Book Review


In comparison with the telecommunications histories of Finland and Sweden, which have gained international attention stemming mainly from the global successes of Ericsson and Nokia, the history of the Norwegian telecommunications business is definitely less well known. Norway has never had any internationally famous producer of large-scale telecommunications equipment and, up to the 1970s, the country’s telephone network remained peculiarly underdeveloped compared to most other OECD countries, with high tariffs and long waiting lists for new subscriptions. On the other hand, Norway was among the very first countries in the world to initiate far-reaching institutional reform in the telecommunications sector in the 1980s, and the ex-monopoly provider Telenor (formerly Televerket) today constitutes a profit-oriented and highly internationalized player, listed on the stock exchange and with activities not only in Norway and the Nordic region, but also in countries such as Hungary, Serbia, Malaysia, Thailand and Pakistan. More than 90 per cent of Telenor’s customers are now abroad.

Obviously, the Norwegian telecommunications sector has gone through a period of radical change and transformation during the past couple of decades. Coinciding with the rise of the ‘third industrial revolution’ or the ‘information society’, the key words in this process have been ‘digitalization’, ‘liberalization’ and ‘internationalization’. In Nye forbindelser (1970–2005), which is the last of three thick volumes on the history of Norwegian telecommunications, business historian Lars Thue takes these complex parallel developments as a point of departure for investigating how and why the Norwegian telecommunications sector has become what it is today. The book is the result of more than five years of thorough qualitative research at Handelshøyskolen BI. Thue has gone through a variety of archival and other documentary sources and has, in addition, carried out nearly a hundred interviews with key persons. This has enabled him to write an impressive and highly readable ‘history of the present’.

It should be mentioned that the research was financed by Telenor, in preparation for the 150th anniversary of the organization in 2005. From this perspective, it is hardly surprising that the main point of emphasis in the book, while not completely in line with its title, is the transformation of Televerket/Telenor, its technological and organizational evolution and the interplay between this particular actor and the political process of regulatory reform. Two chapters in the end of the book form well-placed ‘extras’: the first gives a rough overview of Telenor’s competitors on the service side that started to enter the scene in the 1990s, and the second is dedicated to the role of users in the overall transformation process. The book does not deal to any significant extent with the equipment business.

Despite the strong focus on a single organization, the book, with its nearly 600 pages, is definitely much more than a
history of Televerket/Telenor. Thue combines a fairly traditional organizational history with more modern approaches inspired by political economy and systems thinking, viewing the evolution of the Norwegian telecommunications system—or the ‘socio-technical complex’ of telecommunications—from the perspective of the former monopolist. The book covers both the telephone system in a traditional sense and the new fields of mobile telephony, data communications, cable television and so on.

A major strength of the book is the excellent way in which the author puts the Norwegian story into a broad international and societal perspective. This concerns in particular how strong political and technological trends originating in the United States and the European Communities found their way to Norway. Thue investigates how a ‘neo-liberal political order’, in response to external and internal forces, succeeded in conquering the traditional ‘social-democratically’ oriented Norwegian telecommunications policy arena. The historical backwardness of the domestic telephone system in Norway became an efficient argument for more rapid and far-reaching changes in what Thue labels the Norwegian ‘teleregime’ than in many other European countries. However, the author shows that the crisis the sector experienced and which peaked in the early 1980s was to a considerable extent imagined or socially constructed. Televerket and the political actors had at that time already spent more than a decade on highly ambitious and visionary investments, which were already beginning to show results. The system was radically modernized in a successful way long before regulatory reform gained momentum. The author argues that the 1970s is in this sense a ‘misunderstood decade’.

Moreover, as Thue shows, using his rich empirical material, the modernization in the 1970s and 1980s was managed politically in a largely adequate way. The Norwegian success in the neo-liberal era, including Telenor’s ability to conquer foreign mobile markets in the 1990s and early 2000s, would hardly have been possible without the difficult but wise decisions that were taken within the old framework of the social-democratic order. In other words, history matters.

The book also provides a persuasive account of the complex interaction between the macro and the micro levels. It uncovers in detail the interpersonal, often transnational networks of researchers, engineers, managers, state bureaucrats and politicians. Thue shows, using his rich empirical material, that the modernization in the 1970s and 1980s was managed politically in a largely adequate way. The Norwegian success in the neo-liberal era, including Telenor’s ability to conquer foreign mobile markets in the 1990s and early 2000s, would hardly have been possible without the difficult but wise decisions that were taken within the old framework of the social-democratic order. In other words, history matters.

The book also provides a persuasive account of the complex interaction between the macro and the micro levels. It uncovers in detail the interpersonal, often transnational networks of researchers, engineers, managers, state bureaucrats and politicians. Thereby it provides a unique micro-level insight into how a small European country managed to manoeuvre successfully within the limits of domestic politics, international economic, political trends and technological uncertainties in an era of globalization and European integration. Here, the book might have profited from a discussion on the possible implications for other countries and for developments in other sectors. In any case, Lars Thue’s book makes an important contribution to the most recent history of telecommunications in the Nordic region and beyond.

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