A National Government’s Tourism Innovation Initiatives: A Review of Tourism Development Policies in Norway

Ms Xiang Ying Mei  
School of Tourism  
The University of Queensland  
Brisbane QLD 4072  
Email: x.mei@uq.edu.au

Dr Charles Arcodia  
Senior Lecturer  
School of Tourism  
Faculty of Business, Economics and Law  
The University of Queensland  
Brisbane QLD 4072  
Email: c.arcodia@uq.edu.au

Dr Lisa Ruhanen  
Lecturer & Postgraduate Coursework Program Director  
School of Tourism  
Faculty of Business, Economics and Law  
The University of Queensland  
Brisbane QLD 4072  
Email: l.ruhanen@uq.edu.au

Abstract
Innovation in tourism has becoming increasingly important to create destination competitiveness. There is however poor understanding of the national government’s initiatives and role in tourism innovation. This study has reviewed tourism development policies in Norway using content analysis. The result indicates that the government recognises the importance of innovation in tourism and innovation is also encouraged. Nevertheless, through the three significant themes including network and collaboration, innovation in SMEs, and funding and support it has been revealed that government initiatives in developing an innovative tourism industry are not entirely new. In addition, the government may also be playing a too passive role as many of the innovation initiatives are emphasised as the responsibility of the private sector. Further studies which consider policies as well as perspectives of both Government officials and industry representatives or operators are needed in order to further understand government’s role in tourism innovation.

Keywords: Norway; innovation; policy; tourism; competitiveness
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There has been increasing focus on innovation in tourism in the past few decades (Hjalager, 2010) because of the trends towards a highly competitive and arguably saturated tourism industry. As such, destinations need to differentiate themselves in an attempt to develop a competitive edge in the global market (Ioannides & Petersen, 2003; Pechlaner, Fischer & Hammann, 2005). Hence, innovation as the core of competition (Schumpeter, 1934) has been argued as the ultimate strategy to achieve sustainable competitive advantage in any industry. The importance of innovation is acknowledged by academics and industry practitioners alike but studies on innovation in the tourism industry, particularly on the roles and responsibilities of the national Government are limited. Further, there has also been little discussion into innovation and tourism policies at the national level (Hall, 2009). Nevertheless, innovation is becoming an important theme in tourism policy and development (Hall, 2007; Hall & Williams, 2008) and studies that focus on tourism innovation at a national level are crucial in order to further understand innovation that leads to the wealth and prosperity of a nation.

Although tourism has traditionally not been considered to be important to the Norwegian economy because of its heavy dependence on the petroleum industry (Støre, Singsaas, Brunstad, Ibenholt & Røtnes, 2003), the Norwegian government recently declared in the Soria Moria Declaration that the tourism industry is one of the five sectors to be prioritised to further develop the Norwegian economy (Arbeiderpartiet, Sosialistisk Ventreparti & Senterpartiet, 2005). In addition, authors have argued that Norway is also currently one of the few countries which focus on innovation as its prime aim for the tourism development (Hall & Williams, 2008; Hjalager, Huijbens, Björk, Nordin, Flagstad & Knutsson, 2008). The national government in Norway has also arguably recognised the importance of innovation in the tourism industry as a means to increase competitiveness and this is demonstrated by a strong focus on an innovation strategy compared with many other destinations including Australia, Canada, New Zealand and Taiwan (Hall & Williams, 2008). Given this context, the purpose of this paper is to investigate the extent to which Norway’s national government focuses on innovation as a means of developing the Norwegian tourism industry. This is achieved by undertaking a content analysis of existing national level tourism development policies and programs pertaining to tourism innovation in Norway. Such an investigation also provides insights into the national government’s role in facilitating tourism innovation

Literature Review

Studies of political dimensions such as tourism policies has been challenging due to certain methodological difficulties and also because tourism has not always been considered as a serious scholarly field (Hall, 1994; Whitford, 2005). As such there is need for more attention on such type of studies in the academic literature (Richter, 1983; Hall, 1989; Mathews & Richter, 1991). In regards to innovation, the focus on innovation in the tourism industry both by the public and private sector should be quite logical due to its link with productivity and competitiveness (Cohen & Levin, 1989; Hall & Williams, 2008; Kotilainen, 2005; Pechlaner et al, 2005a, 2005b; Roberts & Jago, 2005; Scherer, 1999; Schumpeter, 1934) although this may not always be the case (Hall, 2009; Hjalager, 2002; Kotilainen, 2005; Shaw & Williams, 1998). For instance, there is often a lack of interest by the government as innovation is traditionally not considered important in tourism (Decelle, 2003; Kotilainen, 2005; Mahmood & Rufin, 2005; Nordin & Svensson, 2005). The emergence, however, of many Asian destinations with cost advantage and the trends of globalisation suggest that advanced
destinations including Norway may need to focus on non-price strategies such as innovation in order to compete and further develop the tourism industry (Perdomo-Ortiz, Gonzalez-Benito & Galende, 2006; Storey & Salaman, 2005).

In order to identify the extent to which the national government focuses on innovation in tourism, it is crucial to define innovation. Arguably there is considerable disparity in definitions with Johannessen, Olsen and Lumpkin (2001) arguing that previous studies have not been able to develop a useful working definition of innovation. In addition, various actors have different understandings of what they perceive as innovative (Hjalager, 2010). While many studies agree that it is difficult to define and classify innovation Hall & Williams, 2008; Korres, 2008), Steele (1975, p. 19) claim that innovation is essentially the process of creating change and although such change may be disruptive and uncertain (Mansfield, 1963; Schon, 1966), the concept is simply ‘the introduction of new things or methods’. Furthermore, from the economic perspective, innovation is a new activity that leads to economic growth (Schumpeter, 1934) and in a sociological point of view; it is a means of renewal of social behaviour (McCleeland, 1961; LaPiere, 1965); thus no matter in which context innovation is discussed, it is essentially related to something ‘new’. Johannessen et al (2001) also stress that almost every definition of innovation focuses on newness.

The essence of newness in innovation is also recognised by the national government in Norway which defines innovation as ‘a new product, a new service, a new production process, application or form of organisation that is launched in the market or put into use in the production to create economic values’ (Norwegian Ministry of Trade and Industry, 2008a, p. 13). Although the definition stated in Valuable Experiences (Ministry of Trade and Industry, 2007), ‘innovation is a new product, service, production process, application or form of organisation that creates or is expected to create financial gains for the company’ (p. 9) is slightly different, newness is still included in this definition. Moreover, in the tourism literature, innovation has been defined on the basis of five categories (Hall, 2009; Hjalager, 2010; OECD & Statistics Office of the European Communities, 2005; Ottenbacher & Gnoch, 2005):

- product or service innovations: changes that are observed by the customer as new
- process innovations: new or significantly improved methods from production or delivery which aim to escalate efficiency, productivity and flow
- managerial or organisational innovations: new or significantly improved ways of organising internal collaboration related to a firm’s business practices, workplace organisation or external relations
- marketing innovations: new or significantly improved marketing methods including co-production of brands
- institutional innovations: new or embracing collaborative/organisational structure and legal framework which redirects or enhances the business in fields of tourism.

Nevertheless, innovation in service industries including the tourism industry in particular may be ‘fuzzy’ (Gallouj & Weinstein, 1997) as there is often a close interplay between the categories since an innovation in one category may lead to a change in another (Weiermair, 2005). Hence, as discussed earlier, the discussion and definition of innovation still remains the subject of continuing scrutiny and debate.

The role played by the government in tourism innovation is far from clear and well understood (Enquist, Hommen & McKelvey, 2001). While some authors argue that Governments are bureaucratic and non-innovative (Dalum, Johnson & Lundvall, 1992; Boschma, 2005), others suggest that innovation at the destination level must emphasise network and collaboration between the
public and private sector as innovation cannot occur in isolation (Carson, Richards, & Jacobsen, 2004; Dwyer & Edwards, 2009; Bieger, 2005; Hall & Williams, 2008; Hjalager et al, 2008; Laredo & Mustar, 2001; Mattsson, Sundbo & Fussing-Jensen, 2005; Nordin & Svensson, 2005; Novelli, 2006; Peclaner et al, 2005a; Prats et al, 2008; Volo, 2005a). In addition, as the government does not have the ability to maintain full control over the market domain, tourism innovation capacity at the national level is not solely determined by the State (Hall & Williams, 2008; Millar, Choi & Chu, 2005). Etzkowitz (2003) also emphasises that in the current economic sphere indirect and decentralised policy or government involvement may be more effective than traditional direct approaches. For instance, if a country is close to the technological frontier, the government can maximise innovation by playing a facilitating role that allows innovation networks to thrive without restraint (Mahmood & Rufin, 2005).

Furthermore, the government is also required to play a supporting role especially in terms of encouraging innovation in small and medium-sized enterprises (SMEs). For instance Michael and Pearce (2009) claim that that firms in the private sector are crucial for the economy both in advanced and developing countries as firm innovations ultimately leads to individuals and national wealth (Michael & Pearce, 2009; Prats, Guia & Molina, 2008). Therefore government intervention is important to support the firms in the private sector and their ability to be innovative. This is particularly important in the service sector including the tourism industry as such industries are dominated by SMEs that are considered non-innovative due to the lack of certain resources and therefore unlikely to conduct R&D on their own (Jefferies, 2001).

R&D has been argued as strongly associated with innovation (Parisi, Schiantarelli & Sembenelli, 2005) and it is therefore important to conduct R&D in order to innovate. Investments in R&D are not traditionally linked with the tourism industry, particularly when compared to the manufacturing sector as described by, for instance (Coombs & Miles, 2000; Hjalager, 2005; Jacob, Tintore, Aguilo, Bravo, & Mulet, 2003; Mattsson et al, 2005). Jefferies (2001) further argues that R&D should become the responsibility of the government because tourism is a sector dominated by SMEs who unlike firms in the manufacturing industry do not often have their own R&D department (Keller & Smeral, 1997).

In addition to financial support, the government also has a crucial role in ensuring that society’s general interests in innovation are presented in the private sector decision-making process through a variety of training programs and initiatives (Leyden & Link, 1992). Un and Montoro-Sanchez (2010) further highlight that innovation in services is a significantly important element in terms of boosting a country’s economy: consequently, policies that encourage greater investment will foster the industry’s tendency to innovate. Nordin and Svensson (2005) also emphasise that tourism firms by themselves are less likely to innovate. Therefore tourism firms’ ability to innovative is largely dependent on the appropriate environment to foster innovation.

The level of innovation in a destination or a country is also highly dependent on the national innovation environment (Porter & Stern, 2001; Sundbo, Orfila-Sintes & Sørensen, 2007).

Such an environment can arguably only be created by the government (Jeffries, 2001; Hall & Williams, 2008; Nordin & Svensson, 2005).
Tourism and Innovation in Norway

As the tourism industry is not actually an industry by itself, the definition by the Tourism Satellite Account (TSA) provides an overview of the industries that are considered parts of the tourism industry:

i.e. accommodation services for visitors and accommodation associated with all types of vacation home ownership, food and beverage serving industry, railway passenger transport, road passenger transport, water passenger transport, air passenger transport, transport equipment rental, travel agencies and other reservation services industry, cultural service industry, sports and entertainment/recreational services industry. (Frechting, 1999)

The latest available statistics from TSA indicate that the Norwegian tourism and travel industry accounts for approximately 4.3 percent of the Gross Domestic Product (GDP) and the total value added for the tourism industries has been estimated to be almost NOK 79 billion. Moreover, the sector also represents 6.3 percent of total employment (Statistics Norway, 2010). Although tourism has not traditionally been considered as important to the Norwegian economy, in comparison to other industries such as fishery and the petroleum sector the industry has significantly gained more attention from the government since the Soria Moria Declaration in 2005 which was a platform of cooperation between three major political parties in Norway (Arbeiderpartiet, Sosialistisk Ventreparti & Senterpartiet, 2005). The Declaration is frequently referred to in subsequent national tourism policies as the government wishing to highlight the tourism industry as one of the priority areas for industrial development. The importance of the tourism industry to the Norwegian economy is further reflected in a recent Parliamentary bill:

...tourism is one of the Government’s five priority areas for industrial policy. Tourism industries are among the fastest growing industries globally. The Government will ensure that Norway is having its fair share of this growth and take advantage of our unique advantages in these industries. (Norwegian Ministry of Trade and Industry, 2008b, p. 12-13)

In regards to the implementation of the strategies and measures initiated by the national government including services such as funding, skill development initiatives and encourages network developments, marketing and consultancy services, Innovation Norway as a government-owned organisation is responsible for implementing such tasks (Innovation Norway, 2008). Once the government’s focus on innovation in the tourism industry was arguably initiated, Innovation Norway was established in 2004. The first White Paper on national innovation policy was not released by the government until December 2008. Although the document does not focus exclusively on tourism, the importance of innovation in tourism is clearly recognised as it is noted that ‘innovation is necessary to strengthen competitiveness, improve profitability and create growth in tourism’ (Norwegian Ministry of Trade and Industry, 2008a, p. 76). In addition, in the latest national strategy for the tourism industry, Valuable Experiences, it was stated that ‘the government wants Norway to become a globally leading, innovative, dynamic, knowledge-based economy in areas where we have an advantage. Proactive industrial policy is essential to ensure innovation and change’ (Norwegian Ministry of Trade and Industry, 2007, p. 9). Thus, as opposed to many other countries where there is often a lack of connection between tourism and national innovation systems (Hall & Williams, 2008), Norway clearly recognises tourism in its innovation policy.

Although the majority of pre-2004 policies reviewed do not use the term innovation extensively, many of the strategies and measures supported and initiated by the government are still arguably innovative. For instance, in one of the first tourism policies in Norway released in 1980 it was stated that the counselling service provided by the government:
has become increasingly important for industry development and its ability to adapt. The purpose of this service is to assist companies to solve problems and carry out tasks that the individual companies and their leadership are unable to cope with in a satisfying way alone. The goal of the counselling service is thus to help companies to operate more effectively on an independent basis. Companies should also be helped to achieve innovation. (Norwegian Ministry of Transport and Communication, 1980, p. 27)

Even though innovation was only mentioned once in the document and there are no further strategies or measures directed at innovation, this still indicates that the government may have recognised the importance of innovation several decades ago.

Research Methodology

A qualitative method was chosen for this study due to its frequent use in policy and program evaluation research (Taylor & Bogdan, 1998). Furthermore, Myers (2009) states that such a research approach is appropriate if the topic to be explored is fairly new or there are not many studies that have previously been conducted on a particular topic. For the purpose of this study, thematic coding through content analysis was applied to the data in order to classify the text and label the data into much fewer content categories on the basis of themes, concepts and other similar features (Berg, 2001; Jennings, 2001; Miles & Huberman, 1984; Neuman, 1997; Sapsford & Jupp, 1996). The categories may consist of one, several or many words (Patton, 1990; Weber, 1990). The themes and other relevant concepts are then discussed and considered in the light of existing theories from previous research. The study also seeks to clarify the meaning of the categories that have emerged as well as to identify relations among categories (Berg, 2001)

Method

The policies were chosen on the basis of a purposive method of selection. This includes both direct and in-direct tourism development policies from 1980 to present published by a ministry or governmental organisation. 1980 was chosen as the starting year for analysis because this is when the national government released the first document concerning tourism policies and programs at the national level. Moreover, all the policies included for this study have to pertain to tourism development on a national level. In total, 36 policy documents fit these criteria as shown in Table 1 which provides a condensed illustration of the final sample set of the policies.

The first stage of data analysis consists of recording the relevant policies in a catalogue for ease of reference and arranged in chronological order. The policies were then inserted into a table in the following manner which is adapted from Whitford (2005) and illustrated in Appendix 1:

1. Policies are numbered, (e.g., 1, 2, 3, etc) and listed by publication date accordingly.
2. Original policy title is recorded alongside the allocated number.
3. English policy title is recorded accordingly.
4. Policy authors or government source are recorded (e.g. which ministry).
5. The purpose and objectives of each policy is listed.
6. Policy content was identified as a direct or indirect reference allocated to tourism and the number of references were expressed as a percentage.

The second stage of the data analysis involved applying thematic coding to the data in order to group large amount of data into fewer and more manageable categories and themes. Some themes emerged from the literature while new themes were also identified. The relationship between the themes were also discovered and further discussed in results. It is necessary to highlight some of
the limitations of this study as it has mainly analysed the written contents of the policies and documents and does not consider perspectives from government officials pertaining to formulation, consultation and implementation, nor are opinions from industry representatives considered. Hence the analysis and result is based on the researchers’ interpretation and understanding of the policies and documents.

**Table 1  Final sample set**

<table>
<thead>
<tr>
<th>Type of policy</th>
<th>Ministry/Govt. organisation</th>
<th>Publication year</th>
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<tbody>
<tr>
<td>Innovation</td>
<td>Ministry of Trade and Industry</td>
<td>14  1980</td>
</tr>
<tr>
<td>Tourism</td>
<td>Ministry of Local Government and Regional Development</td>
<td>9  1986</td>
</tr>
<tr>
<td>In-direct tourism</td>
<td>Ministry of Agriculture and Food</td>
<td>5  1989</td>
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<td></td>
<td>Ministry of Transport and Communication</td>
<td>5  1996</td>
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<td></td>
<td>Ministry of Foreign Affairs</td>
<td>1  1997</td>
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<td></td>
<td>Innovation Norway</td>
<td>1  1998</td>
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<tr>
<td></td>
<td>Arbeiderpartiet, Sosialistisk Vetreparti and Senterpartiet</td>
<td>1  1999</td>
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<td>2010 3</td>
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Source: Adapted from Whitford & Ruhanen (2010)

**Results and Discussion**

This study sought to investigate the Norwegian government’s focus and particular initiatives relating to tourism. A number of significant themes was identified such as innovative initiatives on a national level, government involvement on a local level, development in rural communities, emphasis on innovative products and processes, innovation to meet sustainable objectives and destination competitiveness and value creation. Given the word restrictions of this paper, three of the most significant findings are reported which include: network and collaboration, stimulating innovation in SMEs, and funding and support. The themes do overlap one another and these linkages will be further explained in the following discussion.

**Network and Collaboration**

Network and collaboration is an area that the government has emphasised in the Valuable Experiences document (Norwegian Ministry of Trade and Industry, 2007). Certainly, network and collaboration have been stressed as important in several studies and vital to achieve destination innovativeness (Bieger, 2005; Volo, 2005a, 2005b). Such importance was also highlighted in The Plan of Action for the Tourism Industry (Norwegian Ministry of Trade and Industry, 2005, p. 33) as ‘collaboration is essential for the Norwegian tourism industry to reach its goal of increasing value creation and innovation’. Throughout the Valuable Experiences document (Norwegian Ministry of Trade and Industry, 2007), the government also indicates that it wishes to strengthen its work
within the tourism industry. Although it is suggested that ‘the industry itself must innovate and create good, comprehensive products that ensure visitors’ valuable experiences’ (p. 10), it was further highlighted that ‘this requires close cooperation between all parts of the industry and other actors involved in creating experiences for tourists (p. 10).

It was also stated that ‘the tourism industry must itself assume responsibility for establishing and developing cooperation and networks: on the basis of geography, business areas, and with other industries’ (p. 22). Similarly, in the national policy for innovation ‘An Innovative and Sustainable Norway’ it was emphasised that ‘the tourism industry itself is responsible for developing and offering attractive products, while the public sector’s role is to provide good framework conditions for the private sector to innovate’ (Norwegian Ministry of Trade and Industry, 2008a, p. 76). In the earlier tourism policies such as the Regarding Tourism document, similar emphasis is also evident as:

the industry must have a special responsibility for corporate development, product development, organisation and marketing. The Government’s role is to facilitate the conditions for development in the industry. This means that the framework must be growth oriented and encourage innovation and development. (Norwegian Ministry of Transport and Communication, 1986, p. 5).

Hence, throughout various tourism policies over the years it is has been emphasised that development in the tourism industry should take place in the private sector and actors in the industry need to initiate network and collaboration developments whilst ‘the government is going to lay down more stringent requirements for innovative tourism projects to receive public grants via Innovation Norway. Projects must be collaborative and/or network projects. This means that ‘priority will be given to projects with a network dimension’ (Norwegian Ministry of Trade and Industry, 2007, p. 22). Furthermore, the government also highlights that ‘it is important to develop a comprehensive, farm-based tourist product that provides greater profitability which can strengthen local and regional value creation and innovation through collaboration and joint initiatives’ (Norwegian Ministry of Agriculture and Food, 2010, p. 75). The government’s focus on network and collaboration as an important way to achieve tourism innovation suggests that its acknowledgement of the importance of innovation may have extended beyond merely product and market innovation (Hall, 2009) although product innovation is still highly emphasised in the general tourism innovation frameworks. Such finding is also consistent with the arguments in the literature that emphasis on public and private cooperation and network to achieve innovation at the destination level.

**Stimulating Innovation in SMEs**

Another important theme that emerged was that of government initiatives to stimulate innovation in SMEs. In the national innovation policy it was stated that ‘the government provides for innovation in small and medium enterprises by developing an overall economic policy strategy for small and medium businesses and the creation of a strategic council to strengthen the dialogue with firms’ (Norwegian Ministry of Trade and Industry, 2008a, p. 8). A similar statement is also found in the Regarding Tourism Policy document (Norwegian Ministry of Transport and Communication, 1980, p. 27), ‘the public offer of guidance for industry is aimed particularly at small and medium enterprises’. It is argued that the government’s focus on stimulating SMEs in tourism to innovate is justified as innovation in SMEs is crucial to the national economy (Michael & Pearce, 2009). Nevertheless, it has been further argued that tourism entrepreneurs’ ability to innovate is limited also because they often have scant business skills (Lerner & Haber, 2000; Morrison, Rimmington & Williams, 1999) because it is relatively easy for businesses to enter some segments of the tourism industry (Hjalager, 2010). Although some other segments of SMEs in tourism may be innovative,
they are mostly on a small scale (Getz & Petersen, 2005) and it is therefore uncertain how the government’s initiatives to stimulate innovation in SMEs in the tourism industry will contribute to national innovativeness and destination development (Novelli, Schmitz & Spencer, 2005).

In addition, as the government’s emphasis on collaboration between the public and private sectors as well as its emphasis on supporting SMEs are not new areas of focus because the first national policy for the tourism industry, Regarding Tourism Policy (Norwegian Ministry of Transport and Communication, 1980, p. 40), also stated that: ‘the tourism industry’s important place for the implementation of the main objectives of tourism policy makes it necessary to have a close collaboration between industry and government’. Moreover, in the next tourism policy released in 1986, the government also stated that ‘especially for vacation and leisure travel it is the experience and diversity of supply which is the actual tourism product. The development of good overall product is therefore not only a concern for the industry but the interaction between the individual parts that are crucial to how well we succeed in this market. This places great demands on the organisation and working relationships within the industry and between industry and public authorities’ (Norwegian Ministry of Transport and Communication, 1986, p. 5).

Similar statements have been made throughout various national policies without actually mentioning innovation. It therefore seems that networks, collaboration and the importance of supporting SMEs have always been highlighted whether or not innovation has actually been emphasised. This may be because of the characteristics of the tourism industry which is not an industry by itself but is comprised of many industries according to the TSA classification. Such characteristics would understandably require collaboration between various actors both in the public and private sectors anyway (Buhalıs, 2000). Hence, although the existing policies argue the importance of network and collaboration in order to innovate, they offer no clear understanding on how exactly network and collaboration would lead to innovation and destination development as network and collaboration may not be exclusive to innovation. In addition, there are also still limited studies on whether networks can be used as an innovative process to support tourism SMEs’ projects and contribute to destination development (Novelli et al, 2005).

**Funding and Support**

The third theme identified was that of government funding and other support to stimulate innovation in the tourism industry. Arguably this is linked with the two previous themes. Logically, in order for the government to facilitate tourism innovation, it has to support the industry financially, but a more prominent role may be required in order to achieve destination innovativeness (Hall & Williams, 2008). It was revealed that the government in Norway provides funding in various areas including R&D and other grant schemes. For instance, in the earlier tourism policies the government stated that ‘increased efforts in research and studies within the tourism industry will continue (Norwegian Ministry of Transport and Communication, 1986, p. 25)’ and it can be assumed that this remains an important focus in the following white paper on tourism, Profitable and Competitive Tourism Industries as it was noted that ‘the government will also continue its efforts to acquire new knowledge as the basis for the development of profitable and competitive companies in Norwegian tourism through tourism research’ (Norwegian Ministry of Trade and Industry, 1999, p. 9). The Soria Moria Declaration (Arbeiderpartiet, Sosialistisk Venstreparti & Senterpartiet, 2005, p. 32) also stated that ‘we want to ensure that Innovation Norway, the Norwegian Research Council, SIVA [The Industrial Development Corporation of Norway] and other public funding agencies will be closer to businesses throughout the country. In this way, regional power centres are established which may lead to development and innovation’. It is however unclear how tourism research is prioritised as Innovation Norway is not only the body responsible for the tourism industry and its development.
In the most recent national tourism policy it was highlighted that ‘grants in terms of tax rebate [are provided] to encourage and stimulate R&D in the tourism industry’ (Norwegian Ministry of Trade and Industry, 2007, p. 18), hence suggesting that the government is encouraging tourism enterprises to conduct R&D themselves. The literature however indicates that investments in R&D are not traditionally linked with the tourism industry and it is also unlikely that tourism firms will conduct R&D on their own (Jefferies, 2001). It is therefore uncertain whether such grant schemes will actually encourage R&D in tourism SMEs. Although ‘the Ministry of Agriculture and Food has asked the Research Council to prioritise the knowledge of the challenges related to land resources and industrial development, infrastructure and transport services, and service and tourism’ (Norwegian Ministry of Agriculture and Food, 2009, p. 66), it is uncertain if such request will be followed up. This is because there is a challenge ‘to encourage academics and strengthen cooperation between knowledge institutions to develop an understanding of relevant issues for development in the region such as tourism’ (Norwegian Ministry of Agriculture and Food, 2010, p. 39-40).

Nevertheless, government involvement is necessary and a more prominent role may be required otherwise such a task may be left entirely to the larger firms that may only conduct R&D suited to their interests (Jefferies, 2001). Beside R&D, ‘the government contributes to this [innovation] with funds and expertise through its system of instruments. The tourism industry can take advantage of the general loan and grant schemes offered by Innovation Norway’ (Ministry of Trade and Industry, 2007, p. 17-18). As discussed in the earlier section, priority is given to SMEs particularly with network dimensions. Furthermore, as the government emphasises that innovation initiatives should come from the private sector, it may therefore seem that the government only plays an indirect role in tourism development and innovation. Due to the current economic sphere and Norway location as a country close to the technological frontier, an indirect and decentralised government involvement may be more effective.

Additionally, in the Soria Moria Declaration (Arbeiderpartiet, Sosialistisk Venterparti & Senterpartiet, 2005, p. 22), the government indicated that it will ‘implement its own training program that follows up the strategic tourism initiatives’. This was also followed up in Valuable Experiences (Norwegian Ministry of Trade and Industry, 2007, p. 46) where it was stated that ‘the government is going to initiate training program in the areas of hospitality, experience production and distribution, sales and packaging and further develop and tailor the strategy and business development program’. Leydon and Link (1992) has also argued the importance of training programs and initiatives to stimulate innovation in addition to only providing financial support. Therefore, the government recognises that ‘knowledge and skills are key factors for adaptability, innovation and value creation’ (Norwegian Ministry of Trade and Industry, 2008a, p. 11). Such initiatives are however not entirely new as counselling services provided by the government as a means to help tourism enterprises to innovate was also highlighted in Regarding Tourism Policy (Norwegian Ministry of Transport and Communication, 1986).

The three themes that have been explored logically overlap each other because, as discussed earlier, innovation in services is often not clear cut due to the close interplay between various innovations (Gallouj & Weinstein, 1997; Weiermair, 2005). Moreover, it has been revealed that the government plays an indirect and supporting role to stimulate innovation because the initiatives to create networks as well as developing new and innovative products have been emphasised as the responsibilities of the private sector. It is difficult to know without reviewing the government’s policies whether the current innovation measures initiated by the national government actually contribute to destination competitiveness and create value. Moreover, due to the recent economic downturn which has decreased the total added value for the tourism industry, any positive results and outcomes will not show in statistics. Importantly, this study has discovered that many of the
government initiatives in developing an innovative tourism industry are not entirely new. Although the government has displayed strong initiatives to develop an innovative tourism industry it is unclear how effective and innovative the initiatives and measurements really are in practice.

**Conclusion**

Innovation has become a crucial factor in achieving destination competitiveness. The importance of tourism innovation as a means to gain competitive advantage which ultimately leads to the collective wealth of a nation suggests that national governments would take a great interest in innovation although governments are traditionally not interested in innovation in the tourism industry. There is no doubt that the Norwegian government has recognised the importance of innovation in tourism and that tourism is also a priority in its general focus on innovation. An extensive review of the policies pertaining to tourism development revealed that innovation in tourism is regarded as crucial to the Norwegian economy. As much of the innovation in tourism however, is dependent on the private sector initiatives, the government may be playing too passive a role. Moreover, as many of the government initiatives are not entirely new it is uncertain how innovation in the tourism industry will be achieved in practice. This may contradict with the definition of innovation which indicates that it has to be new and must lead to change. As a result, it is unsure whether the current strategies and area of focus stated in the policies will actually lead to destination innovativeness on a national level.

Moreover, as this study has drawn its assumptions mainly based on tourism policies, it is difficult to know how the measurements are initiated in practice. Therefore, future studies that consider policies as well as perspectives of both government officials and industry representatives or operators are crucial in order to further understand whether the government’s current measurements towards innovation indeed facilitate tourism innovation which leads to destination competitiveness by creating national prosperity and wealth.
References


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<td>1. 1980-81</td>
<td>Stortingsmelding nr. 90 - Om reiselivspolitikken</td>
<td>White Paper no. 90 – Regarding tourism policy</td>
<td>Ministry of Transport and Communication</td>
<td>‘The White Paper contains objectives and main directions for tourism policy for the next few years.’ (p. 3).</td>
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<td>2. 1986-87</td>
<td>Stortingsmelding nr. 14 - Om reiselivet</td>
<td>White Paper no. 14 – Regarding tourism</td>
<td>Ministry of Transport and Communication</td>
<td>‘In an effort to follow up the parliamentary guidelines for tourism policy on the basis of this White Paper, the Ministry of Transport has added significant weight to stimulate increased activity in tourism.’ (p. 3).</td>
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<td>3. 1989</td>
<td>Regjerings nasjonale reiselivsstrategi</td>
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<td>4. 1996-97</td>
<td>Stortingsmelding nr. 31 – Om distrikts- og regionalpolitikken</td>
<td>White Paper no. 31 – Regarding Rural and Regional Development Policy</td>
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<td>‘The goal for rural and regional policy is to uphold settlement patterns and to develop robust regions in every part of the country’ (p. 5).</td>
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<td>Stortingsmelding nr 41 – Næringspolitikken inn i det 21. århundret</td>
<td>White Paper no. 41 – Industrial Policy for the 21st century</td>
<td>Ministry of Trade and Industry</td>
<td>‘The objective of the Industrial Policy is to contribute to increased value creation in order to realise the overall goal of welfare and employment. The Industrial Policy must contribute to making it attractive to locate operations in Norway’ (p. 10).</td>
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<td>White Paper no. 41 – Regarding e-commerce and business</td>
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<td>‘The Government will with this White Paper highlight the industrial policy to meet the challenges [of e-commerce and business]’ (p. 11)</td>
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<td>7. 1999-2000</td>
<td>Stortingsmelding nr. 19 – Om norsk landbruk og matproduksjon</td>
<td>White Paper no. 19 – Regarding Norwegian agriculture and food production</td>
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<td>'The Government hereby submits the White Paper on an overall policy of state ownership of businesses' (p. 2).</td>
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<td>Ministry of Trade and Industry</td>
<td>'The Government's goal for broadband development: - There should be some good market offered broadband in all parts of the country. - There should be good access to diverse electronic quality content that is made for Norwegian conditions. - Activities must have adequate skills to adopt and realize gains in broadband' (p. 7-8)</td>
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<td>White Paper no. 8 – Rich diversity in the north. The zone of measures in Finnmark and Northern Troms</td>
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<td>'In the White Paper, the Government gives an assessment of the instruments in the zone of measures in relation to the objectives of policy instruments and current developments' (p. 7).</td>
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<td>16. 2005</td>
<td>Handlingsplan for reiselivsnæringene</td>
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<td>The Plan of Action for the tourism industry aims to stimulate growth and innovation in Norwegian tourism industry to ensure the industry’s competitiveness and viability (p. 4).</td>
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<td>The White Paper is action oriented with emphasis on monitoring of targets and initiatives are presented in the White Paper’s goals in regards to state ownership in each company (p. 5).</td>
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<td>19. 2006</td>
<td>Handlingsplan for innlandsfiske</td>
<td>The Plan of Action for Freshwater Fishing</td>
<td>The Plan of Action plan for increased use of freshwater fishing as a basis for value creation in the food and experience production (p. 6).</td>
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<td>25. 2008</td>
<td>Hvitebok for reiselåtvikling</td>
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