

Master's thesis



Local Stakeholder Perceptions of Corporate Social Responsibility with Petroleum Development: A Case Study in Harstad, Norway

Melanie Jenkins

Advisor: Dr. Ilan Kelman, Ph.D.

University of Akureyri
Faculty of Business and Science
University Centre of the Westfjords
Master of Resource Management: Coastal and Marine Management
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Supervisory Committee

Advisor:

Dr. Ilan Kelman

Reader:

Dr. Auður H Ingólfssdóttir

Program Director:

Catherine Chambers, Ph.D.

Melanie Jenkins

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Declaration

I hereby confirm that I am the sole author of this thesis and it is a product of my own academic research.

Melanie Jenkins

Abstract

This thesis examines perceptions of petroleum development in the Norwegian Arctic city of Harstad in the context of corporate social responsibility (CSR). Petroleum has long been a significant monetary contributor to the Norwegian economy and Norway has the third largest potential for Arctic petroleum in the world (after Russia and the USA). There are many different voices involved in the decision-making and policy surrounding petroleum development and often it is the local voices that are not heard. The aim of this project was to identify these local voices. Data was collected through in-person, semi-structured interviews with 29 people. The project met its aim by identifying the perceived benefits and costs of petroleum development. Respondents preferred to focus on the benefits associated with petroleum development and spoke of the costs of petroleum development only when the costs were perceived to be close to them. This project showed that the people of Harstad are generally satisfied with the petroleum industry but they would like for there to be more economic ripple effects and benefits to their city. The costs of petroleum were more of an afterthought, with climate change issues not being a priority. This case study will provide an important source of data for CSR managers and community leaders who want to mitigate the impact of petroleum development from multiple perspectives, as well as to document residents' concerns for future petroleum development. Understanding the benefits and the costs of petroleum development from the perspectives of local people can help petroleum companies alter and develop CSR programs to meet the needs of their local communities. Knowledge gained from studies like this will inform the government and petroleum industry to make better, socially responsible decisions.

I dedicate this thesis to my partner, Peter Hartwick, who supports me, always.

And to my future dog, Walter.

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Acronyms

APA	Awards in Predefined Areas
CSR	Corporate Social Responsibility
IEA	International Energy Association
ISO	International Organization for Standardization
LoVeSe	Areas of Lofoten, Vesterålen and Senja
LUNN	Supplier Development Program of Northern Norway
NCS	Norwegian Continental Shelf
NOK	Norwegian Kroner
NPD	Norwegian Petroleum Directorate
SLO	Social License to Operate

Glossary (Amended from Norwegian Petroleum Directorate)

APA	Awards for production licenses in predefined areas. Occurs every year in Norway
Crude Oil	Naturally occurring, unrefined petroleum composed of hydrocarbon deposits and other organic compounds
Impact Assessment	Evaluation of possible economic, social and environmental impacts of a project
Licensing Round	Norwegian and foreign companies can apply for production licences for defined areas only within a given time
Licensing Blocks	Geographically defined area for prospecting, exploration or extraction of natural resource
Operator	The company, who, on behalf of the licensee, oversees the everyday management of the petroleum activity
Petroleum	Term for all liquid, gaseous and solid hydrocarbons that occur naturally beneath the earth's surface, and other substances recovered in connection with such hydrocarbons (NPD definition)
Petroleum Development	Activity related to subsea petroleum deposits, including planning, exploration, exploratory drilling, recovery, transport, utilisation and termination, but not the transportation of petroleum in bulk by ship.
Production License	Concession which grants exclusive rights to conduct exploration drilling and production of petroleum within a specified area on the continental shelf
Storting	Norwegian Parliament
Undiscovered resources	Recoverable volumes of petroleum that is estimated to be discovered with further petroleum exploration

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1 Introduction

As the world's population grows, so does the demand for global energy. The interest in new petroleum resources increases as producing oil and gas fields near the end of their production life (Miller & Sorell, 2014). As countries approach the end of conventional, easily accessible, petroleum, some experts state that the era of cheap energy is over and more investment is being directed to identify and recover oil that was once unknown, inaccessible or uneconomical (Gordon, 2012). The Arctic is such a place. Norway has the third largest potential for Arctic oil and gas in the world (after Russia and the USA), with 46 billion barrels of oil equivalent or 12% of the estimated total (Keil, 2014). One of the Norwegian government's petroleum policy directives is to actively offer the petroleum industry new ocean areas to explore. The Norwegian Minister of Petroleum and Energy, Terje Søviknes, says that petroleum activities are "important for a sustained welfare system and for the continued development of Norwegian society" ("Announcement of the 24th licensing round," 2017).

Since the oil crash of 2014, the Norwegian oil industry has experienced a deep economic downturn. Despite the lower crude oil prices, companies are still looking for new petroleum reserves in frontier fields. Global economic growth will bring renewed pressure to develop Northern resources. Through resource exploration and development, Arctic communities are interacting more and more with energy companies. The resulting social, cultural, economic and environmental impacts are closely felt by these Northern communities, where the petroleum workers reside and regional corporate offices are located. Corporate social responsibility (CSR) could be a mechanism to reduce the negative impacts of petroleum development on such Northern communities.

CSR has many definitions and interpretations but at its core, CSR is the ways in which companies or organizations manage their relations with society (human and non-human). This thesis will use the definition of CSR from Aguinas (Aguinas & Glavas, 2012) and adopted by other academics (Rupp, 2011; Rupp et al., 2010) that CSR is "context-specific organizational actions and policies that consider stakeholders' expectations and the triple bottom line of economic, social, and environmental performance" (Aguinas & Glavas,

2012, p.855). CSR in the petroleum industry typically focuses on economic (employment and business opportunities), social and environmental (environmental monitoring) impacts on the communities that are involved with the petroleum development projects (Jackson, 2015).

1.1 Research Question and Objectives

The Norwegian Continental Shelf contains a large amount of the world's petroleum supply and two-thirds of the country's undiscovered oil lies north of Norway's northern coast in the Arctic's Barents Sea (Norwegian Petroleum Directorate, 2017a). The city of Harstad is considered by many to be the oil capital of Northern Norway and Statoil has their operational office for their Barents Sea activities in the city. People living and working in Harstad, Norway are involved directly and indirectly with the petroleum industry. Of the 24,853 residents in Harstad, many work for petroleum companies or companies that support the sector such as, engineering firms, oil services companies or the Harstad office of the Norwegian Petroleum Directorate ("Population and population changes," 2017). Other residents are in indirect employment because of demand from the petroleum industry. This indirect employment is through goods and services in sectors such as wholesale and retail, IT services, employment agencies, equipment leasing, hospitality, legal and accounting services ("Employment in the petroleum industry," 2017). Harstad has a history of being a shipbuilding and fishing town, however employment in both sectors has been declining for many years. Petroleum companies implement CSR programs to minimize the negative impact or the perception of a negative impact on the local people and environment. Much of the academic literature focuses on CSR from a corporate perspective and not a community or local perspective.

This master's research study is designed to provide a better understanding of the perceptions of CSR with local stakeholders (petroleum company and oil services company representatives, elected municipal officials, environmentalists, local residents and shipping, tourism and fishing workers) in Harstad, Norway. The primary research question for this study is: How do local stakeholders within Harstad, Norway perceive corporate social responsibility for petroleum development?

The objectives of this research study are:

- To identify the differences and similarities in the perceptions of CSR in Harstad among local stakeholders (petroleum company and oil services representatives, municipal officials, environmentalists, local residents and shipping/shipbuilding, tourism and fishing workers)^[1]_{SEP}
- To analyse the perceived benefits and costs associated with petroleum development

1.2 Importance of studying local stakeholder perceptions of CSR

There are many reasons why learning what local stakeholders think of CSR with petroleum development is important. At a local level, petroleum development can affect diverse stakeholders in a multitude of ways and local views are sometimes overlooked. Information gathered from this study can inform decision-making and policy surrounding petroleum development. On a national level, it is important for a government to understand how petroleum development is impacting regions differently. This study will provide an important source of data for CSR managers and community leaders who want to understand the impact of petroleum development from multiple perspectives, as well as document resident's concerns for future petroleum development.

Additionally, there is a gap with the academic knowledge on CSR as identified by Benjamin Sovacool in his article analysing energy studies research (Sovacool, 2014a). Sovacool examined 15 years of academic energy literature and determined that much of the literature was focused on economics, statistics, engineering and physical sciences. His study found that social science energy research has been underrepresented (Sovacool, 2014a). While there has been CSR research published since 2014, a gap remains. This study on local perceptions of CSR in Harstad supports Sovacool's belief that academic researchers should collect information and knowledge from ordinary citizens, indigenous groups, and community leaders to include the underrepresented and diverse perspectives in community studies (Sovacool, 2014b).

The academic Kenneth Coates, writes about the issues facing northern communities and argues that a way to understand their challenges is, “by conceiving of the human populations in Northern areas as engaged in a series of struggles against a variety of forces, external and internal, conceptual and physical” (Coates, 1994, p.37). Coates writes that the social and cultural factors that shape northern regions can also influence the way northern communities respond to current challenges. Coates states there is a need for comparative and interdisciplinary research in the study of northern issues (Coates, 1994).

The number of interdisciplinary studies about resources and northern communities is growing especially around the social aspects of resource development (Fondahl 1998; Stammer & Wilson 2006; Yakovleva 2011; Novikova & Wilson 2013, Stammer & Ivanova 2016; Kelman et al., 2016; Wilson 2016a, 2016b; Wilson 2017). This research is needed to supply decision-makers with important information about the people affected by petroleum development. This study will therefore provide an important source of data for CSR managers and community leaders who want to understand the impact of petroleum development from multiple perspectives, as well as document residents’ concerns for future petroleum development. This will allow for comprehensive future planning strategies.

2 Background

2.1 Corporate Social Responsibility

CSR is an ever-evolving concept that has many dimensions and differing definitions. While there are common elements to CSR, responsibilities can be interpreted differently depending on the person (Blowfield & Frynas, 2005). At its core, CSR is how corporations manage their relations with society and the environment (Moon, 2014). The International Organization for Standardization (ISO) defines CSR along the lines of ISO 26000 (2010):

The responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that: contributes to sustainable development, including health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organization (2.12) and practised in its relationships. (International Organization for Standardization, 2010).

Blowfield and Frynas explain CSR to be an “umbrella term” for theories and practices in which companies are responsible for their impact on the social and physical environment, the behaviour of their business partners or supply chain all while adding value to society (Blowfield & Frynas, 2005). A common feature of the various definitions is that CSR encourages a company to be accountable to not only its shareholders but to other stakeholders as well.

Kelman et al., summarizes the literature on CSR: “context matters, that views differ, and that one model cannot fit every CSR situation” (Kelman et al., 2016). The theory of CSR is not without opposition. An early critic, Milton Friedman is famous for his views that the social responsibility of a business is to solely increase its profits (Friedman, 2007). Much of the early CSR academic literature studies CSR in the context of profitability (Klick, 2009). Friedman’s views are not shared by the petroleum companies in Norway who have entire departments devoted to CSR. Petroleum companies were early adopters of CSR practices and while they are very active in the field, academics Blowfield and Frynas

believe that much of the money spent on community development projects is misspent and ineffective (Klick, 2009; Blowfield & Frynas, 2005). The effectiveness of CSR programs will be discussed in the results.

2.1.1 Knowledge Gaps

Public and academic discussions of energy remain narrow in focus (Mitchum & Rolston, 2013). Benjamin Sovacool addressed gaps in the academic literature on CSR in his article analysing energy studies research (Sovacool, 2014a). Sovacool's research determines that most energy literature is in economics, statistics, engineering and physical sciences whereas social science energy research is underrepresented (Sovacool, 2014a). Additionally, the Arctic has a lot of research but most projects are on Arctic ice, Arctic waters, Arctic animals and Arctic land (Holm, 2015, p. 17). However, the knowledge of the residents living in the Arctic and the economic, social and political implication for these people are lacking (Holm, 2015, p. 17). There is also a lack of published research on traditional ecological knowledge with Arctic environments. Sovacool believes that academic researchers should collect information and knowledge from ordinary citizens, indigenous groups, and community leaders to include diverse perspectives in community studies (Sovacool, 2014b).

A published case study of Hammerfest, Norway addressed the lack of knowledge of community perspectives towards petroleum development, that are important for decision-makers (Loe & Kelman, 2016). The researchers interviewed twenty people to understand the impacts of the Snøhvit gas field in Hammerfest (Loe & Kelman, 2016). This research was connected to a larger project interviewing residents in Russian Arctic communities from Murmansk, Komi Republic and the Nenets Autonomous Region (Kelman et al., 2016). Research on the perceptions of petroleum projects and social license to operate in the Komi Republic and Sakhalin Island in Russia was conducted between 2013 and 2015 by Emma Wilson (Wilson, 2016b). She also conducted research on shaping social license to operate in Greenland with energy projects of the future (Wilson, 2016a). These published academic articles helped to inform this research study.

2.1.2 Different Frameworks

CSR in theory does not always match CSR in practice (Blowfield & Frynas, 2005; Boasson & Wettestad, 2009). Critics claim CSR is too loose and ambiguous to be an effective management tool. However, CSR has gained acceptance among corporations because it allows for self-regulation and it can be used as a tool to engage with stakeholders to minimize social risk.

Stakeholder theory is a normative theory of CSR. The theory was introduced by Edward Freeman in 1988 (Freeman, 2010). The traditional view of a corporation is that shareholders are owners and the firm has an obligation to increase value for them. Freeman's stakeholder theory is that managers are accountable to not only shareholders but also government, political groups, trade associations, trade unions, financiers, suppliers, communities, employees and customers (Freeman, 2010). Stakeholder theory asserts that a company's financial performance is contingent on effective stakeholder management, cooperation with all stakeholders not just company employees or shareholders (Klick, 2009).

Stakeholder theory is applied in this research and was used for stakeholder mapping. The process of stakeholder mapping helped the researcher understand who the key stakeholders were in order to identify which individuals to target for interviews. The researcher used the original stakeholder map (figure 1) created by Rhenman in 1968 as a guide. The researcher followed the four phases of stakeholder mapping according to BSR (Business for Social Responsibility) organization ("Stakeholder Mapping," 2011). These phases are (1) Identifying: listing relevant groups, organizations, and people (2) Analyzing: understanding stakeholder perspectives and interests (3) Mapping: visualizing relationships to objectives and other stakeholders (4) Prioritizing: ranking stakeholder relevance and identifying issues ("Stakeholder Mapping," 2011). In step 1, identifying, the researcher brainstormed using the following list: owners, customers, employees, industry, community, environment, government and civil society organizations. Once the list was established, stakeholders were analyzed based on their contribution, influence, willingness to engage and necessity of involvement. The resulting map, figure 2, was the basis for selecting interview targets.

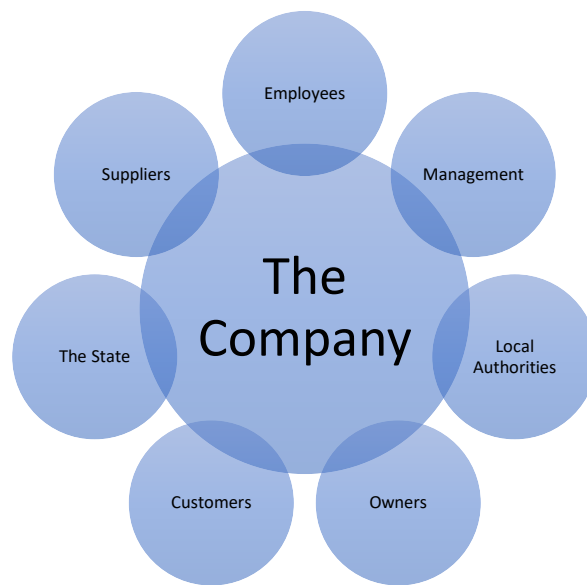


Figure 1: Stakeholder Map recreated from Industrial Democracy and Industrial Management by Rhenman (1968)



Figure 2: Stakeholder Map for a Petroleum Company in Harstad

2.1.3 Social License to Operate

The concept of Social License to Operate (SLO) has evolved from the broader concept of CSR. The origins of SLO are thought to be from the 1990s when Placer Dome mining executive, Jim Cooney, used the term to compare the ability of a community to halt a mining project with the ability of a government to do the same (Boutilier & Thomson, 2011; “Rethinking Social License to Operate – A Concept in Search of Definition and Boundaries,” 2015). A social license is not an actual license like a government license. Also, a social license is not tangible and it cannot be awarded by the civil, legal or political authorities (Franks & Cohen, 2012). However, as much as a SLO cannot be awarded, it can be quickly withdrawn (Smits, Justinussen, & Bertelsen, 2016). Companies need to be able to react and adapt to changing circumstances if they want to keep the public acceptance for their activities (Prno, 2013).

SLO is a concept that is used to address the non-technical risks of obtaining and maintaining the acceptance of an activity by the local or relevant stakeholders (Smits et al., 2016). At the project level, SLO is grounded in the experiences, perceptions and opinions of the local stakeholders and population (“What is the Social License,” n.d.). SLO is granted by the community and it can be dynamic because perceptions can change over the life cycle of a project. The timeframe from exploration to production to abandonment for petroleum projects is quite long and often involves more than one owner. Therefore, companies must put considerable effort into fostering and maintaining honest relationships with people in the community in which they operate. A community cannot be fooled or bought off over a long timeframe.

There are numerous physical challenges with operating in the Arctic, remoteness, darkness, winter storms, ice coverage and freezing temperatures. The social aspects of operating in the Arctic are important. In addition to the physical challenges, social challenges occur when proposed Arctic petroleum projects are opposed by local communities and outside nongovernmental organizations (NGOs). To address the public scrutiny that can arise around projects, many petroleum companies report their environmental and social activities in corporate sustainability reports. These reports aim to transparently describe the company’s role and activities in Arctic regions.

2.2 Petroleum Development in the Norwegian Arctic

The resources of the Arctic are rich and Norway has the third largest potential for Arctic petroleum in the world (Keil, 2014). With low oil prices, state petroleum revenues declining, and existing North Sea fields becoming depleted, the petroleum potential on Norway's northern continental shelf could be the solution for the looming revenue gap. The Barents Sea has far less petroleum infrastructure than its established neighbors, the North Sea and the Norwegian Sea. The area has few facilities and pipelines and to date, most of the proven oil and gas deposits are located far from shore. For these discoveries to be economical, they need to be close to shore, or larger than discoveries in the North Sea or Norwegian Sea, and they need to be coordinated between multiple petroleum companies. Norwegian Petroleum Directorate Director General Bente Nyland said, "If the companies join forces to find good transport and development solutions in the area, the threshold for developing discoveries in the Barents Sea could become much lower" (Norwegian Petroleum Directorate, 2017b). The Norwegian Petroleum Directorate forecasts that by the year 2023 gas will account for half of the petroleum production on the Norwegian continental shelf (Norwegian Petroleum Directorate, 2018). For petroleum development in the Barents Sea to materialize, the price of oil and gas must increase to compensate for the high costs of Arctic petroleum extraction, and technology must improve to lower the costs of extraction.

Petroleum licensing on the Norwegian continental shelf (NCS) has two types of licensing rounds: numbered licensing rounds for the parts of the continental shelf that are least explored (frontier areas) and awards for the mature part of the shelf in predefined areas (APA) (Norwegian Petroleum Directorate, n.d.). All areas that are open are announced in numbered licensing rounds or through APA (Norsk Petroleum, 2017). The 23rd licensing round in 2015 contained new areas for exploration for the first time in twenty years. (Norsk Petroleum, 2017) The current 24th licensing round (see figure 3) continues to offer new areas, with 102 licensing blocks, of which 93 are in the Barents Sea (Norsk Petroleum, 2017). Ten of the blocks are north of 74th parallel and twelve are off the coast of East Finnmark (Norsk Petroleum, 2017). Large areas of the Norwegian continental shelf remain closed for petroleum activities. These areas include: Barents Sea North, northeastern part of Norwegian Sea, the Skagerrak and the area around Jan Mayen (Norsk Petroleum, 2017). Before licensing rounds for these closed areas can be held, the Storting has to make an official decision to open. In the past this decision has been controversial and political.

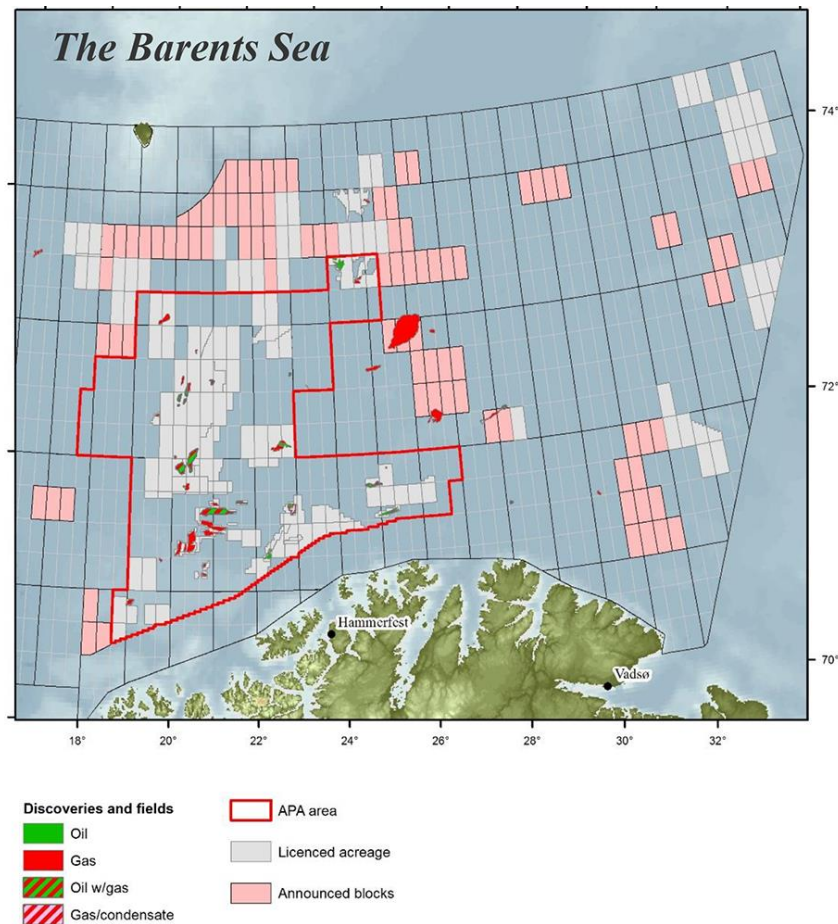


Figure 3: Licensed Acreage from the 24th Licensing Round (Map by Norwegian Petroleum Directorate)

An area of contention has been around the licensing areas near the Lofoten and Vesterålen Islands. Currently, the areas of Troms II, Nordland VII and Nordland VI, are closed for petroleum exploration. Many Norwegians are not comfortable with perceived social and environmental risk of opening new areas, particularly the Lofoten area, an area prized for its cod spawning grounds, ecological diversity and cold water coral reefs. Before the Storting decides to open new areas, it conducts impact assessments (evaluation of possible economic, social and environment impacts) and resource mapping. While the process is transparent and most Norwegians have a high level of trust in their government, there has been fierce opposition to drilling off the coast of the Lofoten, Vesterålen and Senja (LoVeSe for short). The temporary moratorium on oil drilling in that area expired in 2017 and members of the community along with Folkeaksjonen and Friends of the Earth Norway engaged with the government and media to keep the area off-limits. As a result of the coalition government (formed in January 2018), the prime minister of Norway, Erna

Solberg, banned oil exploration in the areas around LoVeSe (Nordland VI, Nordland VII and Troms II) for four more years. Exploration and impact studies about the potential for oil will be forbidden until at least 2021 when there will be another parliamentary election. How this contentious issue unfolded could provide important and insightful community engagement lessons for CSR departments in petroleum companies.

When the petroleum industry was first developed in Norway in the late 1970s, politicians were adamant that the resources should contribute to economic growth in the regions in which they are located. Stavanger was chosen to be Norway's oil capital because of its infrastructure, airport, proximity to the North Sea oil fields and perhaps, most importantly, the lobbying efforts of local politicians to bring the industry to their city (Hidle & Normann, 2012). Harstad was designated the oil capital of the north early on, before Troms II, Nordland VII and Nordland VI, the areas of Lofoten and Vesterålen, were closed for petroleum exploration. Harstad was well positioned for petroleum activity in that area. Historically the economy of Harstad centred on fishing, shipbuilding and military services (formerly had a large military base). In the 1980s offshore developments had people hoping that Harstad would be the next oil hub after Stavanger. The industry and the municipality decided in 1981 to build an oil service base for Harstad in the area of Stangnesbasen, southeast of the Harstad city centre and the Harstad municipality invested 128 million kroner in the project (Jensen, 2013). However, in the mid-1980s, when the base was completed, several oil companies began to withdraw from the region because of disappointing drill results in the Norwegian and Barents Sea and the closure of Nordland VI, Nordland VII and Troms II for exploration. Saga Petroleum decided in 1986 to postpone its Harstad office and Esso closed its office in 1988. Total came to Harstad in 1987 but its office was never as large as expected and the company closed its office in October 2017. Hydro and Statoil stayed in the area but as administrative offices they did not require industrial areas like Stangnesbasen. Statoil started construction in nearby Medkila in 1985 and moved its office to Medkila. There was a lack of exploitable northern oil discoveries in the 1980s and the investment in infrastructure and production facilities in Stangnesbasen served no purpose. There has been more activity and more petroleum companies in Harstad in the past, than today, tempering local resident's expectations for petroleum economic benefits.

2.3 CSR in the Petroleum Industry

CSR is a method for addressing the environmental and social impacts of company activities (Frynas, 2009). Much of the literature on CSR focuses on the mining and petroleum industries, industries that historically, have had negative impacts. The petroleum industry, which is the focus of this research study, has greatly evolved over the years. Some petroleum companies are now considering the impact of their exploration and operation activities and are trying to mitigate the effects. Petroleum companies often develop social, cultural and environmental programs in the communities in which they operate (Kelman et al., 2016). While petroleum development can provide opportunities for jobs and economic growth, there can also be negative impacts. Potential negative environmental and social impacts are: water or air pollution, damage to fisheries, forest degradation and a disruption or displacement in social structure. CSR has shifted from its roots of industrial paternalism and philanthropy, to supporting and empowering communities by improving their socioeconomic status or by compensating for the negative impacts attributed to petroleum development (Moon, 2014).

A growing area of interest is the influence of socially responsible investment (SRI) on the extractive industries and petroleum companies in particular. Nearly all large publicly traded companies today publish annual CSR or sustainability reports in which they report on their investments and progress with environmental and social programs. While some sustainability reports are considered to be mere greenwashing, reporting supports the belief that a company must go beyond profitability and shareholders and external stakeholders want to know exactly how the company is behaving. The number and size of ethical investment funds and indexes such as the Dow Jones Sustainability Index and the FTSE4Good are growing along with the demands from fund managers and large institutional investors. These external demands can influence a company's behaviour to meet the requirements for sustainability indexes or fund manager's investment criteria. While some ethical funds may exclude petroleum companies from their portfolios all together, others will selectively exclude companies whose environmental and social practices the fund does not support. The Norwegian Government Pension Fund, managed by Norges Bank, actively excludes companies that have, "engaged in serious or systemic human rights violations" and/or "caused severe environmental damages"(Council on

Ethics for the Norwegian Government Pension Fund Global, 2016). Danske Bank, a leader in socially responsible investing, screens their investment portfolio according to “internationally recognised norms and standards for human rights, arms, working conditions, the environment and anti-corruption” (Danske Bank, 2016). Public companies do not want to lose large investments (divesting of positions can cause the share price to drop and the company to lose value) from large pension funds. Therefore, pension funds can be very influential with their demands for ethical standards of behaviour of companies.

2.3.1 CSR in Norway

Norway is considered to be the mother of sustainable development because of former Prime Minister Dr. Gro Brundtland and the historic Brundtland Report on sustainable development. While the concepts of sustainable development and corporate social responsibility are not synonymous and they evolved separately, CSR promotes business contributions to sustainable development (Behringer & Szegedi, 2016). A key concept of CSR, stakeholder engagement, has a history in Norwegian business and predates the contemporary CSR movement (Ihlen & von Weltzien Høivik, 2015). The environmental practices and standards of Norwegian companies are well regarded and many believe that the tradition of stakeholder engagement and “shared value” is of Scandinavian origin (Strand, Freeman, & Hockerts, 2015). Researchers characterize a major difference between Norway and the U.S. is that business in Norway is “one of the many institutions functioning in society, and not always seen as the most important” (Ihlen & von Weltzien Høivik, 2015, p.25). In the Norwegian model, business interests and societal interests are promoted together and not at the expense of the other (Strand et al., 2015).

Many Norwegian business leaders claim that ethical and responsible behavior has always been the way of doing business in Norway. Large scale copper and silver mining emerged in Norway in the 17th century and mining companies assumed many responsibilities for the towns in which they operated. The mining companies paid for roads, schools, churches and even the salaries of doctors, priests and the police (Ihlen and von Weltzien Høivik, 2015). Norway’s first Prime Minister, Frederik Stang, believed that the popular school of thought, economic liberalism, needed to incorporate ethics into its philosophy to meet the broader needs of society (Ihlen & von Weltzien Høivik, 2015). Frederik Stang’s government initiatives were similar to what is now called CSR. According to Ibsen (as

cited in Ihlen & von Weltzien Høivik, 2009) in the late 19th century, Norwegian businesses such as Freia Chocolate, implemented several measures to improve their employees' work satisfaction (Ibsen as cited in Ihlen & von Weltzien Høivik, 2009). Freia's measures included: housing for workers, profit sharing, health care, 48-hour work week, paid vacation and stock options (Ibsen as cited in Ihlen & von Weltzien Høivik, 2009). Several Norwegian business owners even believed that businesses, and not the state, should assume the responsibility of social welfare (Knutsen, 1994).

In 2009, the Norwegian government published its first white paper on CSR to encourage companies to "integrate social and environmental concerns into their day-to-day operations, as well as in their dealings with stakeholders" (Norwegian Ministry of Foreign Affairs, 2008). The aim of the paper was to raise awareness in both public and private sectors about social responsibility and to outline the government's expectations of the private sector. Since then, numerous government white papers have been published about CSR.

Past research on community perceptions of CSR in Hammerfest, Norway, embodied the diverse and divergent views of CSR to understand the perspectives of the residents (Loe & Kelman, 2016). The researchers deliberately avoided imposing a CSR definition during interviews to reduce the risk of asking leading questions (Loe & Kelman, 2016). Field research conducted in Norwegian and Russian Arctic communities learned that perceptions of CSR within communities are not homogenous (Kelman et al., 2016). Research suggested that these perceptions are often connected to an insider-outsider relationship with the petroleum industry (Kelman et al., 2016). In Hammerfest, there was broad support for petroleum with interviewees speaking about the benefits of petroleum with a similar "official" sounding story (Loe & Kelman, 2016). The story would shift later in the conversation to the negative side effects but always to prefaced by the official "sunshine" story (Loe & Kelman, 2016). Research conducted in the Nenets Autonomous Region of Russia concluded that local people perceive that environmental pollution from the petroleum industry can be offset by the economic and social benefits (Wilson, 2017). Additionally, the level of trust towards the Norwegian petroleum industry remains high because the industry has not been responsible for any major oil spills that have caused environmental damage (Norsk Petroleum, n.d.; Kelman et al., 2016).

On their websites and in their sustainability reports, several petroleum companies in Norway (Statoil, Aker BP, Lundin Petroleum) state their contributions to economic and social development through their use of local suppliers, local employment and business opportunities to create shared value. Most companies also highlight their support and sponsorships for cultural and educational events.

2.3.2 Governance of the Norwegian Petroleum Industry

Petroleum revenues finance the Norwegian welfare state and Norway is often considered to be a model petro-state with a stable government, low corruption, and the largest (petroleum-funded) sovereign wealth fund in the world (“Sovereign Wealth Fund Rankings,” n.d.). New sustainability regulation was passed in 2013 in Norway, requiring large companies to disclose how they integrate social responsibility into their corporate strategies and this disclosure requirement could encourage companies to increase their environmental and community initiatives. (“Regulating for a more sustainable future,” 2013).

Hansen and Midtgard (2008) described the national organization of the petroleum sector in Norway as being a hierarchical structure with the Storting (Parliament) and government at the top (Hansen & Midtgard, 2008). The Storting discusses and approves major petroleum development projects and acts to supervise the government. Under the Storting, the government has the executive power for petroleum policy. The government has ministries with different responsibilities to petroleum and these ministries have directorates to manage and control the petroleum resources. The Ministry of Petroleum and Energy is responsible for the management of petroleum on the NCS, issues licenses for the NCS and also has a responsibility to monitor the Norwegian state-owned petroleum corporations, Petoro, Gassco, Gassnova and partially state-owned Statoil (Hansen & Midtgard, 2008). The Norwegian Petroleum Directorate (NPD) is subordinate to the Ministry of Petroleum and Energy and is a management authority for exploration and exploitation of the NCS. The NPD issues regulations and has a responsibility for data, such as seismic data, from the Norwegian continental shelf (“Regulations,” n.d.).

Petroleum activity and regulation is the responsibility of a mixture of municipal, regional and international regimes. Various policies are used to promote a “clean” petroleum industry. CSR could be a way to address environmental and social issues in ways that governmental regimes cannot.

3 Methods

This thesis is based on field research. To answer the research questions in this thesis and to better understand people's perceptions of CSR, qualitative data was collected through in-depth, semi-structured interviews. Stakeholders for this case study were chosen for their location in Harstad, and the perceived impact on them from petroleum development. The stakeholder groups include:

- Local petroleum company + petroleum service company representatives
- Municipal officials
- Local residents
- Local tourism workers
- Local shipping /shipbuilding workers
- Local fishers
- Local environmentalists

3.1 Study Location

The interviews were conducted in Harstad, Norway. Norway's Arctic territory consists of three areas: Nordland, Troms and Finnmark on the mainland, the Svalbard archipelago and the island of Jan Mayen. Harstad is the second most populous area in Troms with a population of 24,853 ("Population and Population Changes," n.d.). Harstad is located on Norway's largest island Hinnøya, with proximity to Lofoten to the west, Narvik to the east, Tromsø to the north and Bodø to the south. Harstad has traditionally been a fishing and shipbuilding city and in recent years tourism and the petroleum industry have had a larger presence. Northern Norway has the highest share of employment in public administration with jobs in central government, municipal or county administration. This includes jobs involving schooling, care services and the operation of hospitals. In 2016, Troms county, which Harstad is located in, had the largest share of employment in public administration with 35,982 people or 43.6% of the total employed persons in Troms ("Employment, register-based," 2017). For comparison, Oslo had the lowest share with 26% of their

employed persons working in public administration. Education rates in Harstad are slightly below national average. Thirty-one percent of residents in Harstad have a higher education (university degree or higher) and the national average is 33% (“Educational attainment of the population,” 2017).

Harstad was chosen for this study because it is considered to be the oil industry capital of Northern Norway with offices for petroleum operators, exploration companies, petroleum services companies and the northern office of the Norwegian Petroleum Directorate. To clarify, Harstad was awarded the title of oil-capital of the north in the 1970s and 1980s when there was more industry in the region and before developments in the Nordland VI-VII and Troms II were put on hold. It can be argued that while no petroleum is extracted or processed in Harstad, it is still an “oil-capital” because of its administrative role.

The petroleum companies with administrative offices located in Harstad are: Statoil, Lundin Petroleum, Aker BP and Total closed its office when the researcher was in Harstad. The interview data was collected in Harstad from September to the end of October in 2017.



Figure 4: Case Study Location - Harstad, Norway (Map by Google, 2017)

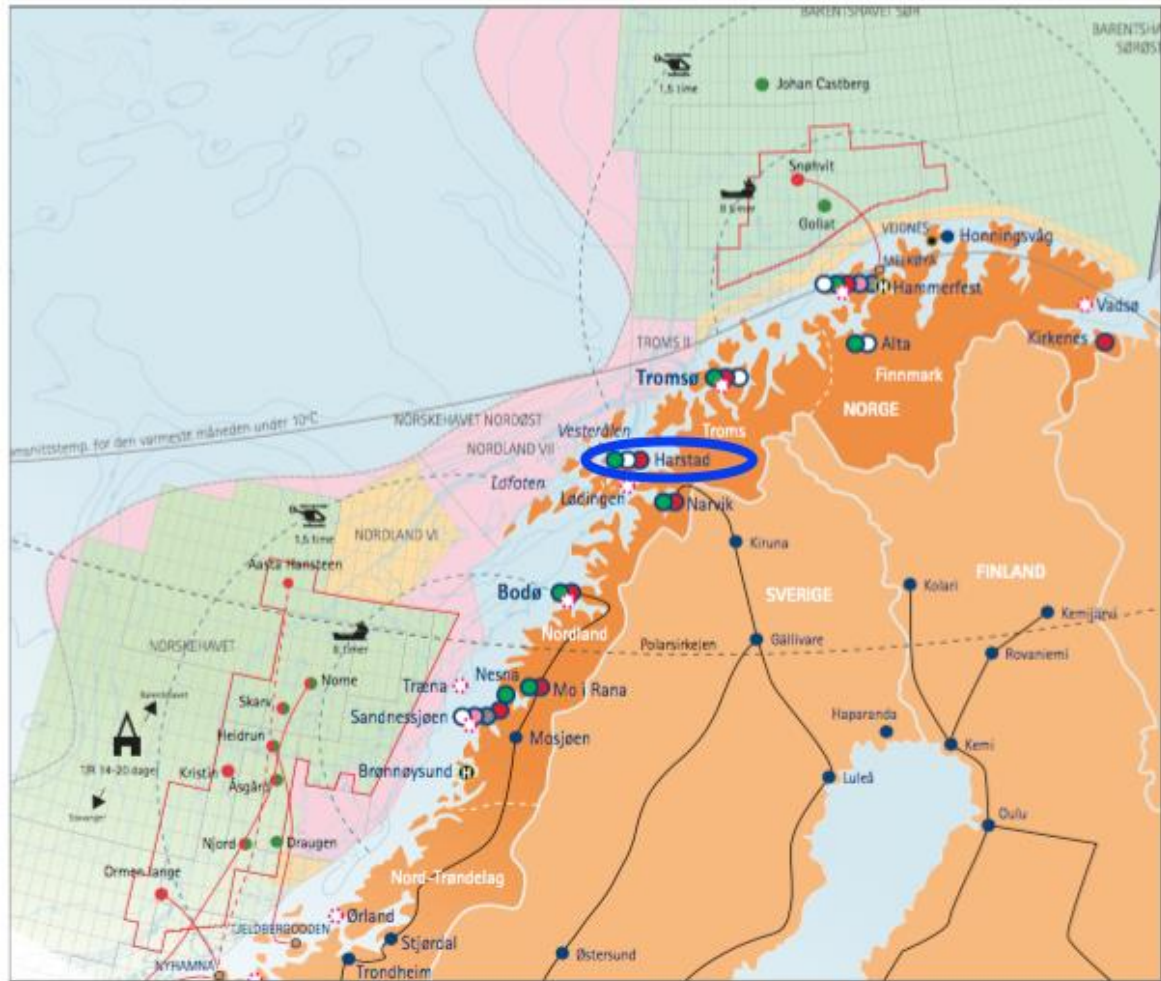


Figure 5: Petroleum Map of Northern Norway (Map by petroarctic, 2017)

3.2 Interviews

To explore the relationships and views between various stakeholders and petroleum development in Harstad a single case study approach was used to conduct research. According to Yin, a case study is an empirical inquiry which is suitable for studying complex social “phenomenon within its real-life context” (Yin, 2014). This study used a participant observation approach since data was collected during interviews. The primary data collection method was semi-structured interviews. With participant observation, the researcher can analyse data for non-verbal nuances and subtleties that would not be collected through other methods (Yin, 2017). The interview length was between 60 – 90 minutes depending on the participants’ responses and if prompts or clarification to questions and answers are required. An interview guide of open-ended research questions separated by themes was used to use to guide the participants. The same guide was used

for all interviews and naturally the interviews took different directions depending on the participant and their responses (Bernard, 2006). This is a common method of interviewing and was used by several other qualitative researchers (Dale, 2011; Kelman et al., 2016; Stammer & Ivanova, 2016; Wilson, 2017). The interviews were free-flowing. Question order is important and was carefully considered however the need for flexibility to keep the respondent talking led to variation in the question order (Bernard, 2006). When possible, sensitive questions were asked towards the middle of the interview, to allow for a rapport with the participant to be established yet not to risk running out of time (Leech, 2002). The questions created for the interviews were formed after consulting relevant literature and were adjusted as needed in accordance with grounded theory method. This research followed ethical considerations and to protect the interview participant's rights and avoid causing harm the interviews were anonymous with numbers being assigned to participants. Participants were assured of their anonymity and confidentiality and their consent was obtained before interviewing, recording interviews and taking notes (Bernard, 2006). Digital files including audio recordings were password protected with only the researcher having access and hardcopy notes were locked in a desk drawer. Due to ethical constraints and approvals, the researcher did not have approval to target participants from groups which may be considered marginalized, such as indigenous people, elderly people, sick people and children. In Norway, the Sami are identified as indigenous people. In 1997 the Sami Parliament reached a unanimous decision that ethical guidelines for Sami research had to be drafted (Stordahl, Tørres, Møllersen & Eira-Åhren, 2015). These guidelines are yet to be created. The finalized thesis will be publicly available on the Icelandic academic paper repository, Skemman as well as being provided to all participants.

The semi-structured style allowed for the interview to be free-flowing yet have comparable data between interviews (Bernard, 2006). Semi-structured interviewing is suggested for projects with high-level participants such as government officials or petroleum company executives who demand an efficient use of time (Bernard, 2006). This methodology was used for similar research conducted in Hammerfest and Murmansk (Kelman et al., 2016; Loe & Kelman, 2016). Initial interviewees were found by a combination of referrals and cold calling. Participants were also selected with nonprobability sampling using the snowball method, a common sampling method in social science research (Bernard, 2006). Participants were chosen through purposive, snowball and convenience sampling to have

representatives from the various stakeholder groups: local residents, municipal officials, petroleum company representatives, people employed in shipping / ship building, people employed in tourism, people employed in the fishing industry as well as environmentalists. The stakeholder groups were defined as such: local residents as people who lived in the city of Harstad, municipal officials as people who worked for the municipality of Harstad, petroleum company representatives as people who work for a petroleum company located in Harstad, local shipping / shipbuilding workers as people whose primary occupation is in the shipping or shipbuilding industry, fishers as people who fish for a living, local tourism workers as people who work for a company providing services to tourists in Harstad. Lastly, while often considered an ambiguous term, environmentalists were defined to be “person who accepts the theory that environment is of overriding importance in determining individual characteristics” (Webster, 1991). These stakeholder groups were selected to gather interview data from a wide range of people and industries with different perspectives and viewpoints on petroleum CSR. The age range of the interviewees is approximately between 25-70 years and both male and female gendered individuals were interviewed. The opinions and views gathered from the interviews may not be fully representative of the whole population of Harstad as the number of respondents was limited to 29 people. Data saturation was reached with 29 interviews because the collection of new data did not add more color to the issue being researched (Bernard, 2006; Glaser & Strauss, 1967).

Interviews were conducted in locations suggested by the interviewees, these included offices, coffee shops, parks, UiT Harstad, community centres and homes. The interviewee selected the location to help them be most relaxed and at ease.

3.3 Data analysis

The interviews were audio recorded using a digital recorder with permission to allow the researcher to focus on the conversational flow of semi-structured interviews and to minimize information loss (Aberbach & Rockman, 2002). Physical gestures made during the interview that could further elucidate a response were noted. The length and detail of a response that the interviewees provided for the open-ended questions was determined by the interviewee. At times the answer was quite different from the question so the interviewer had to redirect the discussion to return to the interview guide topics. Near the

end of the interview the participants were asked if any topics were overlooked or what questions were expected to be asked. With grounded theory, the analysis begins as soon as the first piece of data is collected (Corbin & Strauss, 1990). Therefore, the first interviews were analysed for cues and any missing themes or information were incorporated into interview questions for subsequent interviews. The recordings were manually transcribed, verbatim, into a word document within 72 hours of the interview. The researcher chose not to use transcription software for two reasons: loss of accuracy because of Norwegian-English accents and so as not to distance the researcher from the data (Arthur, Waring, Coe, & Hedges, 2012). The transcripts were loaded into Nvivo qualitative analysis software which was to develop the coding scheme to code the transcripts. Open-coding was used with grounded theory being the recommended method for analysing data in exploratory studies (Strauss & Corbin, 1998). With open coding, the researcher “constantly compares the codes of events and behaviors of words and soon starts to generate theoretical properties of the category” (Marshall & Rossman, 2011, p. 72). As a result, 46 codes were initially generated through open coding of the data collected. The researcher analysed the codes for areas of overlap and grouped the codes into clusters. This resulted in the emergence of two main themes and 8 sub-themes or nodes. Several of the codes were descriptive and in some cases, redundant and repetitive. For example, the code, Lofoten originally had separate codes for impact assessment, scare fish and NGO and through coding stages were absorbed under the umbrella code of Lofoten. The researcher also used simultaneous coding where text could be assigned to more than one code. For example, in one paragraph an interviewee spoke about how Statoil would use their sponsorship and participation in the Arctic Race (code) to travel with the race and host stakeholder meetings (communication) along the way. The use of coding stripes helped the researcher identify the emerging relationships between themes. Following open-coding, these tentative codes were grouped into axial codes to identify relationships between the codes and connect the categories. Many coding cycles were completed to revise and combine codes before settling on the final codes. These eight codes, which are discussed in the results section are: awareness of CSR, immigration/emigration, petroleum expectations/ripple effects, local suppliers, trust, greener oil, communication and Lofoten, Vesterålen and Senja. Lastly, selective coding was used to choose the core category and build the story that connects the categories (Strauss & Corbin, 1998). The core categories

and the story that connected all the categories is the perceived benefits and costs of petroleum development.

In a video from 2010, Barney Glaser simplifies grounded theory to be the study of a concept. (Rhine, 2010). He says the concept denotes a pattern that is “carefully discovered by constant comparing of theoretically sampled data” (Glaser, 2002). And the pattern or theme can often be conceptualized and applied to areas outside of the study. An example from this research, which will be discussed in more detail in the results and discussion section, is the concept that people do not focus on costs or consequences of an activity (petroleum development) unless it will impact them or perceived to be close to them. This is a theory which is grounded in data. Therefore, grounded theory method results in a grounded theory.

3.4 Limitations to Interviews

All studies have limitations, including this one. The first limitation is that despite best attempts, the respondents may not be fully representative of the range of opinions around CSR and petroleum development. Interviews involved 29 people from seven researcher-generated stakeholder groups, but it is possible some insights from individuals not interviewed could have been missed. Also, a constraint for interviews was the availability of individuals and their desire or lack of desire to be interviewed. The researcher chose to visit Harstad from the end of September to the end of October to try to avoid people being away on summer vacations, but naturally people travel at other times as well. Potential interviewees who were not interested in the research topic or did not want to spend the time being interviewed either declined an interview or did not respond to outreach attempts.

Subject selection was purposeful and participants were selected who could inform the research study (Sargeant, 2012). Participants were selected based on their occupation and residency (living in Harstad). Sample size in qualitative research is generally not predetermined and the number of participants depends on how many people are needed to inform the study and the phenomenon being explored (Creswell, 1994).

This research is exploratory in nature and will be a single case study in Harstad, Norway on CSR policies and stakeholder perceptions. A case study allowed the interviewer to examine local (Harstad) perceptions in greater detail but could have limited the ability to generalize for other locations. This limitation is supported by Mark Murphy, “there should be no doubt that with case studies what you gain in depth you lose in breadth – this is the unavoidable compromise that needs to be understood from the beginning of the research process” (“What are the benefits and drawbacks of case study research?,” 2014).

Time was a limitation of the project. While the number of interviews (29) exceeded the researcher’s target (20), this is a small sample size, the depth and quality of information collected from 60-90 minute interviews compensated for this. The number of interviews is consistent with similar perception studies that have been conducted in the Arctic (Kelman et al., 2016; Loe & Kelman, 2016; Wilson, 2016b). In qualitative research, sample size, or the number of participants used, depends on how many participants are needed to inform all elements of the research question (Sargeant, 2012). The researcher deemed the sample size to be sufficient because additional interviews did not result in new concepts being identified and data saturation was reached (Sargeant, 2012).

The nature of a close-knit Northern petroleum community is that respondents could not have been fully forthright with their answers. An additional constraint of the research is the etic perspective. The researcher is an ‘outsider’, not being from Harstad nor Norway. Interviewees may have responded and acted differently with an outsider. However, the position of being an ‘outsider’ enabled the researcher to emotionally detach from the Norwegian culture and maintain an objective view point. Having an etic perspective also required the researcher to continuously attempt to suspend her ethnocentric perspective.

All of the interviews were conducted in English. The researcher did not speak Norwegian which limited who could be interviewed. According to research done by Education First, 69% of Norwegians have a high proficiency in English and based on personal experiences in Norway, the level of English language fluency is very high (“EF EPI 2016 Country Fact Sheet,” 2016). As noted in Kelman et al. (2016) vocabulary issues arose with certain specific terms such as “corporate social responsibility” and “social license to operate” resulting in the researcher explaining elements of CSR and SLO and while attempting to avoid biasing the interviewee (Kelman et al., 2016).

3.4.1 Positionality Statement

The researcher's background and position can affect interview participants (Marshall & Rossman, 2011). All interviews involve power dynamics that must be considered so positionality is an important consideration for a researcher. The researcher's positionality is that of a young, Anglo-Saxon, Caucasian female. Given the interviews were conducted in a country that is considered to be one of the most gender equal countries in the world, gender likely did not largely influence interviewees' responses ("Gender Equality," 2006). The researcher is Caucasian, which is the race of majority in Norway. The researcher was younger than most respondents, which could have been an advantage because it helped the researcher be non-threatening and equalize the power dynamic between the researcher asking questions of the respondent.

Being an Anglophone and not from Norway likely did influence people's responses. Being an Anglophone confers credibility in Scandinavia because English is a global language and in Norway speaking English means you are educated. Additionally, the interviewees were able to have an intellectual conversation with the researcher in their non-native language for over an hour. When the researcher mentioned that she was Canadian, interviewees would respond positively. Being Canadian and an Anglophone potentially led people to be more open with their answers. The advantage of being an outsider and not from Norway is that the researcher could ask simple questions about Norwegian systems without prejudice or offending respondents.

4 Results

	Profession	Sector	Petroleum Insider/Outsider	Birthplace
1	Geologist	Petroleum	Insider	UK
2	Fisher	Fishing	Outsider	Harstad, Norway
3	Regulations	Petroleum	Insider	Hammerfest, Norway
4	Consultant	Petroleum	Insider	Harstad, Norway
5	Fisher	Fishing	Insider	Senja, Norway
6	Community Outreach	Petroleum	Insider	Harstad, Norway
7	Petroleum Advisor	Municipality	Insider	Harstad, Norway
8	Fisher	Fishing	Outsider	Harstad, Norway
9	Student	Resident	Outsider	Harstad, Norway
10	Elected Official	Municipality	Insider	South Norway
11	Reporter	Resident	Outsider	Oslo, Norway
12	Business Manger	Resident	Outsider	South Norway
13	Chef	Resident	Insider	South Norway
14	Naval Architect	Shipping	Insider	West Norway
15	Professor	Resident	Outsider	Oslo, Norway
16	Retired	Resident	Outsider	Canada
17	Business	Petroleum	Insider	Harstad, Norway
18	Office Manager	Petroleum	Insider	Harstad, Norway
19	Political Representative	Environmental	Outsider	Hammerfest, Norway
20	Office Manager	Shipping	Outsider	Netherlands
21	Office Manager	Petroleum	Insider	Tromsø, Norway
22	Business Manager	Tourism	Outsider	Vesterålen, Norway
23	Business Development	Municipality	Insider	Harstad, Norway

24	Office Manager	Shipping	Insider	Harstad, Norway
25	Manager	Petroleum	Insider	Oslo, Norway
26	Director	Shipping	Insider	South Norway
27	Industrial Suppliers	Petroleum	Insider	Oslo, Norway
28	Student	Environment	Outsider	Harstad, Norway
29	Business Development	Petroleum	Insider	South Norway

Table 1: Characteristics of Interviewees

This section presents the results from methods previously described. Table 1 details the characteristics of the interviewees. It should be noted that the views of the stakeholder groups are not homogenous and there will be differing opinions among members of the same group.

To summarize the data, the researcher conducted 29 interviews. All but three people interviewed are from Norway and 16 are from Northern Norway. The three non-Norwegians had been living in Norway between 5 and 35 years. Everyone interviewed was over the age of 25 years old. Eleven of the 29 participants work in the petroleum industry, directly for a petroleum company, a supply company or a specialist business incubator. The remaining 18 participants represent the remaining stakeholder groups: Municipality, Shipping, Environment, Tourism, and Resident. Responses and perceptions of CSR were not homogenous among the stakeholder groups.

The results are grouped in two categories, benefits and costs, which are consistent with the analysis for stakeholder perceptions of CSR and petroleum development.

4.1 Benefits

When asked “How do you feel about the petroleum industry in Norway?” the vast majority (23) of respondents were positive, citing the benefits to the country in terms of wealth and quality of life. Older respondents (4, 5, 12, 24) mentioned how Norway was blessed with its oil discovery in 1959 and how poor the country was before oil. They spoke of the social security in the Norway and the availability of unemployment pay, sick pay and how petroleum “made our welfare nation possible”. Younger respondents would speak more about the educational opportunities afforded to them. The majority (16 of 29) of

interviewees told the interviewer about the Norway's oil fund and how it is the largest fund in the world. People opposed to future petroleum development would also express their gratitude for the industry. A fisher (5) from Senja said he was "thankful for the petroleum industry".

One person (25) who worked in the petroleum industry did not think people in Harstad reflected enough on the petroleum industry. The respondent believed that Norwegians take their wealth for granted. "People forget money is coming from somewhere. I don't think people in Harstad think about it or talk about it".

4.1.1 Awareness of CSR

When asked about CSR, many respondents (11), excluding the people who worked for or with petroleum companies, were not familiar with the term. When prompted, interviewees would mainly speak of the petroleum company sponsored sports or cultural activities in Harstad. The majority of the discussion around CSR was around Statoil sponsorships.

Many respondents (20, 29) spoke of Statoil's sponsorship of the Arctic Race, an annual professional cycling race when asked about current CSR programs in Harstad. The Arctic Race is an annual major tourist draw for Northern Norway that lasts for four days. An interviewee (27) spoke of Statoil representatives hosting meetings with members of different communities along the four-day racecourse to "have a dialogue and new knowledge put into the community". On a more local level, an interviewee (6) spoke of Statoil's long-term commitment to its sports sponsorships in Harstad, "if we are going to join something, then we are going to stay for some time". The respondent referenced the long history of Statoil sponsoring Harstad's women's football team since 1976.

Only two respondents (6, 27), both of whom work for Statoil, spoke of a Statoil program to sponsor the Harstad Taxi company to drive the route from Harstad to the Evenes airport. Prior to 1990 the only way to reach the airport was to have a private car drive. There was no bus or taxi route. In the 1990s, Statoil subsidized Harstad taxi to take on the airport route making it easier for Statoil employees and Harstad residents to access the airport.

A fisher (5) spoke broadly of the responsibility Statoil has to benefit the people of Harstad.

This means that they are going to help middle school brass bands, football teams, make organizations for people that are trying to do good. They make sure their presence is not something that makes society a worse place for being there.

Respondents also spoke of the cultural events that Statoil sponsors such as Festspillene, (Arctic Arts Festival), and that Statoil also purchases large blocks of tickets to give to its employees. Two people (10,11) spoke positively of a “sculpture path” that Statoil was working with the municipality to build. A resident (10) said Statoil was supporting the path “to show they are a part of community and take responsibility”.

Interviewees mentioned a program called Heroes of Tomorrow for youth to support sports, culture and education. A resident (9) spoke of the talent competition but prefaced his praise of the heroes of tomorrow with “but I think big companies have a responsibility and have a responsibility in developing cities they have industry or administration in”. People who worked for Statoil told the researcher about their companies support for Harstad youth teams in the First Lego League Scandinavia.

4.1.2 Immigration / Emigration

When discussing changes to Harstad because of petroleum development, residents spoke favourably about young people and families moving to their city to work for Statoil. People liked the Statoil-induced immigration for bringing educated, active people to contribute and be involved with Harstad. One person (14) spoke of “different culture coming in” with the inflow of Statoil workers. Residents also discussed the problem of young people leaving Harstad after high school. A business advisor (17) addressed this when asked about his vision for the future of Harstad.

The biggest problem today is that when young people are finished with high school they move away and never come back again. And that’s a big problem. If you don’t like to fish or want to work in hospitals, you move. We need to have something else to offer them. Petroleum is one of the solutions because its good paid jobs. I think we want both. We want fish we want oil and gas. We want to be able to choose what kind of jobs we like.

4.1.3 Petroleum Expectations / Ripple Effects

Throughout the interviews, participants voiced their opinions on how they expect petroleum companies to act. They also stressed that the petroleum industry in Harstad needs to benefit the people living there. A number of participants (7, 10, 23, 27, 29) used the exact term “ripple effects” to describe how they would like petroleum activity to increase local employment through jobs in petroleum and service and supply industries. They also wanted to see multiplier effects from secondary industries and more purchasing power and spending of money in Harstad. Participants proudly spoke of Harstad being the “gourmet capital” of Northern Norway with multiple fine dining restaurants supported by the spending of petroleum companies on company lunches and dinners and by the spending of affluent petroleum employees.

Several respondents said they were pleased with Statoil relocating its Harstad office closer to the city centre. They said the employees were more likely to spend money in shops or restaurants at lunch or after work now that the office was in town. One of the participants (23) hoped that Statoil employees spending more money near their new office would stimulate the city centre that was struggling since the opening of the new shopping mall outside of Harstad.

Participant 10 who works with the municipality stressed the importance of “ripple effects on-shore from the industry off-shore” to gain support from the city. According to this participant, the operators need the support from politicians to explore and develop new fields and that is how they can demand ripple effects. A main way Harstad gains revenue from petroleum companies is through personal income tax and property. The city strongly encourages petroleum company employees to work and live in Harstad and not fly-in, fly-out (FIFO). Not only do FIFO employees not pay income tax to Harstad, they do not buy real estate or support the city’s economy through discretionary spending.

When asked about interactions between the tourism industry and petroleum industry, a participant (22) who worked for a tourism organization in Harstad, only spoke of positive interactions. He felt the presence of petroleum companies in Harstad was positive and there were many common goals between the two industries. For work he markets Harstad as a tourist destination by highlighting the natural beauty of the region along with the accessibility and infrastructure for an Arctic city. He spoke of Tromsø’s success attracting

winter tourists to see the northern lights and wished the same for Harstad. Additionally, he would like to see larger conference facilities in Harstad to attract conference tourism. The tourism representative said his goals align with the petroleum companies because they also want to highlight the best of Harstad to attract top talent to move to Harstad to work.

4.1.4 Local Suppliers

A frequent comment from interviewees who are familiar with the petroleum industry was the use of local suppliers. Many people (21 of 29) suggested petroleum companies could benefit the local economy by prioritizing the hiring of local companies or awarding contracts to local suppliers. Many respondents expressed their desire for northern companies to report direct deliveries of products or skills to the oil companies and the main contractors.

During the interviews, petroleum representatives spoke of Statoil's programs directed to assist the Northern Norwegian supplier industry. Petroleum company employees and interviewed municipal workers spoke of the LUNN (Supplier Development Northern Norway) program that was initiated in 2008 by Innovation Norway and Statoil. According to Statoil participants, LUNN was created to stimulate industrial development and growth in northern Norway and to help the northern Norway supplier industry be more competitive. According a participant (27), "LUNN aims to provide the basis for more employment and create a solid foundation for ripple effects".

All the participants who worked for the Harstad municipality spoke of the supplier issue without being prompted. One participant (10) spoke about the size of the petroleum supply contracts. He said, "Traditionally the supply industry here has been too weak to get big contracts in this industry." He stressed the importance of "fat contracts" and acknowledged that Statoil "changed their contracts so they can have smaller contracts so smaller companies can participate".

The mayor of Harstad hosts a roundtable meeting three times a year and invites the head of Statoil, Aker BP, Lundin, Total (before they left Harstad), DNV GL, Aibel and representatives from the supply industry to meet and discuss petroleum issues. This meeting was said to be the only time some of the company heads meet face to face. Petroleum company respondents spoke highly of these meetings. According to a

participant who works for the municipality, the idea for LUNN came out of the Mayor's roundtable meeting.

A respondent (21) from the third petroleum company in Harstad spoke of the local companies needing help to be positioned to support and benefit from the petroleum industry.

We want the local ones to grow. I think they need help. They need to have all this certification. I think that is for every company we want the local communities to benefit from the activity.

A representative (18) from a petroleum company spoke of the expectations that local suppliers have after completing the LUNN qualifying program. The representative explained that suppliers need to be pre-qualified before they are hired because there is not enough time to qualify them when a project is starting. Local suppliers initially thought if they completed the qualification program then they would get the business from petroleum companies.

But the suppliers ask why should I qualify because there is no deliverance... I say to the suppliers don't do it because you are going to run after me when I need you. You may choose to run after me and I will send you a tender or a letter of intent or if there is anything I find that you can do for us but I am not doing this supplier development program because you should leave what you are already doing and leave your customers and what you are good at, you should take care of and develop that and if occasion should appear you can deliver to me as well. ...The feedback I get from those companies. They are happy with it. But they are still looking for jobs in the petroleum industry some of them.

The petroleum representative (18) spoke of the importance of suppliers meeting the global standards for his company to operate safely. The representative said his company requires suppliers to meet the ISO standards and be in the Achilles system and that environment and safety are priorities for his company. When asked about his company's standards he responded, "Some say it is too high, but we are bringing this forward to a higher level and working in the north I think that's especially necessary."

The message about petroleum companies using local suppliers was different when the researcher spoke with people who work for companies that could supply the industry. A few respondents (25) were indifferent to the petroleum contracts and were more focused on their more regular business.

I think these suppliers really want the operators to buy directly from them but the industry in northern Norway is small. It's a problem. It's the egg and the hen. They can't build up before they know they can sell and they can't sell because they are too small. Only way to solve it is the operators say we guarantee something and I don't think operators have been doing that ever. When I speak to other companies in Harstad they have a small part of turnover from oil. They can never live only on the part.

A representative (27) from a petroleum company and the municipality (10) echoed the need for suppliers to diversify. Representative 27 said suppliers in the north need "two or three feet to stand on," meaning they should supply other industries, not just petroleum. They believe that suppliers need to need to maintain and develop their current customer base. Participant 10 believes the diversification is necessary for the supply companies to be resilient

There is uncertainty from the suppliers whether the effort to be qualified to then bid for petroleum contracts is worth it. The petroleum representative (27) said that "now when I talk to people they are like we are not sure we don't know if we should put the effort in when we don't know the volume or when it comes." A respondent (20) who works for a shipyard in Harstad said "For us it's not so important if we do construction for offshore or not because we have the shipyard. We can help the customer to make it but it's not important for us to get it."

One of the respondents (20) who worked for a shipyard in Harstad spoke of the difficulty of competing with specialized supply companies in Southern Norway who are very motivated to win business from petroleum companies. He said the companies in the south are "specialized in it and they want the business because it's their main business and therefore we can never compete with the process." The respondent said the supply

companies in Harstad or Northern Norway do not have the same pressure to win the petroleum contracts because it is not their only source of business.

A respondent (14) from a different shipyard also spoke of the challenge for Northern companies competing with southern companies for contracts. Several respondents (7, 17, 26) said the northern supply companies didn't have the same competency as southern companies because the industry in the north is far younger. One interviewee (26) said, "I think we just have to admit we weren't there 40 years ago when it all started." HALOE, a cluster of professional suppliers to the oil and gas industry, was created to help northern supplier work together, share knowledge and bid together for petroleum contracts.

And then you find out you are not qualified you are not good enough you aren't big enough you don't have the financial muscles to lift a contract. You have to go together. That has happened. They have networks and that has helped.

A petroleum company representative (29) brought up the connection between social license to operate and use of local suppliers. Participant 29 said, "We think that it is not only the operational companies' responsibility to take oil and gas up north, our suppliers needs to see this responsibility." Respondent 24 and 27 believe the use of northern suppliers is necessary to gain local approval for petroleum activity. Participant 27 spoke of this at length.

They need to open up their sub-suppliers tender list for north Norwegian suppliers. It's not only our responsibility it's also our contractors' responsibility. They need to see if we don't do this and work with this then we have a problem with our license to operate. And if we have a problem with our license to operate then there will be no work for them.

According to a respondent (27), Statoil employees in Stavanger and Bergen who write contract strategies are now stipulating in contracts that Statoil needs to look to the north to see if northern suppliers can deliver for northern operations. This individual (27) believed that sometimes if northern suppliers could not compete for the contracts, if for example they are more expensive, "we look at it like a strategic cost because we need to do this to actually get access". Individual 27 believes investing and using northern suppliers is a cost

to build up the industry so they can be “stronger and more competent” when they are needed in ten years.

One of the representatives (24) from a shipyard did not speak highly of the petroleum companies. He believed local opinions towards the petroleum companies were adverse because the lack of benefits to Harstad through local suppliers. To him it was “not clever in the respect they don’t use suppliers in the north”.

That’s the reason why they have problems with the image and brand and emotions are going in the wrong direction because they don’t give any secondary implications or effects. Not enough for the people in the North. They have big suppliers in the south. And they come in and take all the big contracts and nothing happens here. So, it’s not going to improve the people’s opinion if they don’t change.

This expectation to use northern suppliers because of their geographic location was not shared by all suppliers. One of the respondent (26) said, “We can’t sit and wait for nice gifts coming from Statoil that we for some reason deserve because we are here.” This respondent believed that the contracts had to be fairly earned.

The politicians in Harstad encourage the petroleum companies to use local suppliers. A respondent (6) who works for Statoil said “the politicians are saying all the time what is going to be for society when you are working up in the north? What are you doing to do? Are you going to hire more people? Are you going to give contracts to the local supplier?” The politicians want benefits, and ripple effects for their city through a prosperous supplier industry.

4.1.5 Trust

During nine interviews, the topic of trust was mentioned. Interviewees spoke of their trust, or lack of trust, towards the petroleum companies and the Norwegian government’s regulations.

The researcher was told by local stakeholders that trust towards the petroleum industry was high in Norway and an academic interviewed (15) said, “the level of trust generally in Norway is high and exceptionally high for politicians.” This individual’s trust was

grounded in his belief that “commercial entities are interested in profits...short term profit interest and long term profit interest.” He also said that he owned shares in Statoil because he believes the company “thinks long-term.”

The level of trust towards environmental regulation was high with respondents (7, 11) citing the lack of petroleum related accidents in the Norwegian and Barents Sea as evidence that the regulations were effective. One individual (17) spoke highly of the emergency preparedness program and oil spill response program around the Goliat oil field in the waters northwest of Hammerfest. He said that the area around LoVeSe could use a petroleum emergency preparedness program to protect its waters from a shipping accident.

A person (4) who works in the petroleum industry spoke of the transparency with companies. This respondent said that petroleum companies need to be “very transparent with how they work”.

They need to have good communication with both the authorities because it is the authorities that gives them the license to operate so if they don't have done their preparation well or are running their work well then the authority can stop it and this is a lot of posts.

An interviewee (13) who has worked on offshore platforms in the past and does not support continued petroleum development in the Barents Sea spoke of his trust in a safety context.

I trust them quite a bit. I feel safe in Norway. We have procedures you need to follow. I think they are very progressive and more than any company on shore.

Not all interviewees spoke of their trust towards petroleum companies. One of the politically active environmentalists (19) was distrustful of the companies and opposed the “really intense lobbying” of the petroleum industry.

4.1.6 Benefits Summary

This chapter has shown that the interviewed stakeholders prefer to focus on the benefits of petroleum development. Respondents believe that petroleum companies in Harstad have a duty to serve the community and their discussions centred around petroleum company

sponsorships, special support for northern suppliers, and demand for ripple effects. There was a strong emphasis from respondents on how to position local companies to benefit from future petroleum company supply contracts as well as an underlying expectation that local companies should be positioned to benefit.

Even the respondents who were not familiar with the term, CSR, understood CSR practices to be within the normal course of business. They assumed and expected petroleum companies to pay tax, provide local jobs, spend money in the local community, support education and sports programs and help attract and keep young people in the region.

4.2 Costs

When discussing petroleum development, most people (23) focused on the benefits from petroleum and either minimized the costs or justified the costs associated with it. A major cost associated with petroleum development is climate change and though the interviewer did not ask questions directly about climate change, 17 of the 29 respondents mentioned climate change or carbon dioxide emissions in their interviews. Of the 17 people who mentioned climate change, only three people said that petroleum development should not continue because of its contribution to global warming. One person was skeptical of climate change and therefore did believe that the petroleum industry contributed to global warming.

4.2.1 Greener Oil

During interviews, if the topic of climate change arose, numerous participants (over 8 people) justified their support for Norwegian Arctic oil by highlighting the ways in which it was “greener” than other oil sources. A business advisor (12) in Harstad stated “I am hoping we are going to increase the oil industry in the north is because the quality of oil from Norway is the cleanest in the world.” Proponents (6, 7, 12, 126, 17, 18, 24, 29) also said if Norway did not export petroleum than Europe would have to turn to coal power plants or nuclear or buy gas from “not the most stable country in the world,” Russia. One person (7) said “If we don’t search – we are supplying a lot of oil and gas to Europe...If we stop supplying Europe they will need to find another source”.

A few people (7,17) compared Norwegian Arctic petroleum to petroleum sourced from the Middle East when defending their positions on petroleum in the Barents Sea. Participant 17 stated this below.

What I have done is I have gone out in the world and compared Norwegian oil and gas with other places in the world, Saudi Arabia; they don't care about this stuff. So, I think if you are going to say there is some kind of green oil and gas, you will see that in Norway. We have all these demands. Oil companies have to use a lot of money to do this in the best way.

When speaking about climate change interviewees would mention carbon dioxide emissions. No one spoke of the other greenhouse gases, methane, nitrous oxide or hydrofluorocarbons. One person (12) spoke at length about electric cars and increasing road tolls to reduce car pollution. Interviewee (7) spoke about carbon dioxide emissions and said Norway is “good at producing oil and gas and can do it better than most” and “usually we can produce less carbon dioxide gases than others”. Another interviewee (23) spoke about the Melkøya facility in Hammerfest specifically.

First of all, this is the cleanest gas facility in the world. Pumping up through operations they are emitting less carbon dioxide per liter of gas anywhere else. Most of the oil and gas industry in Norway, we are emitting far less than other suppliers. We have the cleanest oil and gas industry of anywhere in the world.

4.2.2 Communication

Proponents for and opponents against petroleum development in Harstad struggle to communicate with each other. When discussing people's views on petroleum development a frequent comment was that petroleum companies use “fact-based” arguments and those who oppose petroleum development use “emotional arguments. Out of 29 interviews, 11 people, petroleum insiders and outsiders, spoke of “fact-based discussions.” These “fact-based” arguments were largely used to justify the benefits of future petroleum in the LoVeSe area and the people who claimed to use “fact-based” reasoning said their opponents used emotional reasoning to discredit them. Interviewees who opposed petroleum development did not discuss the disconnect between communication styles during the interviews. Only the petroleum supporters spoke of the difference.

An interviewee (4) who works for a petroleum company said “feelings, that kind of thinking is not rational.” Another interviewee (10) said that the people in Lofoten “think with their feelings and not with a practical view.” Multiple petroleum insiders spoke of their challenges when trying to have “fact-based discussions” with people who did not support petroleum development in the Barents Sea. Participant 11 said, “The petroleum industry discusses based on fact-based arguments, not superstition.” An interviewee (27) who works for a petroleum company in Harstad spoke of a recent petroleum-debate held at the Kulturehus in Harstad.

If there is a discussion going on ... people against oil and gas will go there and have a discussion and although we don’t agree, we try to be there and answer fact-based. It is the most difficult in these times to try to argue fact-based and not with feelings. Maybe we should start arguing more with feelings I don’t know. It seems sometimes we don’t get through with facts. For some reason, it stops.

An environmentalist (29) spoke of the same event but did not address the difference in communication styles and spoke of his/her lack of trust towards petroleum company representatives.

In my opinion they seemed manipulative and cynical. They were trying to fool people. I don’t trust them. They had a fisherman at the debate and he said he was pro-oil in Lofoten Senja. How representative was that.

4.2.3 Lofoten, Vesterålen and Senja Islands

Discussion about the costs of petroleum activity arose when discourse shifted to proposed petroleum activity in the Lofoten, Vesterålen and Senja islands (LoVeSe). Before they could be asked, many respondents (21 of 29) would offer their opinions on whether petroleum activity should be allowed to occur in the Lofoten archipelago. The Lofoten discussion was around two main issues: (1) Should a desk-based impact assessment be conducted and (2) Should exploration be allowed. Views towards LoVeSe were not homogenous among the stakeholder groups except for the two environmentalists who were interviewed.

The environmentalists who were interviewed opposed any petroleum activity in LoVeSe and did not want a desk-based impact assessment to be done. One of the environmentalists (28) stated petroleum activity would be “just another step back for me”. They voiced their concern that an impact assessment would lead to the opening of Nordland VI, Nordland VII and Troms II. They say that in history in Norway whenever an impact assessment has been done, the area has been opened. Despite more than one person (5, 7, 8, 28) making this statement, it is not correct. Nordland VI has had an impact assessment and it remained off-limits. A respondent (7) described the debate over the impact assessment as “like war” and if “you don’t get across this bridge it over” for the potential for petroleum activity in the area.

Proponents for conducting an impact assessment did not state that they wanted the licenses around the LoVeSe area to be opened. One respondent (10) said, “We are just talking about impact assessment we are not talking about opening it”. Another respondent (24) said “And the people who are fighting against it don’t want an analysis of the consequences even”. A respondent (25) who works for a supply company was in favour of the consequence analysis but unsure about the drilling. He said

There are two steps. First step is evaluation, no drilling, only deskwork. I can’t understand why we don’t say yes to this. I am pro-consequence. I am not sure about the next step. I think the environmental side has been doing good job because they say if you say yes to the consequence side then you also say yes to the drilling side. And for some reason they have gotten this into the crowd and it’s wrong.

When the discussion moved from the impact assessment to drilling, the views of the respondents who supported the impact assessment process were divided between a “wait and see approach” and those in favour of exploratory drilling. A geologist (1) expressed that he had mixed feelings towards the issue because of his work but also because of his popular pastime of camping and fishing on the Lofoten Islands. He also raised the point about the lack of certainty that drilling will result in economic hydrocarbons.

From an exploration company point of view ... areas that belong to the NCS we should be able to evaluate the resources that could or couldn’t be there. Just because they open acreage to allow a company to open survey or run a test well

doesn't mean that the whole place will turn into the next North Sea with rigs everywhere. It could quite easily be non-feasible and we never go back.

A former fisher (5) from Senja spoke of his fears around drilling in LoVeSe. He said an accident will “destroy the last remaining strain of travelling cod. It will fuck up an entire ecosystem.” A different fisher (8) proudly translated a slogan from a Lofoten-based political organization as being “let the cod fuck in peace”. The main issue for this fisher was his belief that seismic testing disrupts fish. He said, “The fish basically fuck off and don't come back for a while and then the local fishermen can't get their fish and then they don't get paid”. However, he was open to seismic testing if the petroleum companies could prove that the seismic waves did not affect the fish.

A long-time resident (11) of Harstad who maintained to have a neutral opinion on petroleum in Lofoten, was very dismissive of the fisheries views.

The fisheries have always been scared of doing new things. There was this great battle in Lofoten they used to do boats with sails and things and when the engine came they didn't want them to come because they said the engine would scare the fish away. There was a battle between traditional fishery and the modern way of doing it. I think the fisherman in Norway are traditionalist and are thinking old fashioned.

4.2.4 Costs Summary

Interviewees would address the costs of petroleum development, but only after they had acknowledged how Norwegian oil had provided many benefits for Norwegians. There were many justifications for why, despite the costs, Norwegian petroleum is superior to other sources. The cost that resonated the most with the respondents in Harstad was that of the risks of petroleum activity to the Lofoten, Vesterålen and Senja Islands. Lastly, the discussion about the costs of petroleum development using “fact based” or “emotional” arguments was debatable in itself. In Harstad, respondents preferred to speak about the benefits of petroleum instead of the costs or consequences.

5 Discussion

This section discusses the results presented in Section 4, starting with costs and benefits, and concluding with some reflections on the research project.

The results show that people in Harstad are satisfied with the petroleum industry however they want to see more benefits to their city. Their awareness towards the costs of petroleum development arise when the costs are close to them or when they could be directly affected. When the costs are not close to them, all that is important are benefits.

In this chapter I shall address the following questions:

- Research Question: How do local stakeholders within Harstad, Norway perceive corporate social responsibility for petroleum development?
- Research Objective (1): To identify the differences and similarities in the perceptions of corporate social responsibility in Harstad among local stakeholders (petroleum company and oil services representatives, municipal officials, environmentalists, local residents and shipping/shipbuilding, tourism and fishing workers)
- Research Objective (2): To analyse the perceived benefits and costs associated with petroleum development

5.1 Benefits

Analysing the interview data, the results show that people in Harstad generally agree on the benefits of petroleum development in Harstad. The degree to which the costs are discussed varied among participants; however, they were not a focus for most. Despite some interviewees not being aware of the term “CSR” everyone could speak about programs in the community that Statoil was responsible for. Given Statoil’s over forty-year history in Harstad, and that it employs the most people of the petroleum companies in the city, the discussions around social programs were about Statoil programs. Everyone was clear that the petroleum companies in Harstad should be benefiting society. Harstad is unique for a case study because unlike prior research in the Barents Region, the petroleum

companies present are all of Scandinavian origin (Kelman et al., 2016). This is supportive for CSR in Harstad because, according to academic literature, Scandinavian companies lead the world with their sustainability behaviour (Strand et al., 2015). This can be partially attributed to the history and traditions of stakeholder engagement that encourages cooperation in Scandinavian business. The main benefits that people discussed will be described in the following sections.

5.1.1 Corporate Social Responsibility Programs

When asking respondents about what CSR initiatives they were familiar with, many people spoke about sports races and sports programs. Supporting communities through sports sponsorships is a common initiative for extractive companies. For example, Cairn Energy set up a fund in Greenland to support youth sport (Wilson, 2016a). Companies also establish sports programs to promote employee participation in community life (Raufflet, Cruz, & Bres, 2014). Sports programs, especially for children, have been shown to promote healthy living and help curb substance abuse (Young, 2017). The most visible Statoil sponsorship in Harstad is the Arctic Race cycling event that brings international level cyclists and cycling enthusiasts to Northern Norway. Amongst people interviewed, there was an element of pride that Northern Norway could host such an international event with global press coverage and it was mentioned that the Arctic Race was good for advertising Harstad to tourists and potential immigrants. This sponsorship is strategic in that it shows Harstad that Statoil supports the city but it also shows Norway and the world that Harstad does not need to be defined by its geographic, Arctic location, and that a northern city can host an international event. Community involvement is a focus of CSR in the oil sector and respondents in Harstad spoke highly of the grassroots level of support for the children's' soccer teams and the Harstad men's and women's team (Ranängen & Zobel, 2014).

Cultural sponsorships were another area that respondents could speak easily about. This mirrors another research study in Hammerfest where interviewees spoke of town festivals where Statoil hired famous Norwegian musicians to perform free concerts (Loe & Kelman, 2016). In Norway, oil companies have a large role in sponsoring Norwegian culture. Respondents in Harstad were positive about the monetary support from Statoil. Respondents appeared to appreciate the support Statoil gave to Festspillene (Arctic Arts

Festival) by sponsoring the festival and also purchasing blocks of tickets for employees to encourage local engagement. Supporting youth initiatives is a popular choice for companies and Statoil started its youth initiative, Heroes of Tomorrow, in 2010. Heroes of Tomorrow is a sponsorship program to promote sports, culture and science education for children. Support for local music was a priority for the respondents who are involved in music and the researcher was told about the Heroes of Tomorrow Talent Competitions in Harstad.

Cultural sponsorship arrangements with petroleum companies have raised concerns about the “appropriation and exploitation of cultural institutions” (“Growing unease in Norway over Statoil and cultural sponsorship”; Motion, 2017;). Outside of Norway, protests of a sponsorship agreement between Tate (four art galleries in the United Kingdom) and British Petroleum (BP) contributed to BP ending its 26-year sponsorship (Khomani, 2016). While the cultural sector has traditionally been outspoken against petroleum development, this was not the sentiment felt in Harstad. This could be because, for the cultural sector, the amount of money that Statoil spends on sponsoring cultural events is very significant, and there could be a reluctance to speak out against the industry for fear of losing the needed economic support. There is a Facebook group Stopp Oljesponsing Av Norsk Kulturliv (Stop Oil Sponsorship of Norwegian Cultural Life) and while the group is not geographically linked to Harstad, they argue that cultural institutions should not accept money from oil companies. It is unclear whether Harstad residents support this movement or if it is another example of people from outside a community espousing their views on an area in which they do not live.

Petroleum companies have long sponsored local sports and cultural events as a part of community involvement, development and interest (Kirat, 2015). Loe and Kelman spoke of petroleum company sponsored events in Hammerfest, Norway, and its connection to “bolyst,” or “residential appeal” (Loe & Kelman, 2016). While interviewees in Hammerfest described how petroleum made their town a more attractive place to live, interviewees in Harstad spoke of how petroleum could, in the future, make their city more desirable. Academic Jens Beckert writes of uncertainty with unknown and unknowable future events and the ability of humans to imagine a world different from the existing one (Beckert, 2013). In his research he uses the term of fictionality to describe how fictional, or imagined expectations can motivate action (Beckert, 2013). The theory of fictionality

explains how future hopes and imagined images of the future can shape present actions and decisions (Beckert, 2013). Residents of Harstad only need to look to Hammerfest to imagine the future benefits of petroleum development.

5.1.2 Ripple Effects – “If the town is not benefitting then Statoil should leave...”

The local and regional ripple effects of petroleum development have a prominent role in Norwegian public discussion about plans for the future growth of the petroleum sector (Fjærtøft, 2015). Ripple effects are a common metaphor in social sciences literature and describe how actions or non-actions move through the physical and social world. According to sociologist Norman Long, “social interactions and decisions have a ripple effect on more distant social areas, or over time create emergent sets of relations that form larger-scale systems or fields of action” (Long, 2001, p. 65). Many people in Harstad spoke of ripple effects. They said they demand ripple effects. Local residents, municipal employees and petroleum company employees all said that the petroleum industry needed to have positive ripple effects on the community of Harstad otherwise the companies should leave. When the city of Hammerfest was considering the impact from petroleum development they commissioned research on Snøhvit industrial project and regional ripple effects (Nilsen, 2012).

While much of the discussion of ripple effects was related to the spending activities directly from the petroleum companies, there was also talk of spending from individual petroleum company employees. During the interviews, it quickly became apparent that there was a perception that all oil company employees are affluent. As a whole in Norway, this perception is correct. The average annual incomes of employees in the petroleum industry in 2016 was higher than the average annual incomes of workers in the private sector and public sector (“Earnings of all employees, 2016,” 2017). Similar to Harstad, a case study in Hammerfest showed that people accepted petroleum jobs as being highly skilled positions with correspondingly, high salaries and benefits (Kelman et al., 2016). In Harstad people believed that the individual consumer spending will help various industries in Harstad, such as restaurants, shops, car dealerships and more.

While this demand and expectation for benefits could be a cultural assumption in Norway it is also supported by the words and actions of the Norwegian government. The

Norwegian government has a new 2017 Arctic Strategy which states it will “work to increase the positive local and regional spinoff effects of oil and gas activities in the Arctic” (Norwegian Ministry of Foreign Affairs, 2017). Politicians still have the perspective that resources belong to the region in which they are discovered and should therefore create ripple effects in the form of jobs and economic prosperity to the region. This is supported by the Law of Petroleum which states that “resource development should contribute to among other things, strengthen Norwegian firms and industrial development and this should be balanced against the need for regional policies in peripheral areas” (Nilsen, 2016; Law of Petroleum, §1-2). Like the 2017 Norwegian Arctic Strategy, the 2017 Northern Strategy report discusses the importance of ripple effects from the petroleum sector in the northern communities (Utenriksdepartementet og Kommunal- og moderniseringsdepartementet, 2017). A focus of the strategy is how the petroleum sector can build local capacity to serve the oil companies (Nilsen, 2016). The former minister of Petroleum and Energy, Terje Riis-Johansen supported the strategy when he said “Government will stress the petroleum sector should facilitate and create regional and local ripple effects” (Nilsen, 2016).

Ripple effects are important for Harstad because petroleum companies pay corporate tax at the national level and not to the local municipality of Harstad. The main tax revenue that the municipality collects is property tax and a portion of individual income tax. This is why it is greatly important to the municipalities to have petroleum workers living in the community and not fly-in, fly-out.

Petroleum development often results in increased employment in the industry and supporting industries. Local job creation is a ripple effect that was promoted as a way to retain youth in Harstad and attract educated immigrants to the city. The importance of job creation and positive ripple effect for local people was identified not only in Harstad but also in a similar research study in Hammerfest, Norway (Loe & Kelman, 2016).

5.1.3 Retention and Immigration

The influx of people moving to Harstad for work at Statoil, Lundin or Aker BP has brought people from Southern Norway and outside of Norway to the city. Employees from Statoil spoke with pride at how there are over sixteen nationalities represented in the Statoil Harstad office. They did not state which nationalities were represented. Harstad residents

spoke favourably of people who moved to Harstad with their families for jobs at Statoil. The attitude was positive towards people moving to Harstad for high paying jobs perhaps because they will be spending money in the community and not using social services like welfare. This view of petroleum-induced immigration was shared in Hammerfest, where immigration from other parts of the country and abroad were believed to make Hammerfest a better place to live (Loe & Kelman, 2016). A country-wide Norwegian survey on views towards immigrants from 2017 asked citizens to agree or disagree with the statement “Labour immigration from non-Nordic countries makes a mainly positive contribution to Norwegian economy” (“Attitudes towards immigrants and immigration”, 2017). The responses were 65% agree with the statement, 16% neither agree nor disagree, 16% disagree and 3% unsure. While that survey was for all of Norway it suggests that Norwegians as a whole are accepting of labour immigrants. Harstad used to have asylum centre for refugees which is now closed and the asylum-based immigration in Harstad was not discussed during the interviews. The petroleum-induced immigration has contributed to Harstad’s cultural diversity. While interviewees did not perceive immigration to be a part of CSR it was listed as a benefit.

The petroleum industry is a major source of employment for Harstad. Salaries for petroleum companies tend to high, making these jobs an attractive and viable alternative to other forms of employment in Harstad. Young people who are not interested in working in fishing, shipbuilding, social work, health care or service jobs can work in the petroleum sector. Job creation was very important to the interviewees in Harstad. Interviewees were concerned with young people leaving Harstad after high school or university to find work and not returning. They believed that diversity in jobs would keep young people in Harstad. What was interesting was when the researcher asked why people moved to Harstad it was often for family reasons, such as, to be closer to their own or their spouse’s parents.

5.1.4 Support and growth of local petroleum supplier companies

A topic of importance to people in Harstad was the petroleum companies’ use of local suppliers. Interviewees wanted the local supply companies in and around Harstad to succeed and benefit from the petroleum development in Northern Norway. How much intervention is needed to support and encourage the supply industry is debatable. In the

1970s when the Norwegian petroleum industry was in its infancy, the Storting provided a helping hand to Norwegian supply companies (Sæther, Isaksen Karlsen, 2011). Foreign operators entering the Norwegian industry were told to form research and development partnerships and joint development partnerships with Norwegian companies, thus engaging in knowledge transfer to the new inexperienced Norwegian companies. Financial support and incentives were provided as well to encourage the success of Norwegian petroleum supply companies. Historians believe that granting petroleum concessions based on certain conditions such as the use of Norwegian suppliers was a lesson from earlier in the century when the aluminum industry of Norway was established (Engen, 2009). Some researchers argue that the co-evolution between suppliers and the petroleum companies in Norway was the key for the success of the industry and the Norwegian petroleum industry could not exist without its suppliers and vice versa (Sæther et al., 2011). As the industry is moving north, Northern suppliers want to be competitive. Financial incentives are not available for the supply companies in Northern Norway because of the rules with Norway being a member of the European Free Trade Association (EFTA) and a signatory of the European Economic Area (EEA) agreement. The government cannot provide financial incentives to help the supply industry in the north because that would be counter to the EEA state aid rules. There is a prohibition on state aid for member countries to ensure equal competition for European companies and to prevent individual government assistance be used for protectionist means ("The EEA state aid rules and the role of the Authority," n.d.). However, exceptions can be made to allow government assistance for social purposes such as to reduce unemployment. Older respondents remember the help the government provided to companies in the 1970s and feel that it is now the north's turn to receive help and industry support from the government. Northern Norwegians are accustomed to equal access to government resources as the Southern part of Norway and this will be difficult with support for Northern suppliers because the rules have changed since 1970s and 1980s.

The petroleum companies appear to be promoting the use of Northern suppliers by letting local companies tender for contracts and by supporting local business incubators such as Petro Arctic, ProBarents, Kunnskapsparken Nord. The petroleum companies cited the large size of the contracts and long-standing relationships with suppliers in the South as being barriers for using the Northern suppliers. This is important for petroleum companies to maintain their SLO.

5.1.5 Benefits Summary

Respondents in Harstad were justifiably focused on the benefits that the petroleum industry could provide for the city and its residents. The expectations for benefits is high and it should be asked, ‘Can petroleum companies support the entire community?’ Petroleum companies cannot and are not expected to support all of Harstad and instead the companies selectively choose who they should benefit. Communities are not homogenous and neither are communities within communities. As shown in the results, people have different expectations and desires for how a company should behave. When CSR benefits a community, it is important to note that the community members who participate in the offered CSR programs could benefit more than people who do not interact with the programs (Brint, 2001). Similar to research in Hammerfest, respondents in Harstad spoke of the benefits of petroleum with similar stories of the prosperity and social welfare afforded to Norway because of petroleum tax revenues (Loe & Kelman, 2016). Only after they spoke of prosperity did they mention any negative impacts or costs.

5.2 Costs

While Harstad is anecdotally called the oil capital of Northern Norway it is more of an administrative capital. The exploration and development action is currently hundreds of kilometres away and the only physical sign of petroleum activity in Harstad is in the regional offices of Statoil, Lundin Petroleum, Aker BP, Aibel, DNV GL and the Norwegian Petroleum Directorate. Because the extraction and processing of petroleum is not visible to residents of Harstad it could be easily forgotten. This is very different than Hammerfest, which is home to the Melkøya Island plant that transforms gas from the Snøhvit field to LNG. The Melkøya plant is only four kilometres from the city centre and is visible from most parts of town and gas flaring can occasionally be seen from the plant (Loe & Kelman, 2016). While many residents work for petroleum companies (approximately 350) or with the petroleum industry, the majority of jobs are in the service industry, ship repair and servicing, municipality and more. Since residents in Harstad do not have a constant reminder of the petroleum development that is being managed from the Statoil, Lundin and Aker BP offices they could feel less connected to the industry.

Norway does not have a formal definition for its Arctic areas (Hansen & Midtgard, 2008). A phrase that was not used during the interviews was that of 'Arctic Oil'. Respondents spoke of Barents Sea oil or Northern Norwegian Oil but they did not describe the reserves as Arctic Oil. An Arctic identity means different things to different people (Medby, 2014). This could be in their hierarchy of belonging, they place their own Norwegian identity before an Arctic identity. Additionally, the term 'the High North' is used instead of Arctic in Norway and the government uses that term in their Arctic reports (Nilsen, 2016). Also a sense of detachment from the term Arctic can lead to indifference or neglect (Medby, 2009; Pfeffer, 2009, 86). One of the politicians interviewed said, "the Arctic is not the Arctic" and elaborated that Norway is not like northern Canada and there are universities and cities above the Arctic Circle in Norway. It seemed that the politician was familiar with a perception that was publicized by former Alaska Senator Ted Stevens that the Arctic is a "barren wasteland, frozen wasteland" ("The ANWR Drilling Debate", 2005). The politician wanted to stress this was not the case in Norway. The politician spoke of people not from Northern Norway using the Arctic as an emotive tool to oppose petroleum development in the Barents Sea. Coates spoke of the exaggerated popular culture depictions of the North as a region of harshness and isolation which is the same misunderstanding of Northern Norway (Coates, 1994). Speaking of petroleum development in an Arctic context instead of a High North context would initiate discussion and debate around the costs of petroleum and most people in Harstad preferred to speak about the benefits.

5.2.1 Greater Use of Petroleum

Integral to the costs associated with petroleum development is climate change. Despite the severity of climate change it was rarely discussed in isolation, and usually mentioned when justifying petroleum development in Northern Norway. Respondents would speak of the higher emissions associated with coal burning electricity, US shale gas and petroleum extraction from the Middle East. The "greater use" argument was popular, which is that Norway has to find more petroleum and produce more energy to solve the world's energy crises and help poor countries develop (Hansen & Midtgard, 2008). As developing countries undergo development and industrialization their energy needs are often assumed to increase (Sachs, 2015). This belief was articulated by former Petroleum and Energy Minister, Torhild Widvey, "In the next 25 years the poorest countries will be next in line to

want their energy needs satisfied. With what justice, can we say that once we have satisfied our energy requirements, then it is time to shut down, and not let other countries take part in similar wealth development” (Hansen & Midtgard, 2008).

Respondents also spoke of the International Energy Agency (IEA) forecasts to justify the need for more petroleum development in the north. They said a small percentage of the world’s population live in developed nations and use the majority of the world’s energy. They say this inequality cannot continue and developing countries must get a larger part of the energy resources and a large part of the undiscovered petroleum is in the Barents Sea and Lofoten area. Torhild Widvey says “an increased activity in the North will contribute to a fairer world” (Hansen & Midtgard, 2008). The argument that petroleum from the North (Norway) must flow to the south, developing countries, to solve the future energy needs around industrialization is contrary to Ronald Findlay’s North-South model and the dependency theory (Findlay 1979). Additionally, in the future, developing countries could import petroleum from their southern neighbours.

Perhaps most importantly, the “greater use” argument fails to address the impact of increased petroleum development on climate change and the inequality of the impacts of climate change on developing countries. The paradox is that the nations that are the biggest polluters will not be the most affected by the ramifications of their pollution (Sachs, 2015). Respondents distanced themselves from climate change by excluding climate change from discussions. This “psychological distancing” is a way to avoid facing the reality and implications of climate change and avoid having to support climate mitigating action or changing one’s behaviour (McDonald, Chai, & Newell, 2015)

5.2.2 Lofoten Vesterålen and Senja Islands

The issue of whether to open the Lofoten archipelago up to petroleum exploration is one of the most controversial debates in Harstad. The Storting makes the official decision to open new areas or keep them closed. This decision is based on impact assessments and resource mapping. The impact assessment would include evaluation of economic, social and environmental impacts of petroleum development on an area (Norsk Petroleum, 2017). Norway’s three largest parties in the current parliament, Det Norske Arbeiderparti (Labour Party), Fremskrittspartiet (Progress Party) and Høyre (Conservative Party), are in favour of an impact-study. While a desk-based, impact study needs to be conducted, according to the

Petroleum Act (Act No. 72 of 29 November 1996 relating to petroleum activities), before any exploration decisions can be made, many people view the decision to have an impact study as the first battle for LoVeSe (Petroleum Act of 1996, 2011). Anecdotally there is a belief that if you say yes to the consequence side than you also say yes to the drilling side. The people who are against development also state that in the past, an impact assessment has resulted in the area being opened to petroleum development. It is unclear whether people know that this statement is incorrect, as Nordland VI had an impact assessment and remained off-limits. This confusion could lead people to lose trust in the governance process, the Ministry of Petroleum and Energy and therefore the government.

A vocal stakeholder in the LoVeSe discussion are fishers. The ‘oil versus fish’ theoretical argument is about resource extraction, whether to prioritize petroleum extraction for monetary reasons or fish extraction for historical meaning (Wilson & Stammeler, 2016). Anne Blanchard examined this trade-off from the broad perspectives of the market, the law and the citizen and concluded that the trade-off is multifaceted and in making a decision all perspectives need to be considered (Blanchard, 2013). The fishers in Lofoten, Vesterålen and Senja do not have homogenous views on the issue of petroleum exploration. Many Lofoten residents view their identity with a fishing culture and “don’t see ourselves as a petroleum nation, but as a fishing nation” (Blanchard, 2013; Dale, 2011) Petroleum company representatives said that during their consultation meetings, some fisherman in Senja were more open to dialogue with petroleum companies than fishers in Lofoten. Some fishers view the petroleum industry as an opportunity to make money using their fishing vessels and be engaged with oil spill preparedness. The current risk to the ecosystem is an oil spill from the many ships that pass through the waters near LoVeSe. These fishers want a comprehensive oil spill response plan. Fishers in Senja have looked to Hammerfest where ENI has implemented a successful program paying regional fisherman to complete training to be first responders in the event of an oil spill (“Eni’s sustainability projects in Norway,” n.d.). Lofoten was a popular topic of discussion and was the one area in which respondents acknowledged the costs of petroleum development. Perhaps this is because Lofoten is geographically close to Harstad and residents have an emotional connection with the islands. Unlike climate change, the respondents did not “psychologically distance” themselves from Lofoten.

5.2.3 Costs Summary

The perceived costs of petroleum development in Harstad are important for industry and government in community planning. Understanding what residents view as costs and which costs they are willing to accept is necessary for petroleum companies to manage their SLO. SLO is dynamic and people's views can change quickly. The issue of drilling in the LoVeSe area is heated and could threaten a company's SLO. Therefore, open, transparent communication between all interested people is a vital community relations policy for companies doing business in Northern Norway.

5.3 Future Studies

This study is believed to be first social science research project in Harstad. The study is also believed to be the first in Harstad to address the impacts of petroleum development using human-centred research methods. This research could be expanded upon to include more people and stakeholders who are involved with Harstad but do not live there. While not included in this study, environmental NGOs affect public discourse around petroleum development and could be included in the narrative about perceptions of CSR. An alternate approach for future research would be to create focus groups for people to exchange their views and ideas for CSR amongst themselves. Additionally, people's perceptions could be examined through social media as people can be more active and open on platforms such as Twitter and Facebook than in person.

A future study building off this research could include a gender dimension. Norway is considered to be one of the most gender equal countries in the world however, gender challenges remain (Dockweiler, Holter & Snickare, 2017). Research examining how gender intersects with development in the north and northern petroleum development would be informative for Norwegian gender equality policies.

A similar research study should be conducted in Sandnessjøen, a port town that serves as a supply base for petroleum projects like Aker BP's Skarv field. Much like Harstad, ripple effects and expectations would be key themes to investigate with the local residents. An additional location for a study would add to the comparative knowledge of between coastal petroleum cities and towns in Norway.

The “psychological distance” dimension would be interesting to explore further to understand what proximity to a problem is needed to induce engagement. In this study the LoVeSe area was close enough for residents in Harstad to feel engaged in the outcome of the possible impact assessment. This could be done by asking residents of Harstad about other costs that are physically further to gauge their reactions. Or residents of Southern Norway could be asked about LoVeSe and their responses could be compared with those of people in the North.

The question of how to support petroleum supply companies in Northern Norway arose during this research project and merits further study. Research on the supplier industry in Northern Norway could be studied at a deeper level to provide recommendations for suppliers, petroleum companies and government officials alike. This could be done through participant observation such as shadowing the Statoil Harstad supplier liaison and several Northern petroleum suppliers.

Most importantly, the effect of petroleum on communities should be more intensely studied in the Arctic. Sovacool (2014b) states that social science research is under-represented and that academic researchers should collect information and knowledge from ordinary citizens, indigenous groups and community leaders to include diverse perspectives in community studies. For a company or government to make informed decisions about petroleum developments they need to understand who will be impacted and how (Tideman, Kombargi, Oushoorn, Rizzi, & Landau, 2012).

5.4 Management Recommendations

Norway, the country where salaries are public knowledge, greatly values transparency. The push for transparency could be extended to petroleum companies and the companies could be more open on their decision-making process for social investment. The companies could minimize the perception of misspending by soliciting local opinions for future community programs, researching local needs, and having an open discussion of CSR budgets and spending (Wilson & Fjærtøft, 2016). This will help ensure that the benefits of the petroleum industry are felt locally through genuine, local partnerships.

When respondents were asked what other CSR programs residents they would like to see in Harstad their suggestions were for more cultural and musical programs, greenhouse or

community gardens, and educational events like a travelling science fair exhibition and educational lecture series. Survey sampling would be a good method to determine which programs residents of Harstad would like to see implemented.

While there is no easy solution for the communication challenges between “fact-based” and “emotional” arguments regarding the impact assessment for the Lofoten–Vesterålen area, the petroleum companies need to alter how they communicate their message to appeal to more people. If people do not support petroleum development and petroleum companies lose their SLO then the companies very existence is threatened. Petroleum executives need to appear more accessible to the Norwegian public and this can be achieved through television interviews or debates. Petroleum companies need to convince the Norwegian public why their exploration and activities should continue. Continuing stakeholder engagement and having an open dialogue with the residents of Troms county and other counties is essential for relations between petroleum companies, the government and communities. The petroleum industry has coexisted with other industries for the last 40 years and can continue to do so if respectful communication with proponents and opponents is maintained.

The supplier development program of Northern Norway (LUNN) is currently under review. LUNN was established by Statoil and Innovation Norway to create a competent and competitive North-Norwegian supplier industry to service the petroleum industry. A challenge for Northern Norwegian suppliers is that the petroleum industry is an entrenched industry and has fierce competition from national and international operators (Jenssen, Knudsen, Ovesen, & Sornes, 2016; Sornes, Browning & Henriksen, 2015). Suppliers in Western Norway have a forty-year head start in the industry and the North needs help to catch up. The LUNN program should be re-implemented to assist the supplier industry in Northern Norway to gain a foothold in this entrenched industry.

5.5 Conclusion

The Arctic has long been romanticized as a place of mystery, but as the demand for oil and gas increases, more will have to be understood about the impacts of petroleum development in Northern regions. The aim of this project was to identify the local stakeholder perceptions of CSR with petroleum development in Harstad, Norway. The

project met its aim by identifying the perceived benefits and costs of petroleum development.

The research question for this project was: How do local stakeholders perceive corporate social responsibility for petroleum development? The data and analysis reveals that there are differences in the respondent's views and opinions not only between stakeholder groups but within stakeholder groups. Communities, sub communities and stakeholder groups are not homogenous. People have different expectations and desires for how a company should behave and stakeholder engagement should endeavour to hear as many community voices as possible.

Respondents preferred to focus on the benefits of petroleum development and spoke of the costs of petroleum development only when the costs were close to them. This thesis showed that people are generally satisfied with the petroleum industry but would like to see more economic ripple effects and benefits in their city. The use of Northern petroleum suppliers is a hot issue and warrants more examination and support from the petroleum companies and the Norwegian government. The costs of petroleum were more of an afterthought with climate change issues not being a priority. Respondents justified petroleum development in Northern Norway by comparing Norwegian petroleum to other less environmentally friendly, politically unstable jurisdictions or to "dirtier" alternatives like coal or fracked, shale gas. In general, respondents are proud of their city and want petroleum development to help make Harstad more desirable to attract and retain residents.

In conclusion, the local views of petroleum companies' CSR practices are often overlooked, and there can be many different voices involved in the decision-making and policy surrounding petroleum development. This study provides an important source of data for CSR managers and community leaders who want to mitigate the impact of petroleum development from multiple perspectives, as well as document residents' concerns for future petroleum development. While there are uncertainties around future petroleum discoveries and development in Northern Norway, understanding the benefits and the costs from the perspectives of local people will inform better decisions.

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Appendix A: Interview Questions

INTERVIEW QUESTION	Justification / Reasoning
WARM-UP	
<p>Could you tell me a bit about yourself?</p> <p><u>Prompt:</u> Where are you from originally? How long have you been in Harstad for? What do you do for work?</p>	<p>General questions about participants. Also an easy way to start the conversation and learn about the participant's background and connection to the petroleum industry and Harstad.</p>
<p>Do you or family members work in the petroleum industry? Or have worked in the petroleum industry or for company servicing the industry?</p>	<p>This question is to establish insider / outsider relationship to the industry if the profession from the previous question does not make it obvious.</p>
HARSTAD	
<p>Can you tell me about Harstad?</p> <p><u>Prompts:</u> What do people do for work? Recreation? How is the economy?</p>	<p>An open and basic question to learn how the participant feels about their city.</p> <p>An open and simple question to start the conversation and to build up a picture of respondent's background and connection with the community.</p>
<p>How do you feel about the petroleum industry in Norway?</p>	<p>This is a question to focus the theme of the interview around petroleum and also to gauge at a high level the views of the participant towards petroleum development. This question can set the tone for the direction of the interview.</p>
<p>How have you been affected by the petroleum industry?</p> <p><u>Prompts:</u> Anyone you know?</p>	<p>A followup question depending on the response from the previous question. May garner a positive or negative response.</p>
<p>What is challenging about working with the industry?</p>	<p>A question to get respondent talking about their interactions with the industry.</p>
<p>Do you perceive there have been any changes in Harstad because of petroleum</p>	<p>Have the respondent think critically about impacts of petroleum to their town.</p>
<p>What do you wish would change?</p>	<p>Aspirational question for respondent to speak about their desires for Harstad.</p>
CORPORATE SOCIAL RESPONSIBILITY	
<p>What do you know about the term</p>	<p>Learn if respondent is familiar with the term and what they</p>

<p>“corporate social responsibility”?</p> <p><u>Prompts:</u> Activities taken by a company to operate in a socially and environmentally sustainable way. Is there another term you are familiar with?</p>	<p>think it means.</p>
<p>Do you know of any environmental or social programs in your community that petroleum companies have sponsored?</p> <p><u>Prompts:</u> What is your opinion of these programs?</p>	<p>Awareness of programs in the community.</p>
<p>How have these programs impacted Harstad in your opinion?</p> <p><u>Prompts:</u> Positively and negatively</p>	<p>If they have not already said what their opinion is</p>
<p>What programs would you like to see in Harstad?</p>	<p>Learn what respondent would like the petroleum companies to do.</p>
<p>What responsibilities do you think businesses should have towards society?</p>	<p>For the respondent to reflect.</p>
<p>STAKEHOLDER INTERACTIONS</p>	
<p>How would you like to see your local government interact with petroleum companies?</p>	<p>Reveal if they want a closer or more distant relationship.</p>
<p>What are your views on the involvement of not for profit organizations with the industry?</p> <p><u>Prompt:</u> Greenpeace and Nature and Youth lawsuit against Norway for granting new oil licenses in Arctic</p>	<p>Support or don't support. Reveal if they think the industry needs a watchdog like an NGO.</p>
<p>How do you think the petroleum industry interacts with other industries?</p> <p><u>Prompt:</u> Fishing industry, tourism industry, shipping industry</p>	<p>General question</p>

SOCIAL LICENSE TO OPERATE	
<p>Are you familiar with the term social license to operate?</p> <p><u>Prompt:</u> When a project has ongoing approval from the community and stakeholders</p>	<p>Similar question to CSR. To get people talking about SLO</p>
<p>How do most people in Harstad feel about petroleum development?</p> <p><u>Prompt:</u> What are some different views?</p>	<p>Respondent could share how they really feel while saying it is the views of other people in the community. A way to hear a different perspective.</p>
<p>What are your feelings towards new areas being opened in the Barents Sea for oil exploration?</p>	<p>Do they agree or disagree and why</p>
<p>How do you think people of Harstad feel about more petroleum development?</p>	<p>Are they accepting of current situation but no more or are they okay with more development. Reason why is important.</p>
<p>What do you want the future Harstad to be like?</p>	<p>Aspirational question</p>