addition to, in Norwegian.

The government, and also the EU, put up some requirements related to security, which corporations have to follow. ISO 9000 and ISO 14000 are examples on goal-focused standards that corporations should achieve¹.

¹ ISO 9000 and ISO 14000 standards are set by the International Organization for Standardization (ISO). The ISO 9000 series are quality standards and the ISO 14000 series are environmental standards.

5.6.3. Farmers and health security

In general, farming is perhaps one of the most dangerous professions in Norway, and there are many risks related to agriculture. A lot of accidents occur when using machines and there is a risk attached to the animals. Duvold explains that most of the accidents take place when the farmer is stressed or shall do things in a hurry. He further argues that there have been more controls during the last years as a consequence of globalization. His farm is being controlled every third year by authorities, and he must perform a control every year himself, where he has to confirm that everything is according to the regulations. As producers, it is important for farmers to produce clean and safe products. The bird flu is a large threat today, and this disease is hard to safeguard from, since it infects through birds that can fly freely in the air.

A free flow of information and research can have a positive influence on the security for farmers. Through the Internet they can find information concerning safety equipments and how to use the equipments in a safe way. A free flow of research can result in safer technology for the farmers to use. However, this is often costly and the farmers in Farsund seldom have the resources to invest in very costly technology or equipments. A free flow of information can further warn farmers when there is a risk for diseases like the bird flu.

Neither farmers believes that a freer flow of investments and capital has any influence on the security for farmers. It can have an impact on the security if foreigners invested in Norwegian farms and gave them capital so that they could afford investing in costly safety equipment. This is, however, not a very likely situation for local farmers in Farsund.

On the question of a freer flow of products and services, the farmers are sceptical when it comes to security. They argue that there should be heavy safety controls on the products before entering the country, in order to prevent diseases. However, a freer flow of products can also lead to a possibility for farmers to buy safer machines and equipments.

When it comes to a free flow of labor, the farmers and the director of agriculture disagree. The director of agriculture believes a free flow of labor is positive for the local community. She argues that foreign workers perform just as safe work as Norwegian workers. The farmers, however, believe that foreign workers pay less attention to safety issues, and that they therefore are exposed to higher risks of getting themselves into an accident. It is worth mentioning that none of the farmers have experience with foreign workers since they only use

Norwegian labor. This is therefore more of a presumption than a reality. They agree that the EU has had a small influence on the safety issues, since they have security laws and standards, which must be followed also in Norway.

5.6.4. Norwegian companies and health security

On the question of the workers' health, the security is good in Norwegian firms. ABC-Metall, which was established in 1988, has never had an injury with absence. Also Kjell Ore is a safe work place when it comes to injuries. Safety is important for companies in order to survive. Without good security statistics there are small chances that people will invest in the company. The general manager of Farsund Næringsselskap argues that the focus on safety in Norway, is inspired by other countries like the US. Also the EU has affected the safety rules in the country.

A free flow of information and research has had a large impact on the safety issue. One can, for instance, find information concerning how one practice safety in countries like the US, and then adapt the safety controls to a Norwegian company.

The security in a company can also be influenced by a free flow of investments and capital. If there are large US investments in Norwegian firms, these will have an influence on the Norwegian firms by requiring safety rules that are important in the US. A freer flow of investments and capital can furthermore enable Norwegian companies to afford expensive safety products etc. However, neither ABC-Metall nor Kjell Ore believes that a freer flow of investments and capital would have any influence on their companies.

A freer flow of products and services allows the companies to find the best products independent of where these products are located. This can therefore influence the Norwegian companies positively. However, it can also result in more competition.

On the question of an increased free flow of labor, all representatives for Norwegian companies argue that a freer flow of labor will affect the security since many of the representatives argue that foreign workers are less concerned with safety than Norwegian workers. If this is true, the health security in Norwegian firms will be negatively impacted by a freer flow of labor. The representatives believe this is true at least in the beginning, when the foreign workers are not familiar with the safety standards, and they perhaps do not

understand the language. Some foreign workers, however, come from countries where there are equally good or better safety standards than in Norway. These workers can have a positive influence on the security in Norwegian companies. The EU has some influence on the safety issues. For instance, they have garage laws that Norwegian companies have to follow.

5.6.5. International companies and health security

Security related to health issues is highlighted in the international firms. The operation manager of Bredero Shaw Norway admits that when the firm first came to Farsund in 1993, the security was poor. There was almost no focus on security. After several accidents, the firm learned that they had to change this focus in order to survive, and today this firm is among the best in the world when it comes to security. This is also somewhat true for Elkem Aluminium Lista. They have in addition noticed even more focus on safety after they were partly bought up by Alcoa.

A free flow of information and research has something to do with this since they have adopted many safety regulations from the US. Safety on work has extremely high focus in the US. A reason for this is that firms are scared of being sued by workers who are injured at work. If there is an injury of any kind at Alcoa Automotive Castings, the management of the local division in Farsund has to personally report the injury to the headquarter in Michigan. A free flow of information and research can also enable firms to get hold of the most modern technologies, which can contribute to a safer work place.

When it comes to a freer flow of investments and capital, this also affects security. For instance, many companies require safety statistics etc. before deciding whether or not they will invest in the firms. Furthermore, it costs money to get hold of the newest safety technologies and these technologies are perhaps only available abroad. This is related to a freer flow of products and services, since protective equipments often are produced outside of Norway.

All three representatives for the international firms agree that a freer flow of labor also will affect the security in their firms. Communication problems in form of language diversities contribute to foreign workers are often not as well informed as the Norwegian workers. However, they also agree that when foreigners do understand the safety rules, they seem to follow them better than their Norwegian colleagues. Norwegians are sometimes less willing

to follow rules, which are set by the management because they do not wish to be commanded by others. This can be a result of the flat organization structure that exists in Norway. In other countries, like the eastern European countries, there is a greater gap between workers and management, and the workers are more accustomed to do as the management demands without any further discussion.

The EU and the FTAA both have influence on the security for international firms, like the three that are examined in this thesis. They have their own safety standards, like for instance the CE branding that is required by the European Union.

Table 7: Job security

| | Employees | | Agriculture | | Norwegian companies | | | International companies | | | | |
|---|---|--|---|---|---|--|---|--|---|--|--|--|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvoid</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| Description of security for keeping jobs | High security for jobs, no one gets fired | High security for keeping jobs, must follow safety rules | Responsibility, the farmer must desire to run the farm | Safe today, depends on tariffs on imported farming products | Risk if the state remove the tariffs on imported farming products | Good today, very dependent on prices on electrical power | Safe work place, almost no one gets fired | Risk for losing jobs if large companies like Elkem shut down | Insecurity for keeping jobs because small companies are dependent on larger companies | Dependent on prices on electrical power, in general good security for keeping jobs | Goes up and down, sometimes they demand several workers and sometimes none | People can lose the jobs if Alcoa move abroad etc. |
| Free flow of information and research | No impact | No impact | Yes (more up to date with technology, prices, diseases) | Yes (info about how to run a good farm) | Yes (but does not wish a totally free flow) | No impact | No impact | No impact | No impact | No impact | No impact | No impact |
| Free flow of investments and | Does not know | Yes (may influence negatively if plants are moved) | No impact | No impact | No impact | No impact | No impact | Yes (if company is in lack of money, invest- | Yes (investments can help in urgent | Yes (dependent on investments to | Yes (foreign investments are necessary) | Yes (could not survive without |

5.7. Job security

5.7.1. Short summary of table 7

It is not easy to fire workers in Norway, partly because of all the labor unions that protect the employees. However, more open borders can result in the end for farmers because of the fierce competition from farmers in the EU. The international companies can move their factories to low cost countries if they wish to do so. Especially Elkem and Alcoa are very dependent on a good price on electrical power and if the price continues to go up, chances are that the firms must either shut down or move abroad. This may result in the loss of many jobs.

The farmers believe that a freer flow of information and research can facilitate them in running their farms more efficiently. None of the other representatives believes that this has any impact on the job security.

A freer flow of investments and capital can be vital for those firms, dependent on foreign investments. This applies especially for the international companies and some of the Norwegian firms. The farmers, however, do not believe that a freer flow of investments and capital has any impact on the security for keeping their jobs.

Neither the representatives for the employees nor the representatives for the Norwegian firms believes that a freer flow of products and services has any influence on them. The farmers and the representatives for the international firms, however, argue that this has a major impact on their job security. The farmers believe that a freer flow of products and services will mean they have to close down. The representatives for the international firms, on the other hand, argue that without a free flow of products and services, they would not have survived because they are dependent on selling their products to the foreign market.

None of the representatives believes that a more free flow of labor is a threat to the security for keeping their jobs. The reason is that they argue that the demand for labor is greater than the supply of labor. The unemployment rate in Farsund is, in addition, relatively low (4, 5 percent).

The farmers argue that the EU may have an influence on the job security if they decide to remove the tariffs on imported products. None of the other representatives believes that the EU has any impact on this question.

5.7.2. Employees and job security

Norway is characterized by its high job security. Sacking people in Norway is difficult because of the influence of workers unions and other directives. In the local government of Farsund, it is nearly impossible for an employee to get fired unless having done anything explicitly wrong. However, it can be necessary to relocate employees if they are more needed in another position. In industrial plants where there is a large focus on security, violations on safety rules can cause the employer to fire the employee.

The representatives for employees argue that neither a freer flow of information and research nor a freer flow of products and services has any influence on the employees' job security.

A freer flow of investments and capital can potentially influence the job security for the employees, but in a negative way. For instance, when Elkem Aluminium Lista was established in 1971, a large part of the corporation's surplus was given back to the local community in form of, for instance, sports arenas. Today, the investors increasingly demand more surplus and if they do not receive a "sufficient" profit they either close down the plant, or move it abroad where costs are lower. The leader of LKF terms this "casino capitalism". Also, the high focus Norway has on environmental issues can turn out to be a threat for the employees. If corporations do not manage to follow the laws related to CO₂ emissions etc, the firms must either shut down or move to countries with less ambitious laws on emissions than in Norway. This can result in that hundreds or thousands of people lose their jobs.

On the question of whether a freer flow of labor has an impact on the employees' job security, the director of personnel in the local government of Farsund does not believe this has any direct impact on the people who already have a job. On the other hand, he thinks a freer flow of labor may cause more competition for those applying for a position. He views this as positive, since increased competition has the potential to lead to more competence and quality among the employees.

5.7.3. Farmers and job security

When it comes to job security for farmers, an increased degree of globalization and free flow does not seem to be advantageous for farmers. Farmers today must be efficient and in order to survive.

A freer flow of information and research can contribute to farmers being more up to date on the newest technology, prices, warnings against diseases etc. This is an advantage in order for the farmers to be able to run their farm. Farmers are often practical people who can adjust to changing environments. The farms have also a number of possibilities for the farmers to take advantage of. For instance, they can use the farm for tourism. Tourists can come and stay at the farm and experience a Norwegian farming life. Furthermore, they can sell various products directly from the farm, for instance, on a market in town.

As earlier described, a free flow of products is a large threat to farmers because they can not compete on price with foreign products.

Neither of the farmers looks upon a free flow of investments, capital, or labor as a threat to their work places.

5.7.4. Norwegian companies and job security

The finance manager of Kjell Ore believes that there is not a large risk for the employees in his firm. However, in companies like ABC-Metall the risk is somewhat larger. This is because such firms are very dependent on a good price on electrical power. The general manager of Farsund Næringselskap believes that the security for Norwegian companies to survive is not looking too good because of the dependence on electrical power. Since 1100 jobs are primarily or secondarily related to Elkem Aluminium Lista, there will be great consequences if Elkem is closed down due to higher prices on electrical power.

A free flow of information and research will probably not have a direct influence on this type of security for the Norwegian companies in local communities. The same goes for a freer flow of products and services.

An increased free flow of investments and capital, however, may affect the job security because if the company is in lack of money, investments can help “saving” the company.

Finally, a freer flow of labor will, according to the representatives for the Norwegian companies, not have much impact on the security for keeping jobs. This is due to minimum wages etc, which is explained in the next paragraph.

5.7.5. International companies and job security

There is a relatively high risk working in international firms. Since Norway is an expensive country with high wages, the divisions have to be very efficient. Otherwise, the international firms have no hesitations of closing down the division and build up a new one in a country with lower wages and costs. For the international firm, it is “just business” and profitability is the key concern for them.

A free flow of information and research has, according to the representatives for the international firms, not had much influence on the job security. These firms have, as long as they have existed, had a free flow of information and research. Without a free flow, there would not have been any jobs at all since international firms would not exist.

A freer flow of investments and capital, and also a freer flow of products and services have, however, been decisive for this security. The reason for this is that without a free flow of investments, capital, products and services, these firms would never have existed. There would at least not have been a division in Farsund. Without a free flow of these elements, all these jobs would never exist. Elkem alone has approximately 350 employees, but without Elkem, over 1100 work places would have been lost. The reason for this is that there are several smaller firms, which are dependent on Elkem, which would be put out of business if Elkem was closed down. This could have a major impact on Farsund since it constitutes 1/5 of the total labor force in Farsund (information based on Appendix 1).

As already mentioned, the representatives for the international firms in this thesis do not believe that foreign labor is cheaper than Norwegian labor, all things considered. Therefore, the flow of labor today will not affect the security for the Norwegians to keep their jobs. However, if there had been a completely free flow with no barriers such as minimum wages and communication problems, the Norwegian workers would perhaps have experienced more competition from foreign labor.

Table 8: Equality

| | Employees | | Agriculture | | | Norwegian companies | | | International companies | | | |
|--|---|--|---|---|--|--|---|---|---|--|--|---|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvoid</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| Description of equality | Challenges, Farsund is the worse municipality in Norway on equality, many women have only part-time positions | Industrial plants are often dominated by men, a woman was passed over by two men, usually good on equality | Most male farmers, can change with the new allodium law, often husband and wife | Most male farmers. However, men and women are treated similar | Most male farmers because of the heavy work, easier today because of new technology and equipments | Norwegian companies are in general good on equality, he himself has only hired men because of the physical hard work | Believes that the equality is good in the company he works in and in most Norwegian companies | Good on equality, we have Equal Opportunities Commission, not all countries have that | Norway has very many unions and, the unions see to that there exists equality | Small distance between management and workers, language differences can be a problem | Small distance between management and workers, language differences can be a problem | Much smaller differences in Norway than in the US, good on equalities between nations, female manager |
| Free flow of information and research | Yes (equality index) | Yes (among the best in the world on equality) | Yes (inspired by the Internet) | Yes (when women see female farmers this can have influence) | Yes (the Internet) | No impact | Small impact (info about equality) | Yes (can motivate other lands to focus on equality) | Small impact | Small impact (Norway is a leading country) | Small impact (not much to learn from other countries) | Small impact (can learn some from the US) |
| Free flow of investments and capital | No impact | Small impact (may have impact if employees) | No impact | No impact | No impact | No impact | No impact | Yes (if investing in countries with | Small impact | Yes (investors influence the equality in | Yes (US investments also affect the equality | Yes (investors have a certain impact) |

5.8. Equality

5.8.1. Short summary of table 8

The interview objects agree that Norway is a country that focuses on equality issues. Because of this, they argue that Norway can not learn so much from other countries, but other countries can learn from Norway.

A freer flow of information and research has had a positive impact on equality issues, according to the representatives for the employees and the farmers. The representatives for the Norwegian firms and the representatives for the international firms believe that a freer flow of information and research has only a small impact on the equality since they believe that Norway is a leading country when it comes to equality.

A freer flow of investments and capital has, according to the respondents, no impact on equality issues. The representatives for the international firms, however, believe that the US can have influence on this issue.

All interview objects argue that a freer flow of products and services has no impact on the equality of their firms.

The representatives for the international firms believe that a free flow of labor will have a positive impact on the equality in their firms because it would enable them to have a continuous access to foreign labor. This can help setting focus on different cultures and religions. The other representatives do not see this influencing their firms.

Since the respondents believe that Norway is ahead of most other countries when it comes to equality, neither of them believes that unions like the EU have an influence on this issue.

5.8.2. Employees and equality

In Norway one likes to think that the country is the best in the world when it comes to equality. This goes for equality between people from different classes, countries, and also between genders. Norway is probably, also in reality, one of the countries in the world that focus most on equality issues. Sweden, Denmark, and the Netherlands are also countries where equality is highlighted. However, Farsund is in fact the worst town in Norway when it

comes to equalities between genders. Out of a maximal score of 4, 0, Farsund achieved a score of only 1, 3. This is the lowest score among all the municipalities in Norway. Factors considered in this test, made by Statistisk Sentralbyrå², are coverage of kindergartens, share of women per 100 man in age 20 – 39 years old, level of education, women and men in the labor force, the income of women and men, and the share of female representatives in the local council (Statistisk Sentralbyrå, 2007). This varies though from firm to firm. Industrial firms have had a tendency of having a majority of male employees, and the plants in Farsund are no exceptions. There are also few women in the managerial positions. The manager of personnel in the local government of Farsund argues that it is difficult to give women in the health sector full time positions. These women often have to accept several part time positions, and this is an issue the manager of personnel wants to improve. The leader of LKF can enlighten an incident, which took place in Elkem Aluminium Lista last year, where a woman who positioned a certificate on completed apprenticeship experienced losing a position to two men without any such certificate. These men received permanent positions while the woman did not receive a permanent position. LKF went further with this case to a union in Oslo, which resulted in a permanent position also for the woman.

The director of personnel believes that a freer flow of information and research may have an impact on the equality in Farsund because they can compare themselves to other towns and countries through an equality index. However, both representatives for the employees believe that Norway is ahead of most other countries, and also ahead of the EU, so that information from other countries concerning equality is more or less irrelevant for Norwegian companies. The director of personnel argues that Farsund rather compares themselves to other towns in Norway instead of comparing themselves to foreign countries.

When it comes to a freer flow of investments and capital, this may affect equality for employees if the corporation moved to another country and brought the employees along with it. Then the employees would perhaps have experienced a lower degree of equality than they were used to in Norway. However, it is not very likely that the employees from a local community in Norway would move with the corporation to a foreign country.

² Statistisk Sentralbyrå is the statistics for Norway, which is approximately the same as U.S. Census Bureau (USA) and National Statistics (UK).

Neither of the representatives for the employees believes that an increased free flow of products and services have any impact on the equality for the employees in local communities.

They also find it doubtful that a freer flow of labor would influence the equality for employees. Foreign workers have to adapt to Norwegian norms concerning equality. In total, the representatives for the employees in Farsund do not believe globalization has an important impact on the question of equality between people from different classes, countries, nor between genders. Organizations like LO and the Norwegian government are the most important influencers on the question of equality.

5.8.3. Farmers and equality

Throughout history, most farmers have been men because of the heavy work. Today, however, more and more women establish themselves as farmers as a result of new technologies, machines, and equipments that make the work easier. Raw muscle power is no longer a necessity for running a farm. Also, the new allodium law contributes to more female farmers since now also women can inherit farms. Farsund, however, is a traditional and conservative town and the vast majority of farmers here are male. Often the farm is run by husband and wife. The husband takes care of the practical work on the farm while the wife takes care of the account etc.

A free flow of information has probably not a large impact on the equality for farmers. Nevertheless, when women in communities like Farsund see that more women in other parts of Norway, or the world, are into farming, they may be inspired to become farmers themselves. The Internet can help spread this kind of information.

Neither the farmers nor the director of agriculture believes that a free flow of investments and capital have any influence on the equality among farmers in local communities. The same goes for a freer flow of products and services.

When it comes to an increased free flow of labor, this will probably not have an impact on the equality for farmers. However, most of the foreign labor is male and the women are often home with their children. This can influence the equality in a negative way. At the same time

it can also affect equality in a positive way if for instance farmers become more tolerant towards foreign labor. This can, of course, also have the opposite effect.

Unions like the EU and the FTAA have probably not an influence on the equality issue for farmers in Norway since this country already is more focused on equality than are some of the member countries in the EU. Especially the newest member countries in the EU, like Bulgaria and Romania, have little focus on equality.

5.8.4. Norwegian companies and equality

On the question whether globalization has any influence on the equality in the Norwegian companies, this is not very different from the question of equality in international firms. All representatives agree that equality is very important in Norway, and believes that equality also is in focus in Norwegian companies in local communities like Farsund. However, as described earlier, Farsund is nevertheless the municipality in Norway with the lowest score on the equality index.

A freer flow of information and research may improve this score in relation to other municipalities in Norway, but Farsund is probably still better on equality than many other countries are.

Furthermore, the representatives for Norwegian companies do not believe that a freer flow of investments and capital, products and service, or labor will have any influence of importance on the equality issues in Norwegian companies. Increased globalization will therefore not have a large impact on the equality of Norwegian companies in local communities.

5.8.5. International companies and equality

All three representatives for the international companies, which are discussed in this thesis, believe that there is equality between the workers and the management. The finance manager at Alcoa, who is from the US, explained that when he first came to Norway a secretary came into his office and wanted to discuss a decision he had made. This took him by surprise because in the US, a secretary would never have dared to discuss business with the finance manager. In this way, there is more equality in Norway and the rest of Scandinavia than in the US and most other countries in the world. The manager of Elkem agrees with this view. He argues that the organization structure is completely flat in his plant, and there is no distance

between workers and management. Everyone in the organization wants to be heard, no matter what position they have. When it comes to equality between genders, however, there are more men than women working in industrial plants. At least this goes for the local community of Farsund. Male and female workers are, nevertheless, treated equally according to the representatives for international companies. Alcoa has in addition a female manager, and this is working well. Some problems may turn up when she is visiting other countries, especially in Asia where some of the managers find it hard to accept female managers. These countries are, according to the Dutch professor, Geert Hofstede, and his work on cultural dimensions, masculine countries. Scandinavian countries and the Netherlands are typical female countries. The US is also a more masculine country than Norway, but the equality between genders are not so different there from here. To have a female manager in a division in Farsund is therefore, according to the finance manager of Alcoa, not a problem to the Alcoa management in the US. When it comes to equality between people from various countries, foreign workers are treated equally as Norwegian workers by the management. Elkem has no foreign workers directly, but through projects and other firms they do have them in work. In Alcoa there are workers from approximately 15 different countries. The finance manager believes that they are all treated like Norwegian workers, although there are some difficulties like language and cultural differences. However, he realizes that foreign workers may be treated differently by Norwegian workers in the specific departments. The representatives for international companies in Farsund all agree that Norway is one of the best countries on equality. The government has its own equality-ministers, and also all the unions in Norway see to that there is equality among nations, genders, and classes here in Norway. Unions are unique for Scandinavia. The General Manager of Farsund Næringssselskap believes that Alcoa is the international company in Farsund, which is best on equality. According to him, Elkem and Bredero fall behind compared to Alcoa.

A freer flow of information and research has some impact on international companies in Norway. However, the representatives for the firms argue that Norway is a leading country within equality issues and that they are subsequently more in a position to teach than learn. Still, some impulses have come from the US when it comes to female leader positions etc.

The same goes for a freer flow of investments and capital. The countries, which invest are interested in influencing the company in which they invest. Therefore, a freer flow of investments and capital can have influence on the equality in the firms.

A freer flow of products and services does not have a direct impact on the equality of the firms because there are no products or services that can affect the equality in any way.

However, a free flow of labor could influence the equality of firms in local communities. More foreign workers may increase the cultural understanding of the Norwegian workers. This could make them more tolerant for their foreign colleagues.

None of the representatives for industrial companies in local communities believes that unions like the EU or the FTAA have any impact on the equality in international companies. The reason is that the representatives argue that Norway is ahead of both the EU and the FTAA on the question of equality. This is valid for equality between classes, nations, and genders.

Table 9: Barriers

| | Employees | | | Agriculture | | | Norwegian companies | | | International companies | | |
|--|---|---|---|---|--|----------------------|---------------------|--|--------------------------------------|------------------------------|--|--|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvold</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| Barriers to the free flow of information and research | Language differences, foreign research reports are hard to read | Fear of espionage in industrial plants, patents on technology, language differences | None | None | Patents on technologies | None | None | Competence | Lack of broadband, patent protection | None | Internal barrier (too proud to realize that something is better than their own technologies) | Language differences result in lots of misunderstandings |
| Barriers to the free flow of investments and capital | Does not know | Will not invest in unstable countries | Before: foreigners can not buy farming land, Today this law is gone | None | Internal barrier since he does not have enough knowledge of currencies | None | None | Some nationalities can not establish a company in Norway | Does not know | None | None | None |
| Barriers to the free flow of products and services | Open bids in EEC, firms bind them | Customs and quotas on certain products | Tariffs on imported farming products | Tariffs on imported farming products (protects) | Tariffs on imported farming products | None | None | Some tariffs on products | Some tariffs on products | Tariffs on Russian aluminium | Tariffs and quotas on products | Antitrust law |

| | | | | | | | | | | | | |
|--|--------------------|--|--|---|---|---|--|-------------------------------------|---|-------------------------------------|-------------------------------------|--|
| Barriers to the free flow of labor | selves to supplier | Language and cultural differences, minimum wages | Dependent on whether the labor is from EU-countries or from non-EU countries | Internal barriers if the culture and the way they work do not fit with the Norwegian procedures etc | Internal barriers since he has a goal of using only Norwegian workers | Language barriers | Easier for people from the EU-countries than for people from outside of the EU | Language and cultural barriers | Language differences, various religions, different focus on equality issues | Minimum wages, language differences | Minimum wages, language differences | Work permits etc. make it hard to hire foreign workers |
| Unions and barriers | EU | EU | EU | None | None | EU | EU | EU | EU | EU (laws and rules) | EU and FTAA | EU and FTAA |
| Barriers that are desirable to remove | None | Customs on certain products | None | None | None | None | None | Morally: Should remove all barriers | None (companies, vulnerable) | Minimum wages | None | Lang-uage difficulties |
| Barriers that are desirable | None | Minimum wages | Desires existing barriers on import products | Barriers on imported farming goods | Barriers on imported farming products | Barriers on products sold to dumping prices | The rule of max one Toyota dealer in one area | None | None | None (survival of the fittest) | None | None |

5.9. Barriers

5.9.1. Short summary of table 9

The respondents see some barriers to the free flow of information and research. These can be language differences, patent protections etc. All in all, there are few barriers to the free flow of information and research.

There are furthermore not many barriers to the free flow of investments and capital. These barriers are in this case internal and can imply that one will not invest in unstable countries, one has not enough knowledge of currency issues to make foreign investments etc.

Some barriers exist for the free flow of products. The finance manager of Alcoa mentions, for instance, the antitrust legislation. Furthermore, tariffs on imported farming products exist in order to protect the Norwegian farmers from competition with farmers in the EU and other countries.

When it comes to barriers to the free flow of labor, language differences are considered a great barrier. Also minimum wages, work permits and cultural differences are common views on barriers to the free flow of labor.

Most of the representatives do not wish to remove any barrier. The manager of the labor union LKF would like to remove customs on certain products. The manager of Elkem wants to remove minimum wages, and the finance manager of Alcoa desires that people learn English better in order to prevent misunderstandings. The manager of Farsund Næringssselskap further believes that one should remove all barriers if one wants to do what is morally correct. But if all barriers were gone, the competition would have been fiercer, and this would have been negative for the Norwegian companies.

5.9.2. Employees and barriers

There are potential barriers to all four elements of free flow. The representatives for employees do not believe there are any external barriers to the free flow of information. Information flows freely in Norway through, for instance, the Internet, and there are no restrictions on this information. Therefore, this will not affect the employees. However, the director of personnel thinks there may exist some internal barriers for example related to

language diversities. If he receives a complex research report in English or German, he finds it harder to read than if the report had been written in Norwegian. He believes this goes for many of the employees in the local government of Farsund. When it comes to a free flow of technology, this will probably not affect the employees directly. However, patents and the fear of industrial espionage have resulted in a prohibition against cameras, and to a certain degree also mobile phones with cameras, inside the production areas in plants like Elkem Aluminium Lista.

One can also find internal barriers to the free flow of investments and capital. Investors will seldom risk investing in political unstable countries. This can have influence on the employees, albeit not a direct effect.

There is a relatively free flow of products and services as well, but still there exist customs and quota regulations on certain products. This will probably not directly affect the employees. However, most firms bind themselves to suppliers for a certain period. This can, for instance, be that the local government of Farsund makes an agreement with Dell, which makes Dell the supplier of computers for a period of, for instance, three years. In such a scenario there is not a free flow of computer products for the employees to choose among. This is, however, a barrier the firm itself has created. The free flow of services can be shown by the rule that every project shall be announced by an open bid in the entire EEC area. One therefore has a relatively free flow of services in Europe, but there are some restrictions when it comes to the rest of the world.

Cultural differences and language diversities are the largest barriers when it comes to the free flow of labor. Throughout the EEC area, people can move and work freely across borders. The representatives for the employees agree that it is important that the people who come to Farsund from other countries should be able to communicate in English and Norwegian in order to receive a job. This has both safety reasons and communication reasons. A person who does not speak Norwegian will, for instance, have problems communicating with some of the elderly in the community who only speak Norwegian. The foreign workers should also adjust to Norwegian laws in general and the rules in the specific firm. Neither of the representatives for employees would like to remove any barriers, but they emphasize that more laws concerning social dumping is preferable. This has both moral reasons and reasons

for protecting the local community, for instance in order to secure the jobs for the local inhabitants.

5.9.3. Farmers and barriers

According to the representatives for the farmers interviewed in this thesis, there are no barriers to the free flow of information. When it comes to research and technology, there may exist barriers in form of patents, which result in that farmers have to buy the rights to use a specific technology or product. There may also exist an internal barrier to the free flow of information and research, and this barrier lies within the farmer himself. Some farmers do not wish to focus too much on world events, and they subsequently create an internal barrier for information like this. One of the farmers interviewed in this assignment expressed that he did not wish to see pessimistic news from across the world, and believed that he had “enough with himself”.

There exist few external barriers, also when it comes to the free flow of investments and capital, that have an influence on farmers in local communities. Years ago, there was a law deciding that foreigners could not buy farming land in Norway. This law is today repealed and Norwegians and foreigners have therefore now the same rights when it comes to purchasing farming land in Norway. An internal barrier can be that farmers do not have enough knowledge about investing in foreign currencies etc.

As described earlier, there are several barriers on farming products, which are imported to Norway. These barriers are created by the Norwegian government. These can be tariffs and quotas, and the barriers exist in order to protect the farmers in Norway. In the fall, Norway does not import any apples in order to protect the apple farmers in Norway. If there was a free flow of farming products to the country, the Norwegian farmers would not have been able to compete, and they would have to stop working as farmers. This is, of course, only one side of the story. Many argue that Norwegian farmers should compete on the same conditions foreign farmers compete. In this way, they argue, only the best farmers will survive and the prices on farming products will go down. The farmers themselves, however, argue that barriers on farming products are necessary.

There are furthermore no particular barriers to the free flow of labor, which have any impact on the farmers in local communities. Within the EEC area, labor flows more or less freely

with some exceptions. The UK is, for instance, regulating this flow, because otherwise the country would receive too many foreign workers. Outside the EEC area, labor does not flow as freely as within the EEC area. Visas are required of people from certain countries etc. Neither the farmers nor the manager of agriculture wishes to remove any of the barriers existing today. They also do not wish to put up any additional barriers to the free flow of the four elements.

5.9.4. Norwegian companies and barriers

Neither the finance manager of Kjell Ore AS nor the owner of ABC-Metall believes that there are any barriers to the free flow of information and research that has any impact on their companies. The general manager of Sørlandets Industrisenter, however, argues that there are some barriers. For instance, not all companies in the community have access to broadband Internet. These companies have a great disadvantage to companies that have such access. Furthermore, technology protections in form of patents can be barriers to the flow of information and research.

There are also some barriers to the free flow of investments and capital that can influence the Norwegian companies in Farsund. However, neither Kjell Ore nor ABC-Metall believes this will influence their companies. The same goes for the free flow of products and services. The representatives for these two companies do not believe that there are any barriers to this flow that influences their firms.

When it comes to barriers to foreign labor, the representatives all agree that many internal barriers exist. These barriers can be language differences and cultural differences. The finance manager of Kjell Ore further believes that it is easier for people from the EEC countries to be employed than it is for people outside of the EEC area. Morally, the general manager of Farsund Næringssselskap believes that there should be no barriers. However, this would make it harder for the companies in local communities to survive because it facilitates increased competition. This could, however, result in a positive effect for the companies. Some years ago, there was a rule that there could be maximum one Toyota dealer in one community. This law is today gone. The finance manager of Kjell Ore would, however, preferred if this law was still valid. There is not more than one Toyota dealer in Farsund today, but if there had been established one more, it would probably have affected Kjell Ore negatively. A barrier, which the owner of ABC-Metall considers desirable, is more customs on products that are

being sold at dumping prices. Such products are hard for ABC-Metall to compete with because of the high charges in Norway. All in all, barriers are not seen as morally correct towards countries in the third world. However, some barriers can be desirable for Norwegian companies in Farsund because without the barriers, these companies will be very vulnerable.

5.9.5. International companies and barriers

The manager of Elkem Aluminium Lista does not believe that there are any barriers to the free flow of information and research that have consequences for his plant. The operation manager of Bredero Shaw Norway, however, believes that there is an internal barrier implicit amongst the workers. This barrier is that especially Scots, which Bredero works closely together with, are too proud to say that another technology is better than their own technology. This can result in that they miss out on good research and solutions, which in turn could gain the company. The finance manager of Alcoa believes that language is a major barrier to information. He often receives e-mails in German or French, which he is not able to read. English has become the “world language”, especially within business. But even though most people, at least in Norway, speak English, there are often misunderstandings when they have meetings with Americans. The finance manager of Alcoa witnesses a lot of such confusions and he often has to act as a translator since he has English as mother tongue, but also has lived in Norway for about 30 years.

Neither representatives for the international companies interviewed in this thesis believes that there are any barriers to the free flow of investments and capital. According to them, money can flow freely between countries.

On the question of the flow of products and services, this flow is not completely free according to the representatives. There are customs and quotas on both imported goods and exported goods. Furthermore, there are some limitations within the EU when it comes to aluminium. The manager of Elkem explains that factories within the EU and the EEC area are protected by barriers like customs. Russia, on the other side, has to pay customs in order to sell aluminium to countries within the EEC. This has, however, not much impact on Elkem Aluminium Lista. Today, there is a very high demand for aluminium and the supply is not in proportion to the high demand. The aluminium prices are therefore pressed up, and aluminium plants are experiencing good times. The challenge is prices on electrical power. In Norway, and several other countries in Europe, electrical power is very expensive. Producing

aluminium demands enormous amounts of power, and if prices on power are further increased, companies like Elkem Aluminium Lista have to close down or move to countries where power is cheaper. This will change the local community completely since, as mentioned before, approximately 1100 jobs are dependent on Elkem. This includes Alcoa, which is a plant located in Farsund only because it is close to an aluminium factory (Elkem). Another barrier to the free flow of products and services is the “antitrust law”, which says that the US can not sell technologies or products to countries, which are considered being a threat to the US. This also affects local companies like Elkem, Alcoa, and Bredero because they are all partly US owned, and they have to follow this rule. This affects these companies because it causes them increased work.

There are also some barriers related to a free flow of labor. Language and cultural barriers are common answers from the three representatives for international companies. Barriers such as minimum wages etc. are normally negative for the companies. Today, there is not much unemployment and there is sometimes a lack of workers in the industrial plants in Farsund. The finance manager of Alcoa Automotive Castings argues that it is much easier to hire Norwegian workers than foreign workers because of work permits etc. In busy times, Alcoa often wishes to be able to hire 10-20 Polish workers or other foreign workers. However, it is not always that simple because of specific rules and laws concerning foreign labor. Furthermore, these can often be as expensive as Norwegian workers even though they are willing to work at a minimum wage. As explained earlier, the foreign workers become expensive because of minimum wages, language differences, and cultural variations. While the manager of Elkem and the finance manager of Alcoa wish to delete all barriers, the operation manager of Bredero does not want to remove any barrier. The reason why the operation manager of Bredero does not wish this is because he does not believe that there are any barriers. The only barrier he sees is the customs and quotas on imported and exported products. None of the three representatives would like to put up more barriers. This will not gain the business, and they also do not believe it is morally correct to have barriers. The manager of Elkem concludes that he does not wish any barriers at all on the argument of the "survival of the fittest".

Table 10: Conclusion

| | Employees | | | Agriculture | | | Norwegian companies | | | International companies | | |
|--|--|--|--|--|--|--|---|---|--|--|--|--|
| | <i>Olaf Eikeland</i> | <i>Jan Atle Toft</i> | <i>Aud I. Vatland</i> | <i>Einar Duvoid</i> | <i>Odd H. Reve</i> | <i>Markvald Hole</i> | <i>Tor Adolfsen</i> | <i>Almar Friestad</i> | <i>Svein Skårdal</i> | <i>Kai R. Heggland</i> | <i>Harald Guttormsen</i> | <i>Ove Norseth</i> |
| Has globalization had a positive or negative influence? | Positive (because of min. wages, avoiding social dumping, better security, good equality, can not avoid globalization) | Positive (it is important to change in correlation with the world) negative (social dumping) | Positive and negative (can not exclude themselves from the rest of the world, new possibilities, hard for farmers) | Negative (a more free flow will put Norwegian farmers out of business) | Negative (free competition in that farmers can not compete with foreign farmers because of the high costs) | Positive (one have to follow the changes, but could have been tariffs on products that are being sold to dumping prices) | Positive (cheaper products, capital can be transferred if needed, more competition can be good for the companies) | Positive (morally correct to remove barriers, can lead to fewer differences in the world) | Positive (opens for tourism and more diverse cultures) | Positive (would not have been established without globalization, wants a totally free flow with no barriers) | Positive (dependent on the rest of the world, can not survive alone) | Positive (would not have been a plant or custom-ers without globalization) |
| Other aspects that they find important | No other aspects | Important to have focus on environment but can be a threat | Focus on diseases like the bird flue, environment is important | Can be positive for tourism in Farsund | Does not see the point in a more open society | Environmental questions (can be hard for companies to follow up) | No other aspects | Has to keep up with time, must think of the environment | Positive for tourism, globalization is non-returnable | No other aspects | Believes there are too few claims to the foreign labor | Is it ethical to earn on poor countries? |

5.10. Conclusion on the interviews

Generally speaking, the representatives of employees are positive to globalization. They believe that globalization is a non-reversible phenomenon, and argue that “if you can’t beat them, join them”. More cultural varieties, new impulses, laws to improve the environment and a safer work place can help improve the local community. One can not hide from the rest of the world, and corporations and their employees have to stay current to be able to compete with other corporations. Employees also have to reform themselves in order to compete with labor from other places and countries in the world. This will result in more competent people, which in turn will gain the corporations in the local community.

The director of agriculture in the local government of Farsund sees both advantages and disadvantages to globalization. She does not believe that a free flow of products will benefit farmers in local communities, but in the same time she argues that it is important not to shield the country from the rest of the world. The farmers must learn to adapt and to look at new possibilities. This will result in more competence and skills among farmers. All in all, she has a positive view on globalization, and sees more benefits than disadvantages to globalization related to farming in local communities. The farmers interviewed have a more negative view on globalization. They believe that globalization is an “evil”, which will give the farmers in local communities a disadvantage. They also believe that the existing barriers on farming products should remain. The farmers view some issues in relation to globalization in a positive way, like the cultural issues and the safety issues. Furthermore, globalization will probably benefit farmers who are focusing on tourism. Nevertheless, both farmers interviewed in this thesis are negative to an increased degree of globalization, and they believe that this is a view shared by the majority of farmers in Farsund and also in other local communities in Norway.

The representatives of the Norwegian companies in Farsund believe that globalization has a positive impact on Norwegian companies in local communities. Since they view globalization as a non-reversible phenomenon, the best thing to do is to keep up with the changes and adapt to the new situation. Demolition of barriers will be good for Farsund, also in forms of more tourism etc. Globalization can also lead to smaller differences between people and countries. It can result in more available products and easier access to capital. In addition, more competition can gain the firms in the long run since it can improve the firms’ efficiency.

All three representatives for international companies in Farsund argue that globalization has had a positive influence on their plants. The reason is simple. Without globalization, there would not have been a plant. This would have resulted in considerably fewer jobs for people in local communities like Farsund. Elkem and Bredero have some Norwegian customers, but they would not have survived without customers in other countries. For Alcoa, globalization is quintessential since this company only has foreign customers. One can not isolate oneself from the rest of the world, and international companies like Elkem Aluminium Lista, Bredero Shaw Norway, and Alcoa Automotive Castings are dependent on a free flow of all the four elements discussed in this thesis. Destruction of barriers can also be positive for local communities in forms of more tourism and a better cultural understanding.

Chapter 6: Conclusion

The purpose of this thesis was to find the impacts of globalization on a small Norwegian community (Farsund). The analysis was based on 12 in-depth interviews with four groups of representatives. These were representatives for employees, farmers, Norwegian companies and international companies.

6.1. General findings in the analysis

In general, three of the groups of representatives believe that globalization has a positive impact on their firms and employees. These groups are the employees, the Norwegian companies, and the international companies. The opinion is split between the farmers and the director of agriculture in the local community of Farsund, because the farmers argue that globalization has a negative impact on their farms, while the director of agriculture believes globalization as a whole has a positive impact on the farmers.

Globalization has, according to the findings, had a positive impact on the organization culture of firms in the local community. New technologies have allowed for communication to go faster within the organization and between organizations.

The political aspect of firms have to a greater extent been influenced by laws set by the EU or foreign countries like the US. This is different from earlier when laws were mainly set by the Norwegian government. The local government of Farsund has also experienced less decision-making authority as a consequence of increased globalization. Especially the farmers would prefer that laws and rules remained being set on a local or national level. They fear that if, for instance, the EU gains too much decision-making authority, the EU will remove all barriers that protect Norwegian farmers, and the farmers will subsequently be out priced by foreign farmers.

The farmers do not believe that increased globalization will have a positive effect on their economy if the EU gains too much decision-making authority. However, as long as the high tariffs remain on imported farming products, globalization will not affect their economy. The representatives for the employees, the representatives for the Norwegian firms and the representatives for the international firms argue that globalization has had an overall positive impact on their economies because globalization has opened up for new possibilities. The

employees now have the opportunity to find information concerning proper wage compared to wages in the rest of the country. The Norwegian firms can produce their products less costly because of new technologies etc. They have also gained the opportunity to sell their products to foreign markets. At the same time, Norwegian firms experience fiercer competition from foreign firms. This can, however, also be positive since it has the potential to improve the skills and competence of the firms and employees. The international firms owe their existence to globalization.

All respondents, including the farmers, argue that the health security has been positively affected by increased globalization. This is an important issue, and it shows that even though globalization may have brought along some negative consequences, it has at least resulted in safer jobs for many people, in form of higher focus and better safety equipment.

Most respondents believe that the job security has decreased as a consequence of increased globalization. A more open society with fewer borders and barriers has resulted in more competition, and the workers must therefore work harder and more efficient in order to keep their jobs. This could, however, also have a positive result because workers may become more competent in their jobs.

Increased globalization has, according to the findings, not had an important influence on the equality in the municipality of Farsund. The representatives argue that Norway lies ahead of most other countries on questions of equality, and increased globalization will therefore not have any impact on local communities in Norway. However, Farsund is shown to be the worst municipality in Norway when it comes to equality. A possible reason for this is that people in Farsund believe that they are good on equality, and that they subsequently do not focus enough on this issue. If people had realized that Farsund can be improved, measurements could have been taken to ensure an increased equality closer to the national average.

The representatives for the international firms believe in a world without barriers. The freer the flow, the better for the international companies since they are dependent on a free flow in order to survive. The farmers, on the other hand, desire barriers and they fear that a freer flow of products will put them out of business. The representatives for the employees and the representatives for the Norwegian firms are satisfied with the barriers that exist today, and they wish for neither more nor fewer barriers.

6.2. Are the findings unique for Farsund or can they be used for local communities in Norway in general?

There has not been conducted many studies regarding the impact of globalization on local communities, especially not concerning Norwegian communities. Norwegian communities are, of course, diverse and few are similar to Farsund. They vary on size, landscape, culture, trade etc. Farsund is a former shipping town, which today is characterized by agriculture and secondary industry. Other communities are characterized by, for instance, oil trade or fishing. Those communities will therefore, probably have different views on globalization.

Hagen et al (2002) argues, for instance, that a freer flow of labor will not have an important impact on Norwegian workers because the demand for labor is greater than the supply of labor. He further discusses the regional policy in Norway, and believes that the policy today where farmers in outlying districts receive subsidies from the government will experience adversity because people will no longer pay for this regional policy. In this way, globalization can be a threat to local communities in Norway.

Van Der Bly's (2007) study of an Irish town, Leixlip, can somehow be compared to this thesis. Leixlip is a relatively small town with approximately 15000 inhabitants. The town was highly affected by globalization after large global companies like Intel and Hewlett-Packard located their facilities in this town. Van Der Bly's study focused most on the cultural and economical aspect of globalization. It concluded that the culture was not becoming more homogeneous, but in fact more heterogeneous. People in Leixlip had since the Viking Period spoken English, but today an increasing number of people speaks Irish, which is the modern indigenous language. There has also been a reinvention of the local history. However, when a local community such as Leixlip becomes more heterogeneous, it also becomes more similar to other societies, and thus the local communities are becoming more diverse. But in the process of making many local societies more heterogeneous, they are also becoming more similar to other communities. The world may, in this scenario, in fact becoming more homogeneous.

Leixlip has not much local authority. This study shows that "... local government and society seem to have had very little involvement in Intel's decision to move to Leixlip" (Van Der Bly, 2007, p 251). The national state and the company of Intel took care of all the decisions, which left the local government of Leixlip little power. This is the same as in Farsund. The

representatives all argue that the local government of Farsund has less authority now than earlier, and that the Norwegian government and the EU in a larger extent have authority over Farsund.

There has also been conducted a study on globalization in Australian societies, which concluded that globalization may result in more inequalities in the world, such as child labor, forced adult labor, unjust working conditions, abuse of human rights, political corruption etc. (Patience, 2001). However, Patience's study argues that Australia should move on with globalization since "[t]here is no retreat from globalisation" (ibid. p 11) and globalization can have many benefits as well. Many of the representatives in this thesis of Farsund agree that globalization is a non-returnable phenomenon and that, despite some negative consequences, globalization as a whole is positive for local communities like Farsund.

The findings of this thesis can probably be generalized for other local communities in Norway as well, especially for those communities characterized by agriculture and secondary industry. This conclusion also goes for some local communities in other countries. Globalization gives local communities benefits such as a freer flow of information and better focus on health security. At the same time, local governments' decision making powers are steadily decreasing. These advantages and disadvantages are, most likely, effects from globalization on many local communities in the world.

6.3. The implications of globalization on local communities

Globalization is an ambiguous concept. In one way, globalization opens up for new impulses and it has resulted in large networks of information and services across borders. On the other hand, globalization creates a risk in that the significance of the local communities decreases as a consequence of global dominance, and where the values and cultures of local societies disappear.

It seems that the view on globalization depends on which group one belongs to in local societies. Of the groups investigated in this thesis, the group of representatives for farmers was the only group where the representatives had a split view. The reason for this is that the farmers had different criterias when they looked on the situation than the manager of agriculture had. Since three out of four groups argue that they are positively impacted by globalization, the conclusion is that globalization has a positive impact on Farsund as a whole,

with the exception of farmers, since globalization most likely has a negative influence on them.

Globalization has most positive influence on technological firms like Elkem Aluminium Lista and Alcoa Automotive Castings, and also on the service industry. At the same time, globalization has negative consequences on the primary industry in Norway, such as farming, forestry and fishing. This was shown in the findings of this thesis. The “romantic” picture of the old, Norwegian farming community, as one still finds traces of in Norway, fights a more difficult and fiercer battle against the prevailing market powers lead by the commanding forces of globalization.

Farsund has, over the years, become a more modern society, but at the same time the town has lost some of its character. For instance, Farsund used to be a distinguished shipping town, but today there are almost nothing left of this trade. In this way, one can perhaps say the world grows more homogeneous and the same phenomenon happens in local communities. In this process, one also experiences a multicultural growth with new religions, cultures and discourses. The country side, as one knows it, is steadily vanishing, but at the same time replaced by something ambiguous and entirely new.

Chapter 7: Directions for Future Research

Firstly, it could be useful to conduct more research on what globalization truly is. The studies on globalization today are very vague, and it could be valuable to create a new and more precise model on what globalization involves.

For future research, and in order to investigate all aspects of a local community, it could be interesting to investigate additional groups of representatives in local communities. For instance, one could examine how consumers in Farsund are affected by globalization. Consumers could have been studied to see whether they have noticed a positive or negative impact on the quality of products and services, and if they have experienced higher or lower prices on products and services.

One could also have investigated a greater number of local communities in order to see if the conclusion drawn from this thesis is valid for local communities in general, or if Farsund is a unique case. Furthermore, both small and large communities could have been studied to see whether the impact of globalization depends on the size of the community.

It could be interesting to look more closely on the unemployment rate to see if globalization has caused an affect on the unemployment factor in local communities.

Another interesting idea for future research is to study whether local cultures have become more homogeneous or more heterogeneous as a result of globalization. As explained in the Leixlip example in the conclusion, local communities can grow more heterogeneous. However, when all communities grow more heterogeneous, the world may become more homogeneous, because a part of what makes the world heterogeneous is the sum of all homogeneous societies. This could be interesting to conduct further research on.

One could also examine whether globalization has resulted in a trend where people move away from local communities into larger cities. Some argue that increased globalization leads to a loss of local communities. It would have been interesting to investigate the validity of this argument.

A final suggestion for future research is to see whether increased globalization has resulted in more tolerance and peaceful cooperations, or whether increased globalization has resulted in more conflicts and ethnocentrism. This, however, demands an ambitious and time consuming research study.

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Chapter 9: Appendices

Appendix 1: Key Figures – Farsund

Population structure 2004. Percent

| | Farsund | Vest-Agder | Norway |
|--|----------------|-------------------|---------------|
| Share 0-17 | 24,8 | 25,2 | 23,6 |
| Share 80 + | 5,1 | 4,4 | 4,6 |
| Share of persons with immigrant background, Western | 2,8 | 2,1 | 2,2 |
| Share of persons with immigrant background, non-Western | 3,0 | 5,2 | 5,4 |

Employment

| | Farsund | Vest-Agder | Norway |
|---|----------------|-------------------|---------------|
| Employed 2003. Share of population | 65 | 67 | 69 |
| Men | 68 | 71 | 73 |
| Women | 61 | 63 | 66 |
| Unemployed 2002. Share of the labor force | 4,5 | 3,5 | 3,2 |
| Men | 4,2 | 3,6 | 3,4 |
| Women | 4,8 | 3,5 | 3,0 |
| Share of employed 2004 distributed on trade | | | |
| Primary | 2,8 | 2,3 | 3,5 |
| Secondary | 41,2 | 24,1 | 20,5 |
| Tertiar | 56,0 | 73,5 | 76,0 |
| Share of employed 2004 distributed on sector | | | |
| Public administration | 27,0 | 32,2 | 30,4 |
| Private sector and public enterprises | 73,0 | 67,8 | 69,6 |

Source: Statistisk Sentralbyrå, 2007

Appendix 2: Intervjuguide

Del 1: Innledning

1. Hva legger du i ordet globalisering?
2. Tror du globalisering har hatt innvirkning på hvordan din bedrift har utviklet seg fra den ble etablert til i dag?
 - a. På hvilken måte?
 - b. Ser du denne innvirkningen som positiv eller negativ?
 - i. Hvorfor?

Del 2: Hoveddel: Globaliseringens innvirkning på 6 faktorer

Kultur

3. Hvordan vil du beskrive organisasjonskulturen i din bedrift? (Har den forandret seg o.l.).
4. Vil du si at en fri flyt av informasjon og forskning har innvirkning på kulturen i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til en utvikling i bedriften?
5. Har en fri flyt av investeringer og kapital noen innflytelse på kulturen i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til en utvikling i bedriften?
6. Synes du at en fri flyt av produkter og tjenester har innvirkning på kulturen i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til en utvikling i bedriften?
7. Har en fri flyt av arbeidskraft noen innvirkning på kulturen i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til en utvikling i bedriften?

8. Er det noen unioner som har innvirkning på kulturen i din bedrift? (F.eks. EU, FTAA)
 - a. Hvilke?
 - b. På hvilken måte?
 - c. Ser du på dette som positivt eller negativt?

Politikk

9. Hvordan vil du beskrive det politiske aspektet i din bedrift? (Hvem bestemmer lover og regler o.l.).
10. Har en fri flyt av informasjon og forskning noen innvirkning på det politiske aspektet i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til en utvikling i bedriften?
11. Vil du si at en fri flyt av investeringer og kapital har innflytelse på det politiske aspektet i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til en utvikling i bedriften?
12. Synes du at en fri flyt av produkter og tjenester har innvirkning på det politiske aspektet i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til en utvikling i bedriften?
13. Har en fri flyt av arbeidskraft noen innvirkning på det politiske aspektet i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til en utvikling i bedriften?
14. Er det noen unioner som har innvirkning på det politiske aspektet i din bedrift?
 - a. Hvilke?
 - b. På hvilken måte?
 - c. Ser du på dette som positivt eller negativt?

Økonomi

15. Har en fri flyt av informasjon og forskning noen innvirkning på økonomien i din bedrift?
 - a. På hvilken måte?
 - b. Ser du dette som positivt eller negativt?
 - c. Fører dette til utvikling og nye muligheter for bedriften?

16. Har en fri flyt av investeringer og kapital noen innflytelse på økonomien i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til utvikling og nye muligheter for bedriften?
17. Har en fri flyt av produkter og tjenester noen innvirkning på økonomien i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til utvikling og nye muligheter for bedriften?
18. Har en fri flyt av arbeidskraft noen innvirkning på økonomien i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til utvikling og nye muligheter for bedriften?
19. Er det noen unioner som har innvirkning på økonomien i din bedrift?
- Hvilke?
 - På hvilken måte?
 - Ser du på dette som positivt eller negativt?

Sikkerhet

20. Hvordan vil du beskrive sikkerheten i din bedrift? (Helsesikkerhet, sikkerhet for å beholde arbeidsplasser, finansiell sikkerhet o.l.).
21. Mener du at en fri flyt av informasjon og forskning har innvirkning på sikkerheten i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til en utvikling i bedriften?
22. Har en fri flyt av investeringer og kapital noen innflytelse på sikkerheten i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til en utvikling i bedriften?
23. Synes du at en fri flyt av produkter og tjenester har innvirkning på sikkerheten i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til en utvikling i bedriften?

24. Vil du si at en fri flyt av arbeidskraft har innvirkning på sikkerheten i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til en utvikling i bedriften?
25. Er det noen unioner som har innvirkning på sikkerheten i din bedrift?
- Hvilke?
 - På hvilken måte?
 - Ser du på dette som positivt eller negativt?

Likhet

26. Hvordan vil du beskrive likheten /likestillingen i din bedrift? (Mellom klasser, folk fra ulike land, og mellom kjønnene).
27. Synes du at en fri flyt av informasjon og forskning har innvirkning på likheten i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til en utvikling i bedriften?
28. Har en fri flyt av investeringer og kapital noen innflytelse på likheten i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til en utvikling i bedriften?
29. Vil du si at en fri flyt av produkter og tjenester har innvirkning på likheten i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til en utvikling i bedriften?
30. Har en fri flyt av arbeidskraft noen innvirkning på likheten i din bedrift?
- På hvilken måte?
 - Ser du dette som positivt eller negativt?
 - Fører dette til en utvikling i bedriften?
31. Er det noen unioner som har innvirkning på likheten i din bedrift?
- Hvilke?
 - På hvilken måte?
 - Ser du på dette som positivt eller negativt?

Barrierer

32. Foreligger det noen barrierer for den frie flyten av informasjon og forskning som har betydning for din bedrift?
- På hvilken måte?
 - Hvem har satt opp disse barrierene? (EU, andre unioner o.l.).
 - Ser du dette som positivt eller negativt?
33. Eksisterer det noen barrierer for den frie flyten av kapital og investeringer som har betydning for din bedrift?
- På hvilken måte?
 - Hvem har satt opp disse barrierene?
 - Ser du dette som positivt eller negativt?
34. Foreligger det noen barrierer for den frie flyten av produkter og tjenester som har betydning for din bedrift?
- På hvilken måte?
 - Hvem har satt opp disse barrierene?
 - Ser du dette som positivt eller negativt?
35. Finnes det noen barrierer for den frie flyten av arbeidskraft som har betydning for din bedrift?
- På hvilken måte?
 - Hvem har satt opp disse barrierene?
 - Ser du dette som positivt eller negativt?
36. Er det noen barrierer du skulle ønske å fjerne slik at flyten blir friere?
- Hvorfor?
37. Hvilke barrierer til fri flyt synes du er ønskelige?
- For bedriften sin skyld
 - Moralsk korrekt
 - Hvorfor?

Del 3: Avslutning

38. Vil du si globalisering totalt sett har en positiv eller negativ innvirkning på bedrifter i lokalsamfunn slik som din?
- Hvorfor?
39. Er det andre aspekt av globalisering jeg ikke har nevnt som du synes er viktige?