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**Attracting Foreign Direct Investment –
a Case Study on the Swedish Region of Gävleborg**

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ABSTRACT

Title: “Attracting Foreign Direct Investment - A Case Study on the Swedish Region of Gävleborg”

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Aim: The research project discusses foreign direct investment as well as the attractiveness of the region of Gävleborg within this context. The researchers attempt to investigate why foreign direct investment is not yet common within the aforementioned region. Moreover, the aims of the master thesis are evaluating the region of Gävleborg and current strategies of enticing foreign investments, as well as detecting roadblocks that hinder the establishment. Lastly, generating an outline of how to improve foreign investment attraction ought to be investigated.

Method: Within this research, secondary data has been used, in order to identify existing scientific knowledge concerning this topic. Furthermore, primary data has been utilised by conducting six semi-structured interviews. Moreover, snowball sampling was used, as the interviewers first contacted an enterprise and interview partners, which then provided more contacts, to be able to hold other interviews.

Results & Conclusion: Gävleborg has a good infrastructure and accessibility, and is characterised by lower labour and living costs compared to other Swedish regions. Nonetheless, the number of inward investment is quite low. Main reasons for that are the lower level of education, high labour costs for low skilled jobs, missing financial incentives and a non-continuous work to attract inward investment. Therefore, the region may work on

its attractiveness by increasing its awareness through attending trade fairs, and by collaborating with established companies and their partners.

Suggestions for future research: First of all, the study was conducted at a rather early stage of the establishment of IGA. Therefore, it is proposed to look at the long-term effects of the project. Since the case study is focused on one region in Sweden only, it is suggested to expand the study to other regions within the country and to other nations. In addition, it would be beneficial to conduct interviews with companies, in order to get an even wider view on the topic.

Contribution of the thesis: Theoretically, this thesis provides a basic overview about foreign direct investment, including its different forms and theories, and possible benefits and drawbacks. Practical implications are that the paper provides “Invest in Gävleborg” with how the project is perceived by external partners, and what the major strengths and weaknesses of Gävleborg and the project are. In addition, prospects receive an outline about the region.

Key words: Foreign Direct Investment, “Invest in Gävleborg”, Multinational Companies, Attractiveness, Inward investment

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LIST OF ABBREVIATIONS

AB	Aktiebolag - Swedish for ‘joint stock company’
approx.	Approximately
CEO	Chief Executive Officer
e.g.	Exempli gratia – Latin for ‘for example’
EU	European Union
FDI	Foreign direct investment
GDP	Gross domestic product
GIS	Geographic information system
ICT	Information and communication technology
IGA	Invest in Gävleborg Agency
i.e.	Id est – Latin for ‘this is’
IT	Information technology
M&As	Mergers and acquisitions
MNC	Multinational company
OLI	Ownership, location, internalisation
SEK	Swedish Krona
SME	Small- and medium-sized enterprise
SWOT	Strengths, weaknesses, opportunities, threats
PLC	Product life cycle
UNCTAD	United Nations Conference on Trade and Development
USD	U.S. Dollar
WOS	Wholly-owned subsidiary

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1 INTRODUCTION

Globalisation, which is understood as “*a growing interconnection between peoples, nations, cultures, governments, environments, economies and indeterminate global networks that are ultimately bound (...)*” (Brown, 2007, p. 45) has shaped the world, especially during the last two decades (Kok & Ersoy, 2009). There are a variety of manifestations of this phenomenon including e.g. the movement of financial capital, global information exchange, international tourism, movement of goods and services across borders, less trade barriers, and immigration. Overall, the different nations and their people and environments have become more intertwined (Martens & Raza, 2010). As a result, businesses operate evermore across borders, and thus there has been a significant increase of foreign direct investment (FDI) which is seen as one of the predominant signs of globalisation (UNCTAD, 2006 in Kok & Ersoy, 2009).

FDI is, in addition to exporting, forming strategic alliances or joint ventures, and licensing, another possibility for companies to enter a new market (Wild & Wild, 2012). Hereby, foreign direct investment is defined as “*the purchase of physical assets or a significant amount of the ownership (stock) or a company in another country to gain a measure of management control*” (Wild & Wild, 2012, p.210). In other words, it is basically a flow of long-term capital occurring internationally with a high level of control (Athukorala, 2009). Depending on in which direction the FDI activity takes place, it is distinguished between inward and outward FDI flows (Pottelsberghe & Lichtenberg, 2001). FDI is not to be confused with portfolio investment, which is another form of foreign investment. However, the latter one differs by the fact that it is indirect, whereby the company buys stocks of a foreign business, but does not obtain any managerial influence (Wild & Wild, 2012).

Nonetheless, FDI is not only motivated by accessing a foreign market and eventually a new customer base, but is indeed a very complex phenomenon which takes both firm-strategic and macro-economic factors into account (Sethi et al., 2003). Thus, motives of multinational enterprises (MNEs) to establish abroad could also be due to e.g. natural resources available, increased competition in the home country, need for lower production costs, copying of competitors’ move, or the access to locational advantages such as technology or managerial expertise (Sethi et al., 2003; Athukorala, 2009). Since FDI has positive impacts on host countries (Kok & Ersoy, 2009), most countries try to foster inward investment. As such, foreign direct investment is a global issue, because it links national economies with one another (Kok & Ersoy, 2009).

Consequently, the attractiveness of a certain country or region as a target for FDI is dependent on a variety of determinants, and is basically made of the location's comparative advantage, a company's strategy, and the domestic investment environment (Athukorala, 2009).

1.1 Motivation

The initial idea for this master thesis arose through a conversation with Bruno Ahlqvist, after he has given a guest lecture at the University of Gävle in 'Customer Relationship Management' with Prof. Aihie Osarenkhoe. At this point, foreign direct investment was a rather new topic for the authors, which was appealing, since it offers the opportunity to expand the researchers' knowledge in addition to what they have heard about foreign direct investment during the course of 'International Business Strategy'. Another motivation is that FDI in Gävleborg as a theme enables the researchers not only to learn something new, but also to combine the topic foreign direct investment with the region they are living in.

From a more scientific perspective, the topic was chosen, because the investigators found a gap in the literature, which they would like to approach. There have been a variety of studies dealing with the emergence of FDI inflows to Sweden, discussing its effects on innovativeness in different Swedish sectors (Johansson & Löf, 2005; Bandick & Hansson, 2005). Nevertheless, there have merely been sporadic investigations about certain counties within Sweden, such as Jönköping, which addresses FDI for mid-sized production enterprises in the region of Jönköping (Bergström & Wanngård, 2005). Reviewing the literature monitored, that there has not yet been an investigation about inward FDI activities in the region of Gävleborg. Therefore, the researchers decided to focus on this county, to be able to fill the existing gap in the literature. Moreover, FDI is a global issue, which increases constantly caused by globalisation and thus more and more businesses operating internationally, and thus affecting most countries. As a result, it is a contemporary topic, which will retain its importance in future.

1.2 Research Questions and Aim of Study

Within this master thesis, the authors seek to examine the phenomenon of foreign direct investment and the attractiveness of the Gävleborg region for FDI. Moreover, the major emphasis in this investigation lies on inward FDI to Gävleborg.

According to Bryman and Bell (2008) to be able to give research a thorough structure and direction, research questions are supposed to be formulated. Those research questions should be answered in the end of the investigation and aid achieving the aim set by the researchers. Within this research the following research questions have been developed:

RQ1: How can Gävleborg be characterised regarding FDI?

RQ2: Why is there a low number of foreign direct investments in Gävleborg?

RQ3: How can Gävleborg increase their attractiveness for foreign companies to invest?

The aim of this research paper is to evaluate the region of Gävleborg and its efforts to attract foreign direct investment. Besides this, the collaboration between various parties and the “Invest in Gävleborg” agency (IGA) will be reviewed, in order to find out why the current FDI flow is low in the region of Gävleborg. Also, features of the region concerning FDI will be investigated. However, the paper seeks as well at monitoring roadblocks, and providing an overview of what ought to be ameliorated within the current FDI attraction process.

1.3 Limitations of the Study

There are some limitations associated with the investigation of FDI in Gävleborg in this paper. First of all, as it is one case study that has been examined, the theme is focused on Sweden only. In fact, only the region of Gävleborg is looked at, which limits the scope of the study, and it cannot be easily generalised. Further, the foreign direct investment is restraint to inward investment and excludes the outward one, in order to ensure a more in-depth study. Moreover, although the project is analysed from different viewpoints, it would have been advantageous to have more than the conducted six interviews and those perspectives. Hereby, it is recommended to talk to international companies that have decided or have considered establishing in this Swedish region. However, the researchers of this thesis contacted foreign companies, in order to receive the other viewpoint, but none of the companies responded to the interview request opportunely. Another restriction of this thesis is that not the complete, but only selected responses of the interviewees are given within the empirical findings.

Additionally, from a theoretical point of view, the authors decided to concentrate on the most common FDI theories, as a complete picture would be too extensive within this work. The same applies to the flows of FDI that give a general overview about the worldwide flows and those from and to Sweden in particular, however, FDI stocks and dividends are not included. For this information, readers are engaged to have a closer look at the World Investment Report by UNCTAD (UNCTAD, 2011a).

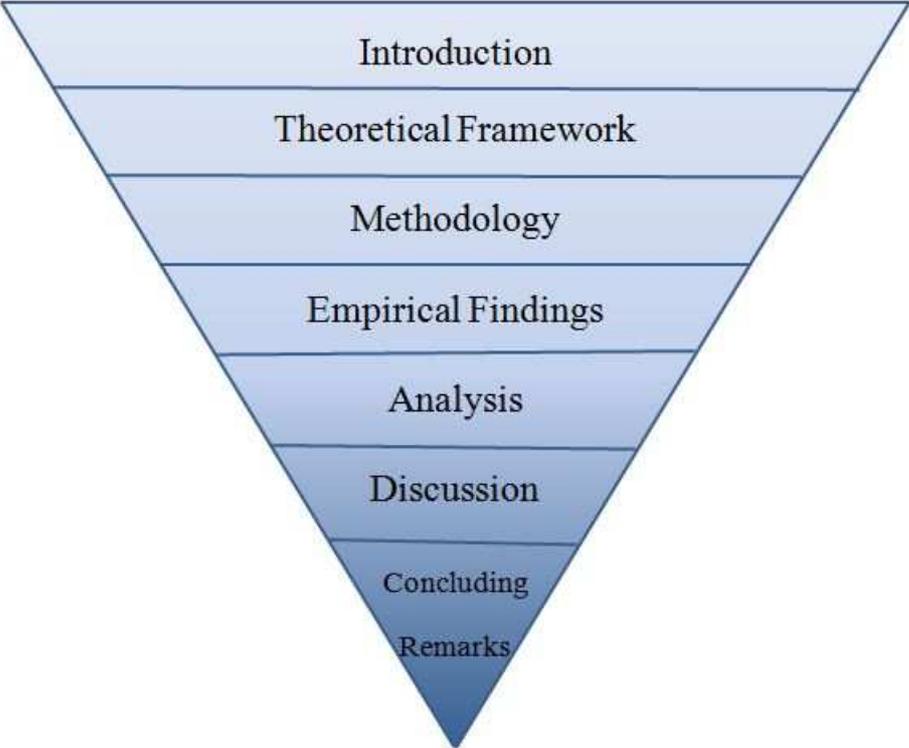
1.4 Outline of the Thesis

The structure of this thesis has been designed like a funnel, starting with an introduction which gives some background information about foreign direct investment, and clearly states the aim and motivation of the study as well as its limitations. Thereafter, the theoretical framework commences by giving an overview about factors influencing the macro-environment for conducting business, followed by theories why FDI occurs and in which forms, and narrowing it down to flows of FDI, its advantages and disadvantages, and finally how governmental regulations influence the flows of direct investments.

Subsequently, the used research methods are described, which are desk research (Bryman & Bell, 2008) in form of articles and literature reviewing as their foundation. Based on this theory, the investigators conducted a total of six interviews, in order to obtain primary data (Bryman & Bell, 2008) concerning the case study “Invest in Gävleborg”. The methodology section is followed by empirical findings that commence with an introduction of the case study, and continue with presenting selected answers of the conducted interviews, which should help to get an insight into the situation of the Gävleborg region regarding FDI, and the overall project.

Those findings will then be analysed by connecting the empirical findings with the theoretical framework, before the research questions are answered explicitly within the discussion part of this paper. Lastly, concluding remarks highlighting major findings, the implications of the study, and suggestions for further research are presented. Overall, this outline summarised in figure 1 shows that the work starts very broad with e.g. general theories, and is narrowed down to the specific case study, including its findings and analysis leading to the discussion and finally the conclusion.

Figure 1: Structure of the Thesis (Own illustration)



2 THEORETICAL FRAMEWORK

The theoretical framework gives an overview about the important theories providing a basis for the investigation of the case study. Hereby, the part commences with the SWOT analysis as a management tool that helps to assess the region of Gävleborg and “Invest in Gävleborg” later on. Afterwards, background knowledge on FDI is given, including e.g. its main theories, its flows, the advantages and disadvantages, as well as governmental influences.

2.1 SWOT Analysis

Within the business world, a company should continuously know about internal and external factors that might influence its aim accomplishment or breakdown (Hooley et al., 2008; Lee & Walsh, 2011). An adequate strategic model that elaborates on both perspectives and attempts discovering a match among each other is the SWOT analysis (Hill & Westbrook, 1997; Hooley et al., 2008). A SWOT analysis studies internal aspects like strengths and weaknesses of a company that lead to achievements or failure (Lee & Walsh, 2011). Besides the aforementioned, a company’s external aspects, such as opportunities and threats may influence its performance (see figure 2). A company can mostly not control those aspects, since they occur outside the firm (Lee & Walsh, 2011). Moreover, when both aspects are combined in a smart manner, a decent strategy is likely to be formulated (Hooley et al., 2008). To be able to execute a SWOT analysis, it is suggested to look at each letter of this management tool in a thorough manner (Hooley et al., 2008).

Figure 2: SWOT Analysis (Own illustration based on Hooley et al., 2008)



2.1.1 Strengths

In the internal factor “strength”, specific features of a business or project that are superior compared to competitors, ought to be summarised (Hooley et al., 2008). Moreover, the unique selling point and key competences are also discussed in this section (Hooley et al., 2008). Overall, it can be said that this part deals with aspects at which a firm is outstanding at (Hooley et al., 2008).

2.1.2 Weaknesses

Weaknesses or limitations are traits, which make a firm or project inferior compared to others and competitors (Hooley et al., 2008). These are factors that make a company lose sales and market share and need therefore to be observed and assessed on a regular basis. A company should aim at diminishing its weaknesses by turning them into opportunities (Hooley et al., 2008).

2.1.3 Opportunities

Opportunities, which are controlled by exterior factors, are of major importance, as they indicate modifications that lead towards new options for a company or project (Hooley et al., 2008). Moreover, trends could be identified, which fit to a company’s core competence, and improve performance (Hooley et al., 2008). Opportunities for a firm can be caused through market and technological factors, as well as governmental or demographic issues (Hooley et al., 2008).

2.1.4 Threats

Threats are, just as opportunities influenced by external aspects (Hooley et al., 2008). Looking at this aspect, a company or project should be alert concerning roadblocks and competitors (Hooley et al., 2008). Moreover, external factors, such as technological and financial factors might be dangerous for firms and assignments, as they can lower its performance (Hooley et al., 2008).

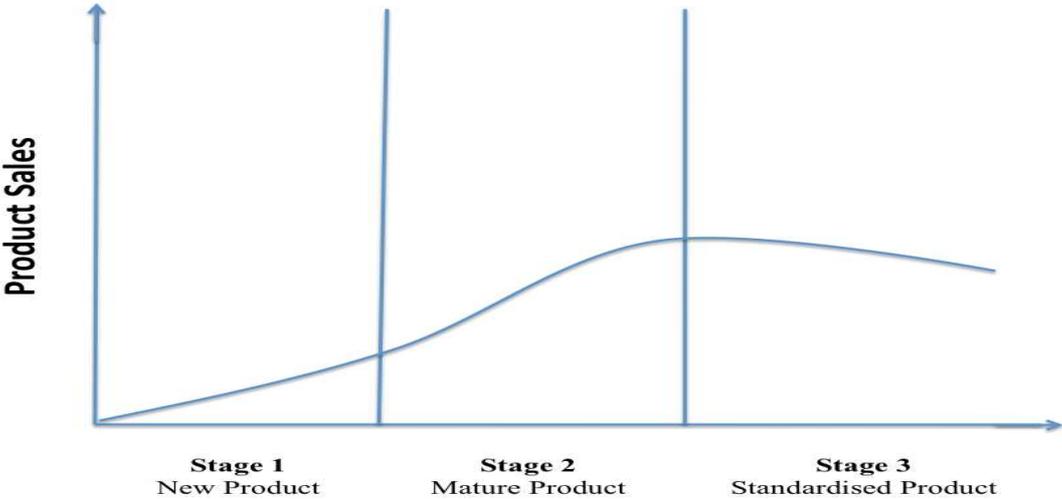
2.2 FDI Theories

There are various theories that explicate when enterprises commence FDI. In the following paragraph a selection of those theories will be presented and elaborated on.

2.2.1 International Product Life Cycle

A theory explaining the start of FDI is the international product life cycle (PLC) by Vernon (Wild & Wild, 2012). The theory suggests that when products go through their life cycle, an enterprise is likely to start vending overseas and undertake FDI (Wild & Wild, 2012). Within the first step (see figure 3), a new product is produced and launched in the domestic nation; this is done due to vague demand in the home country, as well as maintaining the manufacturing plant near to the research and development section (Vernon, 1966; Wild & Wild, 2012). Later, when the good moves to the maturing stage, assembly plants might be constructed in nations, which highly request the product (Vernon, 1966; Wild & Wild, 2012). The last stage of the PLC is the moment, in which the good is standardised. During this stage, competitive companies will be established around the initial firm, which will be forced to decrease construction expenditure (Vernon, 1966). After that, firms are likely to establish plants in emerging markets that charge fewer fees, in order to supply the global market (Vernon, 1966; Wild & Wild, 2012).

Figure 3: International Product Life Cycle (Own illustration based on Wild&Wild, 2012)



2.2.2 Market Imperfections

Among the FDI theories, there is one called market imperfection theory, which is also known as the internalisation theory (Rugman, 2010; Wild & Wild, 2012). This theory brings forward that international companies establish e.g. subsidiaries abroad to develop technological gain, whenever licensing becomes too challenging (Chen, 2005). Moreover, when an investment in an imperfect market becomes less proficient than possible, a company is expected to agree to FDI, to take business in and therefore eliminate the imperfection (Rugman, 2010; Wild & Wild, 2012). There are mainly two kinds of imperfection, trade barriers like tariffs and specialised knowledge, which could be the technical knowledge of an engineer (Wild & Wild, 2012). According to Rugman (2010), the internalisation theory is about companies taking over the control of insubstantial issues, in order to remain efficient.

2.2.3 Eclectic Theory

Another theory that attempts clarifying why companies decide to invest in foreign countries is the eclectic paradigm, also called OLI paradigm, developed by John Dunning (Cole et al., 2007; Eden & Dai, 2010). The OLI paradigm explains that companies going abroad ought to consider the competition of the entry market and possible advantages it might obtain over others (Cole et al., 2007). This paradigm entails three features, which define global actions of international firms (Rugman, 2010). Those factors are ‘ownership advantage’, ‘location advantage’ and ‘internalisation advantage’ (Rugman, 2010). The ownership advantage elaborates on a firm’s core competence, such as know-how, efficiency and technology (Cole et al., 2007; Wild & Wild, 2012). The location advantage is about certain actions, which are executed in particular locations, due to the locations attributes that may be native or attained (Eden & Dai, 2010; Wild & Wild, 2012). Internalisation advantage means that occurring benefits are a result coming from the inside of a company and not through a market (Wild & Wild, 2012). With other words, internalisation is e.g. utilised when a market is not allowing price differentiation (Dunning, 1980). When all three aspects occur, a company is very likely to commence foreign direct investment (Wild & Wild, 2012).

2.2.4 Market Power

A further suggestion of why companies undertake FDI might be to gain market power (Wild & Wild, 2012). Whenever a firm desires reaching market attention in an industry, they will

agree to do FDI, as they can increase their income due to commanding the fees of their contribution and amount produced (Wild & Wild, 2012). Market power is of advantage for a company, which obtains an elevated market share, since it needs to invest less, as well as receiving further features of other associates in the same market (Boulding & Staelin, 1990). Besides this, market power facilitates a company to be the one dictating prices rather than accepting other companies' charges (Boulding & Staelin, 1990). In order to create market power, companies could utilise vertical integration, which will be elaborated on at a later stage (Wild & Wild, 2012).

2.3 Entry Modes

When a company decides to expand internationally, it faces the very complex strategic decision which entry mode it may use depending on its goals and resources (Zhang et al., 2007). Basically, a company can enter a foreign market using different alternatives including joint ventures, Mergers and Acquisitions (M&As), licensing, franchising, exporting, and a wholly-owned subsidiary (WOS) (Osland et al., 2001; Zhang et al., 2007). Those entry modes are characterised by a different level of required resources and control (see figure 4). Additionally, the technology risk differs among the entry modes (Osland et al., 2001). Nonetheless, most commonly only WOS and acquisitions are considered to be the main modes of foreign direct investment (Meyer & Estrin, 2001; Wei et al., 2005; Nocke & Yeaple, 2007), and therefore will be investigated further.

Figure 4: Key Characteristics of Foreign Market Entry Modes (Osland et al., 2001, p.155)



2.3.1 Greenfield Investments

Wholly-owned subsidiaries, which are also referred to as Greenfield or new investments, account for approx. 2/3 of all foreign direct investments (UNCTAD, 2011a). They are defined as “*subsidiaries in another nation in which the parent company has full ownership and sole responsibility (...)*” (Osland et al., 2001, p.155). Therefore, it is the completely new establishment of a venture being initiated by a company of another country (Zhang et al., 2007).

Based on the parameters by Osland et al. (2001) for different entry modes, a WOS is characterised by having the highest need for resources, both concerning finances and labour. For instance, a new investment requires an adequate knowledge of the local market, and consequently asks for an extensive information search, which is both labour- and cost-intensive (Zhang et al., 2007). This necessary preparation also results in a gradual entry into the new market and thus a considerable time commitment and span (Meyer & Estrin, 2001).

Nonetheless, it is attractive for MNCs to take advantage of a Greenfield investment, as they have full control over the operations and thus the technology risk is the lowest (Osland et al., 2001). Moreover, there is no local partner who could act opportunistically (Zhang et al., 2007) and the risk of delays due to dependence on partners is minimised (Chiao et al., 2010).

Generally, globally experienced MNCs are most likely to choose WOS as their entry mode into a foreign market, because they are aware of their own capabilities (Zhang et al., 2007). Moreover, Qiu and Wang (2011) argue that the possible profit is higher for Greenfield investments, as they are not based upon competitive biddings, which drive prices up.

2.3.2 Mergers and Acquisitions

On the contrary to Greenfield investments, there are cross-border M&As, which might be also referred to as Brownfield investments (Meyer & Estrin, 2001; Qiu & Wang, 2011). A cross-border M&A is when a foreign company merges or takes over an existing company in the target market (Wang, 2009). Consequently, the major difference is the origin of the resources within the new operation, which come mainly from the investor in case of Greenfield investment, whereas M&As predominately use the resources of the local company (Meyer & Estrin, 2001). The use of local resources can be seen as an advantage to use Brownfield investments as an entry mode, because investing companies can take advantage of the acquired business' resources and capabilities (Wang, 2009) such as production facilities,

employees, technologies and market share (Meyer & Estrin, 2001). Additionally, it is often the fastest way to establish a presence in a foreign market, and as the firm is already established, cultural faux-pas are less likely (Zhang et al., 2007).

However, on the downside, the taking over of a company mostly involves a high acquiring charge, which might be overpriced due to many biddings (Zhang et al., 2007; Qui & Wang, 2011). Another risk might be significantly different business cultures that are difficult to overcome (Wang, 2009).

M&As are common among developed nations whereby most investors are from the European Union (EU) and the USA (Coerdacier et al., 2008). In fact, it is the favourable entry mode, when the target market is saturated, and when the investing MNC does not have all competencies or cannot transfer them easily (Wang, 2009). Moreover, it is also a preferred entry mode, when there is a higher country risk in the targeted nation, because through a domestic partner the risk is lowered (Meyer & Estrin, 2011; Wild & Wild, 2012).

2.4 Different Forms

Within the field of FDI there are two dissimilar types of integration, which are called vertical and horizontal integration (Wild & Wild, 2012). Within the following paragraphs those types are presented and elaborated on.

2.4.1 Vertical FDI

Vertical integration is, when an enterprise decides to introduce different production stages, whereby every step is located in a country that causes the least expenses for that particular stage (Wild & Wild, 2012). Due to the fact that the various steps are accomplished consecutively in diverse countries, it has been named vertical integration (Aizenman & Marion, 2001). Vertical integration suggests that throughout the manufacturing flow unlike input is essential; because the fees of the various inputs differ amongst nations, dividing manufacturing happens to be more beneficial (Aizenman & Marion, 2001). For instance, manufacturing steps, which necessitate more working hours, might be dislocated to nations that charge lower fees for hours worked (Aizenman & Marion, 2001; Milner et al., 2004).

2.4.2 Horizontal FDI

Horizontal integration within FDI means that a company decides to manufacture in various other nations by using the exact identical actions it fabricates in the domestic plants (Aizenman & Marion, 2001). This form of FDI has been named horizontal, since it copies similar manufacturing actions in different nations (Aizenman & Marion, 2001). The horizontal FDI type is utilised, due to the fact that shipping fees, as well as trade barriers are rather high when exporting (Aizenman & Marion, 2001). Researchers found out that developed nations lean towards the horizontal FDI type and seek to tailor domestic businesses (Milner et al., 2004).

Additionally, it has been researched that it highly relies on a nation's trait, whether a company decides to use vertical or horizontal integration (Markusen & Maskus, 2001). The country attributes might be for instance capital expenditure and retailing (Markusen & Maskus, 2001).

2.5 FDI Flows

Mainly due to globalization and an increasing amount of international M&As, the overall rate of FDIs has grown over time (Sethi et al., 2003; UNCTAD, 2011a; Wild & Wild, 2012). There are a number of influencing factors, whether companies invest in a certain region or not, and thus determining the overall flows of direct investments. For example, market size and growth, wage levels, transportation costs, political stability, the existence of trade barriers, and fiscal policies of a target region have played a major role when considering FDI (Sethi et al., 2003).

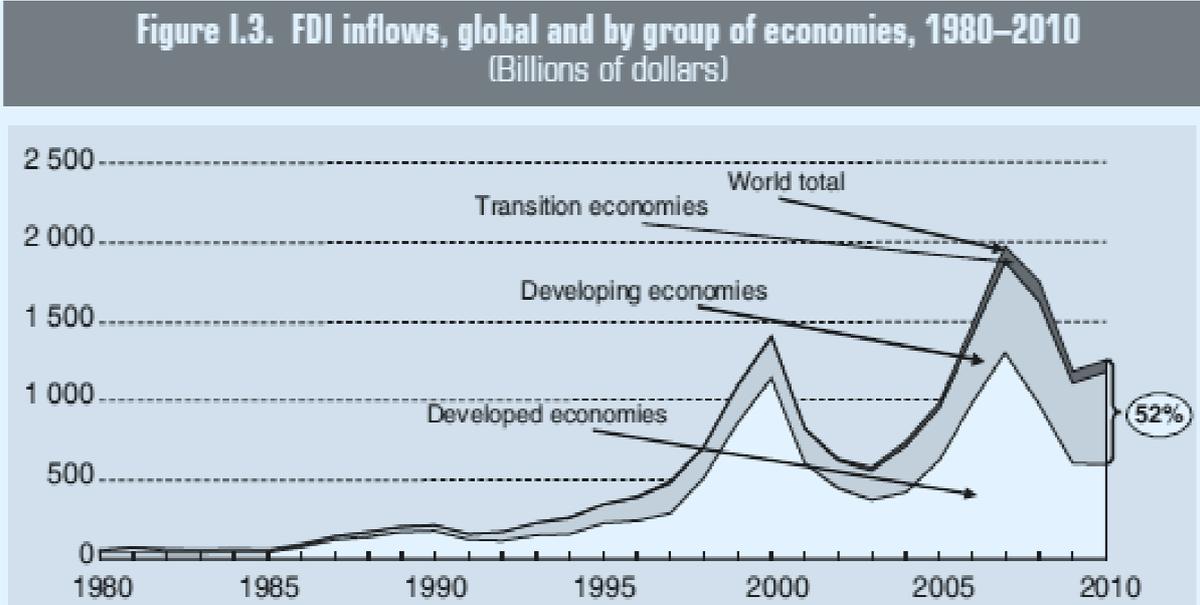
The following paragraphs give an overview about investment flows and stocks in general, and the ones for Sweden in particular.

2.5.1 Worldwide

In general, FDI flows are differentiated into inward and outward flows based on the direction in which the money goes (UNCTAD, 2011a). Looking at the worldwide inward investment flows over time illustrated in figure 5, it can be seen that the overall FDI has increased significantly, especially until 2000. However, the graph does not show gradually growth, but some slowdowns after 2000 and 2007. This is caused by the fact that the FDI flows may vary considerably from year-to-year, as they are highly dependent on the economic development. Consequently, during the global economic crisis in 2008/09 investments were rather low (Wild & Wild, 2012). Since then, the investments have stabilised and in 2010, the FDI

inflows amounted to USD 1.24 trillion corresponding to a modest increase of five percent compared to the previous year (UNCTAD, 2011a). The UNCTAD (2011a) also predicts a further growth of FDI inflows reaching approx. USD 1.7 trillion and USD 1.9 trillion next year.

Figure 5: Worldwide FDI inflows from 1980-2010 (UNCTAD, 2011a, p.6)

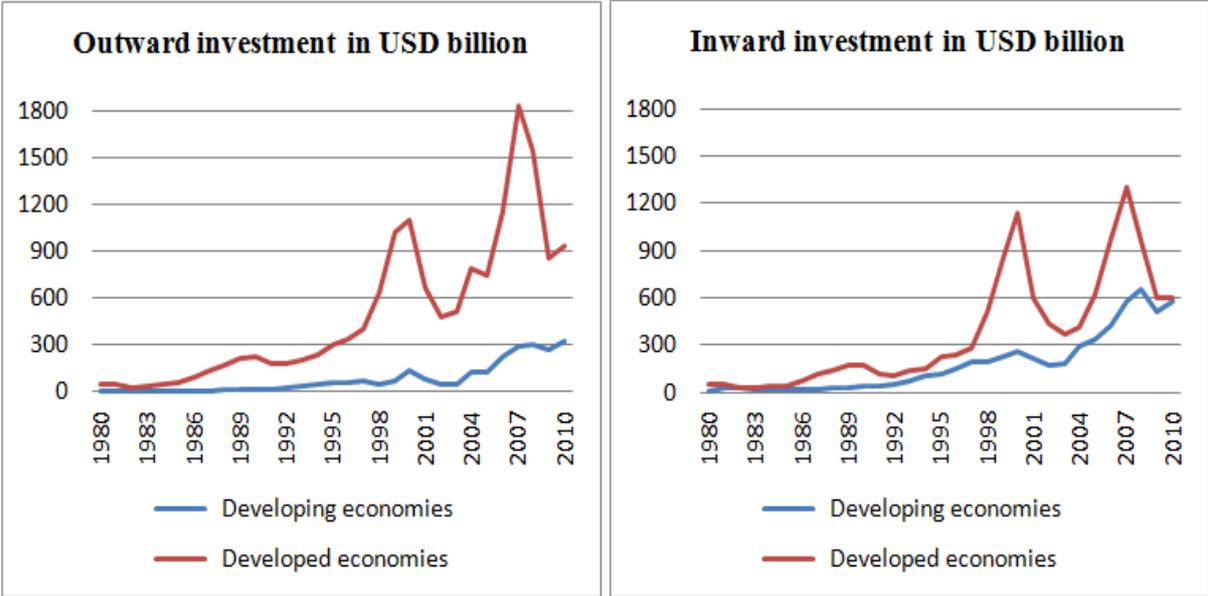


Considering the performance of developed and developing nations (see figure 6), it is noticeable that, in general, developed countries have been more frequently involved in direct investments across borders (UNCTAD, 2011a). In fact, more than 80% of outbound FDI comes from industrialised nations, whereby North America, the EU, and Japan are the predominant source markets (Voss, 2011). Also for inward flows, developed countries are the prime destinations, as cross-border acquisitions are concentrated in these nations (Wild & Wild, 2012).

Nonetheless, in 2010, the FDI inflows of both the developing and transition nations have exceeded the inflows of developed countries for the first time, which is mainly due to the high investments into the Chinese economy (Letto-Gillies, 2011). In general, the gap between developed and developing nations has been wider in terms of outward investment compared to inward flows (see figure 6), because there is a lower number of developing countries investing abroad (UNCTAD, 2011a). However, this gap decreases slowly, but constantly: While the worldwide FDI outflows have increased by 130 times from 1970 to 2008, the

outward flows for developing nations were 5000 times greater in the same period (Voss, 2011).

Figure 6: Worldwide investment flows (Own illustration based on UNCTAD Statistics, 2012)

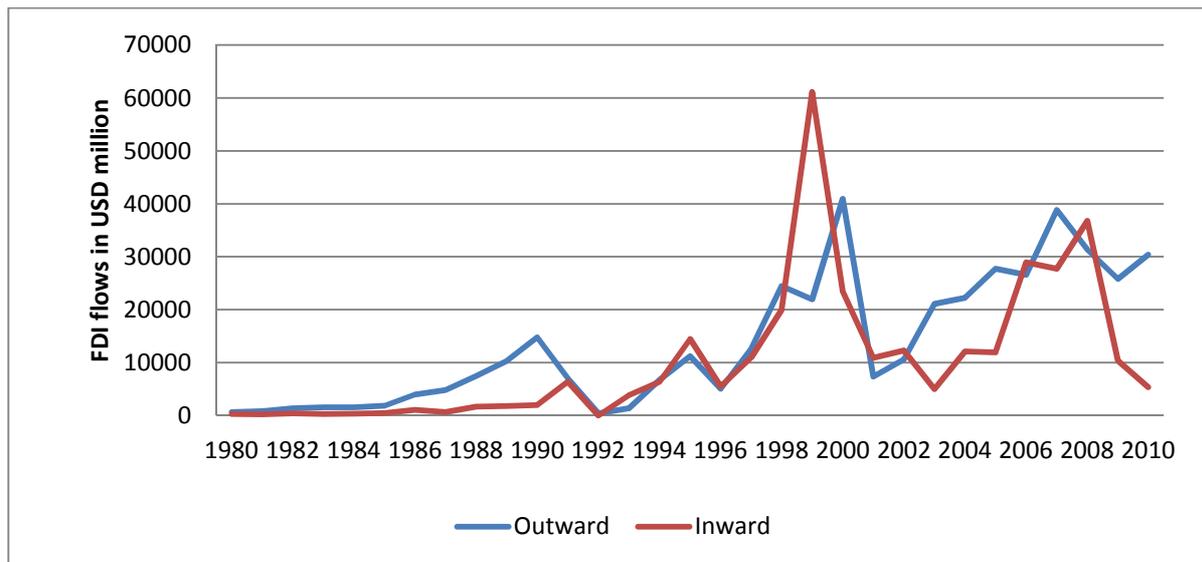


2.5.2 Sweden

Sweden as a highly developed country assumingly has a high number of FDI outflows. This is validated when looking at Sweden’s flows of FDI. It is noticeable that the outward investment is considerably higher than the inward flows. In fact, in 2010, the inward flow amounted to USD 5.33 billion, whereas the outflow totalled to USD 30.4 billion (UNCTAD, 2011b). This amount of outflow positions Sweden on rank 12 of FDI originating nations with about 2.3% of worldwide FDI outflows (UNCTAD Statistics, 2012). Concerning the FDI inflows, only 0.43% of the worldwide USD 1.24 trillion inward investments entered Sweden (UNCTAD Statistics, 2012).

Comparing Swedish FDI flows with previous years (see figure 7), it is shown that the outward flows follow the international trend shown above with major downturns after 1990, 2000 and 2007 (UNCTAD, 2012). The inward flows have most of the time lack behind the outward flows, and been significantly down since 2008.

Figure 7: FDI flows for Sweden from 1980 to 2010 (Own illustration based on UNCTAD Statistics, 2012)



In order to further compare the FDI activities of Sweden within the world, also its stocks abroad and the assets owned by foreign companies in Sweden should be taken into account. Hereby, the country's picture is more balanced: In 2010, the inward FDI stocks in Sweden amounted to USD 349 billion compared to a value USD 336 billion of Swedish direct investment abroad (UNCTAD, 2011b). In the worldwide comparison, Sweden ranks on place 14 (outward stock) or rather 15 (inward stock) out of ninety nations based on the FDI stocks (CIA, 2012).

Swedish companies are predominately investing in other European countries and in North America; however, the Asian market is the fastest growing one. In particular, most outward investment assets are found in the USA, followed by Finland and the Netherlands. Considering the different industries, engineering, pharmaceuticals, chemicals and banking are on the forerun (Statistics Sweden, 2012).

On the other hand, when it comes to FDI in Sweden, companies from the EU are prevailing amounting to almost 80 percent. Hereby, the countries with the most investment assets in Sweden are the Netherlands, Luxembourg, and thirdly the United Kingdom; whereat the predominant industries are chemicals and pharmaceuticals (Statistics Sweden, 2011).

Looking at the entry modes, Swedish outward flows are more likely to be M&As with a total number of 167 compared to 67 Greenfield investments in 2010. On the other hand, as a host country, WOS are more popular, because 335 new ventures as part of FDI were established in Sweden, compared to 117 acquisitions (UNCTAD, 2011a).

2.6 Benefits and Drawbacks

Over the past years researchers observed the development of FDI in various countries and attempted identifying benefits and drawbacks of undertaking FDI for the home, as well as the host country (Tomohara & Takii, 2011). In the following paragraph the authors provide an overview of current findings.

2.6.1 Home country

A benefit for a company undertaking FDI in another nation is “tax holiday”, i.e. that the company does not have to pay the entire tax rate or tax at all for a specific time, which enables them to retain initial expenses low (Harrison, 1994). Additionally, companies undertaking FDI, have the opportunity to access raw materials of the host country (Tomohara & Takii, 2011; Sethi et al., 2003). They are able to truly utilise them, as the FDI company might have the adequate equipment to do so (Harrison, 1994).

Nevertheless, there are also challenges when undertaking FDI, such as increasing interaction costs, due to travelling to the host country (Tomohara & Takii, 2011). Furthermore, foreign companies are not well acquainted with the domestic manner of doing businesses as well as political agreements, which might become critical in certain situations (Tomohara & Takii, 2011). Besides this, there is the political and governmental level, which needs to be taken into consideration, as in a variety of countries political risk might be threatening for investors (Wild & Wild, 2012). Another aspect is culture, not being familiar with customs and traditions can be devastating in some countries when doing business (Hofstede et al., 2010).

2.6.2 Host country

The advantages host countries of FDI can benefit from are various. For instance, when a global firm establishes itself in a developing country, local employees functioning for the international firm are likely to receive a higher salary than employees working for a domestic enterprise (Tomohara & Takii, 2011).

In addition, host countries have the possibility to become acquainted with new kinds of technology, as foreign investors are likely to share the knowledge and equipment with domestic staff and managers (Harrison, 1994). Another aspect is that host countries are able to learn in terms of management style from the incoming companies (Harrison, 1994).

On the other hand, there are drawbacks that might be caused by FDI. Researchers argue that global firms offering a higher salary than local enterprises are possibly ruining the labour market, since local people will prefer being employed by the foreign company (Tomohara & Takii, 2011). Moreover, it has been found out that international firms mostly prey emerging nations by using natural reserves for their own good (Tomohara & Takii, 2011). Therefore, it is suggested that host countries ought to guard their local sectors, in order to reach long-term monetary augmentation over depending on FDI (Tomohara & Takii, 2011).

Another disadvantage, which occurs with FDI, is the fact that foreign companies mostly have the right to pay fewer taxes at the beginning of their establishment, which is a loss for the host country, as well as an enormous factor of inequality among home and host country companies (Beugelsdijk et al., 2008).

2.7 Governmental influence

When a multinational company decides to undertake FDI, it has to take governmental influences into consideration. Principally, the government of a host nation does not act with indifference towards FDI, but establishes certain fences, which limit for example foreign ownership (Globerman & Shapiro, 1999). Moreover, the government might introduce a change in tariffs and exchange rates for foreign companies, which can be advantageous or disadvantageous (Globerman & Shapiro, 1999; Wild & Wild, 2012). Nevertheless, host governments are also likely to support FDI by offering incentives to prospects, who desire commencing FDI (Vindelyn Smith-Hillman & Maktoba, 2005). Besides the aforementioned, host governments might adapt quotas in a way that facilitates global firms to agree to FDI, since trade restrictions may be abolished or loosened (Brewer, 1993).

However, government might request guardianship and influence over business actions, to be able to avoid market failure (Vindelyn Smith-Hillman & Maktoba, 2005). Furthermore, in some countries government might be controlled by an influential lobby that desires accomplishing certain aims, which might comprise avoiding FDI activities (Vindelyn Smith-Hillman & Maktoba, 2005). Additionally, countries attempt restricting FDI, in order to guard their cultural assets, national firms, as well as related jobs (Wild & Wild, 2012). Because of that, nations might establish obstacles for MNEs, which need to be defeated to be able to undertake FDI (Wild & Wild, 2012).

3 METHODOLOGY

The upcoming method chapter gives an overview about the used research modes allowing the reader to understand how the investigation was conducted and why the specific approaches were used. The aim is to provide transparency and to facilitate comprehensibility of the study.

3.1 Research Approach

The research approach deals with what kinds of data have been used, what characterises them, and in which way they may be obtained.

3.1.1 Primary and Secondary Data

In the beginning of this thesis, the authors set three research questions; to be able to answer those, information about FDI in general has been collected. The gathered information derives from secondary data, such as international journals. Secondary data elaborates on and provides knowledge about particular topics, which were gathered and processed by other investigators for their research. Secondary data has already been printed and can be of different nature, like books, articles, and websites (Bryman & Bell, 2008). In order to create the theoretical framework, desk research has been utilised (Bryman & Bell, 2008).

Nevertheless, also primary data has been collected through conducting qualitative interviews. Primary data is defined as information that has not been made public before, which is objective, since the researchers did not interpret it through reading (Bryman & Bell, 2008). In order to carry out the research, the authors used non-probability sampling; in this case, the interviewee was not randomly chosen from the overall population (Bryman & Bell, 2008). To be more specific, snowball sampling has been utilised, since the interviewers made contact with an initial organisation and interview partners, who then provided more contacts. Those have been interviewed later on (Bryman & Bell, 2008).

3.1.2 Research Strategy

There are two forms of conducting primary research, which is either of quantitative or qualitative nature (Walliman, 2005; Bryman & Bell, 2008). Quantitative research attempts to investigate world phenomena through objective ways, which mostly obtain a numeral

character (Bryman & Bell, 2008). However, qualitative research strives to understand social contexts via a naturalistic and emotionalistic approach. This means that this method tries to comprehend situations in its native surrounding by entering inside knowledge (Bryman & Bell, 2008). Ideally, researchers immerse into the investigation, in order to grasp the inside reality (Bryman & Bell, 2008). Moreover, qualitative research allows being flexible and capturing unforeseen appearances (Bryman & Bell, 2008).

Due to the fact that the researchers of this investigation attempt understanding the perception of different parties towards the region of Gävleborg, in order to find out why the FDI quote is not elevated enough, a qualitative research strategy seems to be the most adequate approach.

3.2 Research Design

This research paper is based upon a case study, which enables the authors to investigate one specific case in-depth within a real-life context (Bryman & Bell, 2008). Case studies are centred on a certain object of interest, which the researchers aim at elucidating thoroughly (Bryman & Bell, 2008). Case studies are according to Yin (2009) appropriate, if the research questions focus on a “How?” or “Why?” question, which is given for all three research questions within this research. Moreover, in order to use a case study as a research design, the investigation should focus on contemporary happenings, which are not being controlled by the researchers (Yin, 2009).

In this particular case, “Invest in Gävleborg” as a project is the centre of the research, which will be looked at from different perspectives, and thus involves a number of qualitative interviews. Consequently, this investigation is classified as a single-case study (Yin, 2009) with the inward investment agency “Invest in Gävleborg” being the actual contemporary case. However, also responsible people of e.g. the municipalities are interviewed, in order to get a broader and diversified viewpoint of the actual case. As this also involves external players that need to be analysed separately, Yin (2009) terms the undertaken research design as an embedded, or complex, single-case study. This type of case study is characterised by one phenomenon of interest, i.e. the project “Invest in Gävleborg”, which has subunits or different levels being identified by the researchers (Yin, 2009). Within this investigation, the individual units are the involved municipalities and other authorities collaborating with IGA. All subunits might consist of more than one interview partner or organisation (Yin, 2009).

In addition to that, the present case is classified as an explanatory case study which is referred to as a part of a research design which asks for finding reasons for a phenomenon or

happening (Yin, 2009). As a consequence, if the research questions are based on “how” or “why”, they are likely to be explanatory. Hereby, the explanations can be complex resulting in a challenging task for the researchers (Yin, 2009).

3.3 Data Collection Process

The initial idea of this research project originated in a meeting between the researchers and Bruno Ahlqvist, who had delivered a guest lecture beforehand to some students of the Högskolan i Gävle. Bruno Ahlqvist himself worked for the Chamber of Commerce and was responsible for the forerunner of the investigated project. Therefore, he could provide the authors with a first overview on the research topic and with contact information of the project leaders of “Invest in Gävleborg”. Based on that information, the researchers got in contact with the inward investment agency, in order to find out whether their proposed research is of interest to IGA. From then on, face-to-face meetings took place in the office in Gävle, in order to clarify expectations, to get a deeper insight into the project and the overall topic, and to discuss the further procedure. Simultaneously, the authors gathered secondary information, mainly with the help of databases to access reliable data predominately out of international scientific journals such as the ‘Journal of International Business Studies’ and the ‘International Business Review’.

After this overview of literature and the research object, the subunits of this embedded case study (Yin, 2009) could commence to be investigated. In order to do so, the project leaders of “Invest in Gävleborg” introduced the research project to some of their contacts, whereupon the authors got in contact with the different authorities and municipalities to clarify any questions, and to arrange meetings for conducting personal interviews.

After setting up a meeting, the researchers sent the interview guide to the respective person, in order to conform to research ethics and to give the interviewees time to prepare (Bryman & Bell, 2008). The different interviewees will be introduced in the empirical findings section.

The authors decided to use semi-structured interviews, because this allows the researchers and the respondents to be flexible in their questioning and answering, and also permits additional questions in case of ambiguity (Bryman & Bell, 2008). All the interviews were conducted in English and took place face-to-face in a quiet surroundings, either in the interviewee’s office or in a conference room, whereby always both researchers were present. In order to later be able to reconstruct the interviews, they were recorded which all the interviewees have agreed

upon. Nonetheless, the investigators always took handwritten notes for capturing the most interesting answers. Depending on the elaborateness and number of further questions, the interviews, which took place between 20th April 2012 and 11th May 2012, lasted between 30 and 80 minutes. After finishing the report, all participants of the case study are provided with a copy of the thesis.

3.4 Data Analysis

After commencing with conducting interviews for the research project, the gathered data necessitates to be analysed. In order to analyse the interviews of this case study project, a method suggested by Miles and Huberman (1994) could be used. They state that the outcome of the interviews can be compared with the theoretical framework, which has been developed before the practical research part (Miles & Huberman, 1994 in Folkestad, 2008). Moreover, the interviews can be contrasted by trying to identify clusters that exhibit similar or dissimilar patterns (Miles & Huberman, 1994 in Folkestad, 2008). By using this variable directed analysis strategy, researchers can reduce data, so that interpreting the interview answers is facilitated (Folkestad, 2008). This method is suitable for this specific research project, since the similar sets of interview questions are likely to lead to similar answers given by interviewees. Due to the fact, that “Invest in Gävleborg”, the municipalities of the county and other authorities within the region are the focus of this study, contrasting the outcome of the interviews will assist to answer the initial formulated research questions.

When conducting research, there are two relationships among research and theory, the first is called deductive theory and the second inductive theory (Walliman, 2005; Bryman & Bell, 2008). Deductive theory functions by choosing theories of the to be investigated theme and deducing hypotheses, which will then be tested and either confirm the used theory or reject it (Bryman & Bell, 2008).

On the other hand, there is the inductive theory, which has also been used for this particular research project. Induction, also called bottom-up theory, is constructed in the opposite way as deduction, since first observations are made, which are then generalised, in order to create a theory (Bryman & Bell, 2008). In induction, researchers commence with a specific idea, moving on to generalise this into a theory (Bryman & Bell, 2008).

According to Bryman & Bell (2008), a case study having a qualitative research strategy tends to be inductive when comparing theories and the conducted research. Within this investigation the researchers made use of the aforementioned, as well as deduction, as first the theme was dealt with from the specific to the general theme. Later on, the researchers adapted the general theories according to the specific case study.

3.5 Research Quality

In order to assure a high quality of an empirical social research, there are basically four tests being constructed: validity, internal and external validity and reliability (Yin, 2009). Those variables will be applied to the current case study in the following.

3.5.1 Validity

According to Bryman & Bell (2008), validity is “*concerned with the integrity of the conclusions that are generated from a piece of research*” (Bryman & Bell, 2008, p. 41), i.e. the results are derived in a logical and truthful manner on the basis of the collected information and empirical data (Walliman, 2005). In order to construct validity, the authors used multiple sources of evidence (Yin, 2009), by elaborating on a variety of scientific articles for the creation of the theoretical framework, and by conducting six interviews with a total of nine respondents, who hold different positions and thus different perspectives. Further, the investigators used similar interview guides for the interviewees, in order to assure comparability between the answers and, in that way, to arrive at the conclusions in a logical manner. The validity is further enhanced by a detailed description of the methodological approach of this thesis.

3.5.1.1 Internal Validity

Internal validity refers to how different variables are interrelated and whether the conclusions make sense based on the variables (Bryman & Bell, 2008). In other words, internal validity refers to the relationship between causes and effects. In general, within qualitative research, the internal validity is low, because it is more difficult to assess whether one specific variable has led to one certain result compared to e.g. experiments (Bryman & Bell, 2008). Nonetheless, internal validity is relevant within this investigation due to the explanatory

nature of the study (Yin, 2009). In particular, internal validity is given through asking the nine interviewees similar questions. Whenever there were multiple responses to the same question, the internal validity is increased, because it shows that the interviewees recognise a common cause for a certain effect or vice versa.

3.5.1.2 External Validity

External validity refers to the extent to which a legitimate generalisation of a study's findings to other researches is possible (Walliman, 2005). In this case study, it thus regards whether the results of the region of Gävleborg can be transferred to, for instance, another Swedish region. However, as Bryman & Bell (2008) argue, case studies concentrate on an in-depth investigation, and are hence not intended to be generalised. Therefore, the approach of generalisation rather applies to e.g. experiments and surveys, which relies on statistical generalisation compared to analytic generalisation for case studies (Yin, 2009). Consequently, case studies in general show a restricted external validity (Bryman & Bell, 2008).

Nonetheless, analytic generalisation has been achieved within this paper by analysing the empirical findings on the basis of theories provided in the literature section, and in that way, to test the theories (Yin, 2009). In future, the external validity could be fostered by applying the case to another region, and thus to claim replicability (Walliman, 2005).

3.5.2 Reliability

The criterion of reliability within qualitative research is of major importance, since it addresses the issue of whether a study outcome can be repeated by other researchers or not (Golafshani, 2003; Bryman & Bell, 2008). In order to become credible, other investigators need to be able to replicate the research, whenever they believe the original outcome contains errors or frauds (Bryman & Bell, 2008). Furthermore, reliability deals with the steadiness of used arrangements (Bryman & Bell, 2008). In addition, the aspect of trustworthiness is significant, since it deals with, whether the research outcome could be utilised by the participants, in order to change current situations (Bryman & Bell, 2008). Moreover, within research the aspect of transferability and dependability are noteworthy, as the investigation might be appealing to other researchers, who speculate about whether the outcomes can be transferred to other contexts and occasions (Bryman & Bell, 2008).

In order to guarantee the aforementioned criteria, the researchers of this investigation provided a detailed overview of used research methods, as well as mentioning all participating interviewees, which certainly allows other researchers to replicate this study by using the same resources. Above all, the used investigation tools can be transferred to other qualitative research occasions and contexts, since they are ubiquitous applications. The reliability is fostered by the fact that all the interviews have been recorded, enabling a thorough transparency and replicability of the overall study.

3.6 Restrictions of Research Methodology

There are a number of limitations when using the selected research methods. First of all, as the study is of qualitative nature, it is very much dependent on the selection of the interviewees, and reflects their personal opinions (Walliman, 2005; Bryman & Bell, 2008). Moreover, the results are influenced by the researchers' subjective interpretation and biases of the interviewees' answers (Bryman & Bell, 2008).

More restrictions occur due to using a single-case study (Yin, 2009) as a research design. In that way, only one project is investigated in one specific region, and there are no assumptions made how this could be transferred to other regions in Sweden, or even to other countries. Consequently, the results cannot be easily generalised which is according to Yin (2009) not the intention of case studies. Further, through the usage of the embedded case study, it might be possible that the researchers focus too much on the single subunits in the analysis, and fail to show the relation to the overall research object (Yin, 2009).

In general, all interviews were conducted in English, which is not the native language of the researchers or the interviewees leading to possible linguistic misunderstandings. Additionally, there might be a lack of transparency (Bryman & Bell, 2008), because e.g. the different steps of data analysis might not be visible to the reader, and only selected answers of the interviews are given, which does not represent the full picture.

4 EMPIRICAL FINDINGS

Within the empirical findings, the embedded case study including its subunits is presented. This is majorly done by presenting the interviewees and their answers within the semi-structured interviews.

4.1 Introduction of the Case Study

In order to give the reader some background information, both the region of Gävleborg and the investigated project “Invest in Gävleborg” will be introduced in the following.

4.1.1 Region Gävleborg

Gävleborg is one out of 21 counties in Sweden, and is situated in the middle East of the country, directly at the Baltic Sea (Länsstyrelserna, 2012). Gävleborg is strategically located approx. one hour north of the Stockholm Arlanda Airport, and has one of Sweden’s biggest industry harbours (Region Gävleborg, 2012b). The region consists of the provinces of Gästrikland and Hälsingland and encompasses the following ten municipalities: Bollnäs, Gävle, Hudiksvall, Hofors, Ljusdal, Nordanstig, Ockelbo, Ovanåker, Sandviken and Söderhamn (Törnquist, 2011). 79% of the region’s area consists of forests (Region Fakta, 2012); nonetheless, the nature is diverse offering mountains, lakes, archipelagos, and wilderness (Region Gävleborg, 2012b).

In total, there are approx. 276,000 inhabitants in Gävleborg, corresponding to three percent of Sweden’s population. The capital is Gävle, where 95,000 people live (Region Gävleborg, 2012a). The gross regional product per capita, which is the GDP per capita of a certain region, amounts to SEK 290,000 per annum (Region Fakta, 2012). The unemployment rate amounted to an average of 9.1% in 2011 (Region Fakta, 2012).

Most important sectors are the steel and paper industry, forestry, as well as private and public services. In total, there are approx. 25,700 businesses in the Gävleborg region, whereby 1,900 companies have been established within the past three years (Region Gävleborg, 2012b).

4.1.2 Invest in Gävleborg

In order to further develop the region Gävleborg, including its ten municipalities, a project called “Invest in Gävleborg” has been re-launched in 2011, which will last until 2014 for the time being (Åkerberg & Schilling, 2012). Nevertheless, the project will initiate its undertakings in August 2012 (Åkerberg & Schilling, 2012). A similar project existed already from 1998 until 2007 (Ahlqvist, 2012). The project “Invest in Gävleborg” is the authorised inward investment agency of the region and its ten municipalities (Region Gävleborg, 2012c). The agency’s aim is attracting MNEs and others willing to undertake FDI in the region of Gävleborg and consequently creating enduring regional development by supporting provincial enlargement, as well as creating jobs (Åkerberg & Schilling, 2012; Region Gävleborg, 2012c). The main tasks of IGA within this project are establishing contacts with MNEs and others as well as conveying these contacts to suitable municipalities fulfilling the prospects’ requests (Åkerberg & Schilling, 2012). The region’s major field of interests and competences are summarised in five clusters, which are steel, forestry, information and communication technology (ICT), the creative industry and CleanTech (Törnquist, 2011; Åkerberg & Schilling, 2012).

To be able to attract and draw attention to the region, “Invest in Gävleborg” collaborates with the investment agency “Invest in Sweden” (Region Gävleborg, 2012c). “Invest in Sweden” functions towards the same goal as IGA, but on an international and national level, rather than regionally (Arnell, 2012; Invest Sweden, 2012; Region Gävleborg, 2012c).

4.2 Selected Answers of the Interviewees

The authors have conducted a total of six interviews with nine interviewees, which shall help to investigate the research questions. In the following, selected answers of the undertaken interviews with “Invest in Gävleborg”, the involved municipalities, and other authorities are presented. Hereby, the authors portray the interviews one by one, because slightly different interview guides were used (see appendices 1-3) which makes it challenging to present the answers by questions rather than by interviewees. Further, in that way, there is a clear structure and the frequency and hence importance of common answers is illustrated.

4.2.1 “Invest in Gävleborg”

Concerning the project “Invest in Gävleborg” both the current and the former project leaders were interviewed.

4.2.1.1 Current Project Leaders

Carina Åkerberg and Michael Schilling have been both project leaders of “Invest in Gävleborg” since September or December 2011 respectively, i.e. since the initiation of the current project. The face-to-face interview was conducted with both of them simultaneously on 20th April 2012 and it was the first interview for this thesis, in order to first get a direct insight into the actual research case study. However, the investigators have been in contact with Carina Åkerberg and Michael Schilling before, and therefore already had some prior knowledge about “Invest in Gävleborg”. The IGA project was run by the Chamber of Commerce until 2007 and started again in autumn 2011, because it is necessary to be competitive with other Swedish regions. It is a project financed partly by the EU, wherefore it is limited in time. However, the aim for the future should be that it becomes a permanent institution to assure a long-term relationship and reliability with authorities and companies (Åkerberg & Schilling, 2012).

During the interview the project leaders gave an insight into their work and the goals of IGA. Among others, they are building up the brand “Invest in Gävleborg”, identify different business opportunities which they package accordingly, develop a regional portfolio, and ensure a good receiving quality, i.e. handle requests fast and professionally (Åkerberg & Schilling, 2012). The main responsibility of IGA is to sell the area to different interest groups, and to identify what is best for the customer looking at the *“region from a helicopter perspective”* (Åkerberg & Schilling, 2012). *“We are building this package of Gävleborg about what is already existing. (...) We have to see what are they [different municipalities] good into, what kind of offers do they have, and how can we package that very interestingly.”* (Åkerberg & Schilling, 2012). Currently, the project is within its development phase, in which the focus areas and expectations are discussed with regional partners, the website is created, as well as a portfolio for different industries. In future, the inward investment agency wants to be more proactive by building up relationships and attending selected exhibitions (Åkerberg & Schilling, 2012)

According to the interviewees (Åkerberg & Schilling, 2012), the region of Gävleborg has a good infrastructure, which is given by its closeness to the area of Stockholm and to the international airport Arlanda, in particular. Moreover, the infrastructure is well-developed due to the railway system, the highways, and the ports with Gävle being a prioritised one, i.e. it is invested in, in order to grow and to handle more volume in future. Furthermore, the region of Gävleborg offers in general a high employee loyalty, which can e.g. be seen using the example of Sandvik AB. *“You like where you work and you stay there.”* (Åkerberg & Schilling, 2012). Other advantages of Gävleborg are the comparatively lower living and labour costs, as well as the cheaper land acquisition, which might be incentives for companies to establish in this Swedish region (Åkerberg & Schilling, 2012).

However, FDI *“is not necessarily someone who comes here and builds a factory, it is also about a strategic partnership.”* (Åkerberg & Schilling, 2012). Depending on the industry a prospective company is in, Gävleborg has a special expertise with, for instance, three cluster organisations within the ICT sector, or with a fibre optic research centre in Hudiksvall (Åkerberg & Schilling, 2012). Moreover, traditionally, the region is focused on steel, forestry and the paper industry. Although there are *“some focus areas, of course, which we will concentrate on and work more aggressively with”* (Åkerberg & Schilling, 2012), there is no industry preferred. The focus areas are so far ICT, forestry, steel, the creative industry, and CleanTech. The latter one encompasses among others waste issues, wind power which is *“extremely well-conditioned in Gävleborg”* and bio-energy, which is becoming more popular; it is a way to use the wood which is the region’s *“greatest asset”* (Åkerberg & Schilling, 2012). The tourism industry and the post-filming production are two examples belonging to the creative industry. Gävleborg has a variety of winter and summer activities; however, the tourism is not well-developed in comparison to e.g. Dalarna. Despite those focus areas, which might change in the process of establishing IGA, *“it is important that we are prepared for different companies that want to come here”* (Åkerberg & Schilling, 2012).

On the downside, in future, it will become a challenge to have sufficient competence in Gävleborg, because many citizens will retire within the next years and there might be a lack of workforce. This trend is enhanced by people moving to bigger cities like Stockholm. Therefore, it is important to keep the region attractive for people to live in. This is done by the public sector via offering housing, health- and childcare, a good infrastructure, and in general by providing a tolerant and creative environment (Åkerberg & Schilling, 2012). Furthermore,

Gävleborg has an informal competence, since there are not many citizens with a higher education, which has been due to the traditional industries within the region like working in factories and forestry. However, the need for education has changed towards a more formal level (Åkerberg & Schilling, 2012). Another drawback is that the region is not known by foreigners, in contrast to Lappland or Dalarna. Moreover, there are financial incentives from the national government for companies, who decide to establish in certain parts of Sweden, however, Gävleborg does not have them, as it is too close to Stockholm (Åkerberg & Schilling, 2012). In future, it can also be learned from companies who have not decided to establish in Gävleborg or who have left the region. However, in most cases, it is not a decision against the region, but a strategic business decision. This is e.g. the case for Leaf that merges with Cloetta and thus leaves Gävle. In the end, companies choose what is best for them. *“They just find something better somewhere else, but at least we’d like to be as good as possible, and know we have done everything we could, to have them here.”* (Åkerberg & Schilling, 2012).

4.2.1.2 Former Project Leader

Bruno Ahlqvist is an independent marketing and advertising professional who was responsible for the project “Invest in Gävleborg” from 2000 to 2007 during his work at the Chamber of Commerce. The first IGA project commenced in 1998 and was run as three-year projects, as some EU money was involved. In 2007, the region Gävleborg decided to take over this project, however, a gap of four years occurred until the project restarted last year. The semi-structured interview with Bruno Ahlqvist was held on the 7th May 2012, and took approx. 80 minutes.

During his time as a project leader for “Invest in Gävleborg”, there have been several companies established in the county, such as Emmi Nordic AB, an Indian textile trading company, and a Dutch family building an indoor playground. Moreover, the Japanese producer of wooden houses Tomoku Hus AB wanted to open an additional factory in Gävle. However, after the factory was built, the demand dropped considerably, which is why the factory never opened. Another example is the Hedesunda Camping AB which was taken over by two Dutch families. According to the interviewee’s mind, *“the county has lost four years, because of doing nothing”* (Ahlqvist, 2012), although there were ongoing projects when he stopped with IGA.

From his former experience, Bruno Ahlqvist (2012) may give some advice. For instance, he has learnt that advertisement in international business journals is not beneficial. It is always important to be open to discuss with people, as long as there is a little chance of doing business. However, one needs to test, whether the interest is serious, and eventually let it go. Moreover, he expresses *“we were too generous participating in projects run by “Invest in Sweden”.*” (Ahlqvist, 2012). However, many people criticise that Gävleborg is too small to do things on their own, although it has the same size and population of Iceland, which manages e.g. investments by itself. *“But if you think you are small and unimportant, you become small and unimportant. So, it has a lot to do with self-confidence.”* (Ahlqvist, 2012). Furthermore, Ahlqvist’s (2012) piece of advice is to be very active and to attend more fairs, although some of them are quite costly. Participating in fairs enables meeting many people at the same time. *“You need to find places where you meet a lot of people”* (Ahlqvist, 2012), because maybe 1 out of 200 contacts actually leads to business.

One current project that looks very promising to Bruno Ahlqvist is the logistic harbour of Central Sweden. “Invest in Gävleborg” should take care of this, because it offers many opportunities to attract companies searching for warehouses. *“This is, as I see it, the greatest opportunity right now, to try to get import warehouses for distribution to other outlets”* (Ahlqvist, 2012). As a matter of fact, Gävle owns the third biggest container port in Sweden, which is usually ice-free in winter, and thus offers a great access to the Nordic and Baltic countries year-round. Nonetheless, competitors often argue that Gävle lies too far north (Ahlqvist, 2012). Moreover, Gävle is logistically well-located, due to the railroads going north and south, and the European highway, which will be upgraded this summer to go from Gävle to Oslo and then further to Bergen. Five to ten years ago, the focus was e.g. on call centres, which have a lot of personnel, however, they *“come in one week and leave another week.”* (Ahlqvist, 2012). In contrary, warehouses, once they have established in a building, are not that easy to be moved somewhere else, and they usually also have many employees. Nonetheless, according to Bruno Ahlqvist (2012), the region of Gävleborg also needs some production industry, since it has lost much with Ericsson and Läkerol/Leaf leaving, in order to decrease their production costs. Another reason for the need of production sites is the, on average, lower education level in Gävleborg compared to Sweden as a whole. There is a high unemployment rate within the region; nonetheless, companies are searching for qualified staff that they cannot find. *“It’s a dilemma. We have the people with low education who could do*

this job, but they are still too expensive on the international market.” (Ahlqvist, 2012). In general, Bruno Ahlqvist (2012) sees a shift of production from currently China to India, Vietnam and Bangladesh, because the Chinese have a high inflation rate and will not be able to keep their production costs low. For Sweden, there is no chance to get high volume production facilities due to the high labour costs, wherefore Sweden *“needs to be more clever than that”* (Ahlqvist, 2012).

The interviewee expresses that one current drawback of Gävleborg are slow answers. If a company is interested in establishing somewhere, they go to four to seven different locations, and then a location should be able to provide information about available land, buildings and others within 24 hours. *“You don’t need to be the best. You need to be the nicest. And then, of course, you must know what you’re talking about.”* (Ahlqvist, 2012). Further, it is important to have a one-door policy, i.e. an interested investor should have one person to ask and to talk to. The information provided needs to be relevant for the prospect. For example, if it is a big company establishing a subsidiary, the management usually only cares about the hard facts such as access, infrastructure and availability of land. But, if it is a small company and the business owner wants to set up a business, also soft facts such as schools and leisure activities are of interest (Ahlqvist, 2012). Another way of being attractive to a foreign investor, is to understand their culture and to make them understand the Swedish culture (Ahlqvist, 2012).

4.2.2 Municipality of Gävle

In order to receive information about the municipality of Gävle, a few officials of the have been interviewed.

4.2.2.1 Municipality Manager Gävle

Göran Arnell is the municipality manager of Gävle and therefore the highest ranked official civil servant in the region. He is responsible for the organisation of the municipality, which entails seven departments, four companies and employs around 7,000 people, with a turnover of approx. SEK 7 billion (Arnell, 2012). Within the business department, there are 15 people working with investments in general and FDI establishments (Arnell, 2012). The interview with Göran Arnell has been held face-to-face on 8th May 2012 and lasted approx. an hour.

According to the interviewee, the current collaboration with IGA has not yet started, as exclusively information meetings with the agency have been held, in which they met persons in charge from Gävle's business department (Arnell, 2012). Nevertheless, there are certain expectations towards "Invest in Gävleborg", such as handing out a business plan, in which is explained what the agency's key duties are and will be in future (Arnell, 2012). The interviewee indicated that this is of major importance, in order to not mix and overlap tasks of already existing projects. There are currently four organisations working towards the same aim for the region of Gävleborg, which are the Gävle business department, "Stockholm Business Alliances", "Invest in Sweden" and "Invest in Gävleborg" (Arnell, 2012). Due to the fact that "Stockholm Business Alliances" and "Invest in Sweden" have a strong bond and an increased level of power concerning FDI, Gävle will continuously prefer working with those agencies, as they provide important firm contacts (Arnell, 2012).

Furthermore, the interviewee explained that Gävleborg has a variety of benefits that can be offered to companies wanting to invest in the region. Firstly, there is the infrastructure and logistics, such as two highways, three railroads, the biggest harbour on the East coast of Sweden, as well as Arlanda airport, which is located near by (Arnell, 2012). Secondly, there are five clusters in which Gävleborg can offer expertise; those clusters are forestry, paper, steel, geographic information systems (GIS) and energy knowledge (Arnell, 2012). Thirdly, Gävleborg obtains also a university, which could be used for companies' research and development, nevertheless, it would be suggested that MNEs rather utilise the capabilities of the University of Uppsala and KTH Stockholm (Arnell, 2012). Moreover, "*Gävle obtains 60 hectares of ready to build on land, which is unique*" (Arnell, 2012). Lastly, the interviewee mentioned the benefit of Gävleborg's cultural and leisure possibilities, which is of importance, whenever employees of a new company establish in the region with their families (Arnell, 2012).

Even though the Gävleborg region obtains the aforementioned benefits, "*There are no major investments planned in the near future, just small businesses are coming*" (Arnell, 2012).

Furthermore, during the interview, the interviewee mentioned a number of aspects that could prevent companies to invest in the region of Gävleborg. For instance, based on a governmental level, Gävleborg is disadvantaged, as companies do not receive incentives for establishing themselves in the region (Arnell, 2012). Besides this, the level of skilled and educated labour is rather low in Gävleborg, thus, according to the interviewee, companies ought to go to Stockholm, Gothenburg or Malmö, if they are looking for special competences

(Arnell, 2012). Additionally, the region of Gävleborg is not highly populated; therefore it is a rather small market, which is not attractive for certain foreign companies (Arnell, 2012).

Within the interview, the respondent identified that there have been companies that have left the region of Gävleborg, such as Ericsson in 2010 and Läkerol in 2014, where more than 2,000 people became unemployed and 160 will be in less than two years (Arnell, 2012). Nonetheless, the firms' decision to leave the region was of strategic nature, e.g. in the case of Ericsson, the assembly plants have been moved to Eastern Europe and Southeast Asia, in order to lower costs and receive tax holidays (Arnell, 2012).

In the end of the questioning, the interviewee explained that he would hope "Invest in Gävleborg" concentrates and points on certain business sectors with which they desire working, so that there will not be an overlap of tasks (Arnell, 2012). In addition, the region of Gävleborg ought to be promoted as a region and not exclusively as the city of Gävle, as it is rather small for itself (Arnell, 2012). Above all, it has been suggested that investment agencies might use existing firm contacts obtained by larger Swedish companies such as Sandvik AB, in order to entice companies willing to undertake foreign investments (Arnell, 2012).

Nevertheless, the main aim of Gävleborg is to increase the level of education, since it will make itself more attractive for MNEs (Arnell, 2012). This means the region will try to encourage adolescents to continue their educational path with a higher education rather than finishing after high school (Arnell, 2012).

4.2.2.2 Trade and Industry Department

An interview has been conducted with two people in charge of the Gävle business department on 11th May 2012. One interviewee was Gabriel Larsson, who is the project leader of MPG, which handles all the establishments done in Gävle. Moreover, he is the main responsible person working with the attraction of FDI, by developing tailored portfolios, which entails information about real estates as well as needed permits to establish in Gävle. The second interviewee was Tove Elvelid, who is the head of the trade and industry department. Her main duties are developing Gävle as a location of establishment and making it attractive as a likely company environment. Additionally, the interviewee is responsible for the cooperation between the municipality and prospective companies (Elvelid & Larsson, 2012).

Both interviewees explained that the cooperation with IGA is currently rather basic, as exclusively one meeting has been held, in order to discuss how to collaborate (Evelid & Larsson, 2012). Nevertheless, within the meeting, it did not become clear what the exact core duties of “Invest in Gävleborg” would be and how they differ from those executed by the Gävle business department and the “Stockholm Business Alliances” (Evelid & Larsson, 2012). Thus, there are currently no expectations, since Gävle collaborates already with an investment agency enticing foreign businesses to come to Sweden (Evelid & Larsson, 2012). However, the interviewees explicated that they would not focus on the region of Gävleborg concerning FDI, but rather try to bring foreign investments to the city of Gävle, as it is more attractive due to its resources and size (Evelid & Larsson, 2012). In addition, it has been said that Gävle has a number of advantages that might be of interest for prospects, such as good logistics and infrastructure including highways, trains, an airport in the close surrounding, as well as a class one harbour (Evelid & Larsson, 2012). Aside from this, Gävle holds high quality production plant facilities from former companies that worked in the area (Evelid & Larsson, 2012). Moreover, educated people and skilled labour can be offered, since there is a university, where research and developing could be done by companies (Evelid & Larsson, 2012). Other benefits are inexpensive living costs compared to other regions, as well as possessing 60 hectares ready for building on (Evelid & Larsson, 2012). Currently, a variety of companies are interested in moving their headquarters to Gävle, due to the aforesaid aspects (Evelid & Larsson, 2012).

Nonetheless, Gävle has certain drawbacks that bar companies from establishing themselves in Gävle and its surroundings. For instance, the average education and competence level in Gävle is relatively low and qualified people tend to move to Stockholm to receive an elevated salary (Evelid & Larsson, 2012). Moreover, according to the interviewees the Swedish attitude “Jantelagen”, which is about being modest, humble and ordinary, might be a drawback, as it could hinder developing high expertise (Evelid & Larsson, 2012). Above all, the infrastructure might not be sufficient to transport the amount of merchandise and people that is required, because there is only one railway track (Evelid & Larsson, 2012).

Within the interview it has been mentioned that there are foreign companies such as Ericsson and Läkerol, who left the region or are going to leave soon (Evelid & Larsson, 2012). Those companies left and moved to Eastern Europe, in order to receive cheap labour and tax holidays, which is part of a global change (Evelid & Larsson, 2012).

For the future, the interviewees explained that IGA ought to become more proactive and define clear tasks and aims (Evelid & Larsson, 2012). Besides this, it has been suggested to point out certain branches and industries that should be approached, rather than approaching the masses (Evelid & Larsson, 2012). Lastly, working with FDI attraction as a project, such as “Invest in Gävleborg” currently does, is not efficient, as these business areas need to be planned and worked on in a long run (Evelid & Larsson, 2012).

4.2.3 Municipality of Söderhamn

An interview had been held with the municipality of Söderhamn on 4th May 2012, which was represented by Kent Lundquist and Leif Svensson. Kent Lundquist works for the trade and industry department at the municipality of Söderhamn. The main duties of the interviewee are supporting business and trade in the municipality, assisting existing enterprises with certain issues, as well as attempting attracting new companies and aiding with the establishment.

Leif Svensson on the other hand works in the strategy and development department of the industry park in Söderhamn. There are currently 225 people working for 30 companies in Söderhamn’s industry park. Moreover, the interviewee functions as a kind of business incubator supporting new businesses to establish themselves and start up their work (Lundquist & Svensson, 2012).

Currently, the collaboration amongst “Invest in Gävleborg” and the municipality Söderhamn is still at a commencing stage, as there have been two meetings in which the participants discussed how to manage the project and the region (Lundquist & Svensson, 2012). During the meetings all parties talked about the strengths and weaknesses of the region Gävleborg and what kind of businesses should be attracted to the region (Lundquist & Svensson, 2012).

It is considerably valuable that “Invest in Gävleborg” re-established, as attracting FDI during their absence was quite difficult (Lundquist & Svensson, 2012). Hence, the municipality Söderhamn has high expectations towards IGA (Lundquist & Svensson, 2012). Söderhamn desires that the region will be promoted, so that awareness can be built, since the region is rather unknown at the moment (Lundquist & Svensson, 2012). Besides this, it has been emphasised that “Invest in Gävleborg” is expected to be proactive by getting in touch with companies and provide contacts to the municipality (Lundquist & Svensson, 2012). Also, *“the project should do the right things to attract FDI and they should make things happen”* (Lundquist & Svensson, 2012).

Gävleborg has a fair number of benefits for foreign companies, such as the forestry industry, in which the region possesses expertise (Lundquist & Svensson, 2012). In addition, there is a class one harbour that is crucial for importing and exporting goods (Lundquist & Svensson, 2012). Then, they own quality facilities close to the sea, as well as being located close to Stockholm (Lundquist & Svensson, 2012). Lastly, the atmosphere within the municipality of Söderhamn is welcoming and offering life quality, which is important for employees of companies establishing themselves in the region or municipality (Lundquist & Svensson, 2012).

Additionally, the interviewees explained that there has been FDI in the past years, such as the French company Teleperformance, working with technical support, holding 450 employees and collaborating with the Swedish company Tele2 (Lundquist & Svensson, 2012). Besides this, there is an American company called Arizona Chemical, which makes oil out of pines (Lundquist & Svensson, 2012). However, in the future it is planned to build 4,000 windmills in the region of Gävleborg, which would be one of the highest FDIs in many years (Lundquist & Svensson, 2012).

Nevertheless, there is a major drawback that could hinder companies to establish in the region of Gävleborg, which is “*a lack of self-confidence*” (Lundquist & Svensson, 2012). But there is also the aspect of companies looking for cheap labour, which makes them rather move to Eastern Europe than to Sweden (Lundquist & Svensson, 2012).

This is also a reason why a few companies left the region of Gävleborg. For instance, Ericsson closed down a few years ago, in order to move its production plant to a country with cheaper labour (Lundquist & Svensson, 2012). Another company that left Söderhamn was Caterpillar; but they sold the plant to a local firm, which has continued the operations (Lundquist & Svensson, 2012).

In order to improve the collaboration with “Invest in Gävleborg” and commence the establishment of FDI, it is necessary to talk to existing companies to get contacts about suppliers and collaborating firms, so that FDI might be initiated (Lundquist & Svensson, 2012). Thus it is important to use existing companies as region ambassadors (Lundquist & Svensson, 2012).

4.2.4 Chamber of Commerce of Central Sweden

Per-Olof Hansérs is the President and CEO of the Chamber of Commerce of Central Sweden, and the authors had a face-to-face interview with him on 3rd May 2012, which lasted about

half an hour. The Chamber of Commerce is an independent non-profit organisation being responsible for developing and facilitating national and international trade through its extensive business network, which consists of more than 40 million member companies in 160 countries. The Chamber of Commerce is currently not directly involved into FDI activities within the region, but rather working with companies that would like to establish abroad (Hansérs, 2012).

Therefore, Per-Olof Hansérs (2012) has a better overview about domestic investments. He sees opportunities for Gävleborg in this regard, by attracting production units to this particular region, which is much cheaper than the Stockholm and Uppsala area. However, if a company's headquarter is located in one of those cities, the easy access to a possible production unit in Gävleborg would be given. When it comes to foreign investment, the interviewee sees different trends: First of all, the *“trend seems to go towards the other direction and they establish manufacturing units in low cost countries like Poland or White Russia.”* (Hansérs, 2012). Otherwise, many municipalities and companies look at doing business with China. However, according to Hansérs (2012), it is more likely to receive FDI from countries closer to Sweden. *“Of course, all countries are interesting. But it is more likely to be successful, to work with companies from Western Europe.”* (Hansérs, 2012). Concerning industries, the interviewee sees the competence of Gävleborg within the steel and wood industry, in the GIS field, in hydraulic technologies as well as in energy and environmental consulting. *“But I think many regions in Sweden have about the same skills. It is more about the question, who will do what in that respect.”* (Hansérs, 2012).

Besides the aforementioned competencies in certain industries, other obvious benefits of the Gävleborg region are the lower costs compared to certain other regions with prices for establishment being a third of Stockholm due to slightly lower salaries and logistical circumstances. The region is easily accessible via the airport, harbours and the railroad, and its closeness to Stockholm: *“We are not further away than certain areas in Stockholm.”* (Hansérs, 2012). Further, people living in this area, tend to be more dedicated and loyal compared to those living in bigger cities.

Being asked what could hinder companies to establish in Gävleborg, the interviewee replied first that there is a common debate that citizens of this region are not as educated and the region is not as attractive. This effect is enlarged by the media that tends to *“draw attention to the negative factors”* (Hansérs, 2012). Moreover, depending on a company's target market

and industry, Gävleborg might not be a good location, because the catchment area is rather small, i.e. there are not many customers accessible. This can be noticed looking at Ericsson who has left the region due to higher personnel costs in Sweden and that the target market has shifted to other areas, whereby the transportation costs would be too heavy. As another example, Leaf will close down its production in Gävle, because its merge with Cloetta has led to many double functions, and the factories in other areas are more modern than the one in Gävle (Hansérs, 2012).

Concerning FDI in the region of Gävleborg, Hansérs (2012) participates in regular meetings with “Invest in Gävleborg” and the municipalities. Those meetings are often concerned with how to increase the attractiveness of Gävleborg, and how to work strategically together, in order to sell the region. *“We must form a strategy together to market the whole region. (...) When we look at FDIs, we can’t compete within the different municipalities.”* (Hansérs, 2012). Of course, every municipality has its own strengths that should become part of the whole concept through regional marketing; however, there should not be a rivalry amongst the municipalities.

The role of the Chamber of Commerce of Central Sweden is to cooperate with regional initiatives, IGA and the municipalities, and to increase the attractiveness of the region by working on infrastructural issues, as it can influence the investments being done in infrastructure. This applies to roads, railways and the IT infrastructure. There is no direct marketing of the region being done by the Chamber of Commerce. However, relationships might be established between member companies in the long run by, e.g. teaching companies about other markets which automatically increases their interest of doing cross-border business (Hansérs, 2012).

5 ANALYSIS

In order to analyse the different interviews and to correlate them both with one another, and its relation to the case centre “Invest in Gävleborg”, the authors utilise the SWOT analysis. Therefore, in the following, each component of this analysis tool will be amplified.

5.1 Strengths

As explained in the theoretical framework, within the strengths part of a SWOT analysis, factors are elaborated on, in which a company or project has advantage over others (Hooley et al., 2008).

The region of Gävleborg has a variety of competences, such as its respectable infrastructure (Arnell, 2012; Hansérs, 2012). For instance, there are railways leading to the north and south of Sweden, two European highways, directing to Stockholm or Oslo, as well as a close international airport in Stockholm-Arlanda (Elvelid & Larsson, 2012; Åkerberg & Schilling, 2012). The mentioned transportation possibilities are of major importance, as merchandise and commuters can travel easily (Elvelid & Larsson, 2012). Above all, Gävle also obtains a class one harbour, which is the third largest container port in entire Sweden (Ahlqvist, 2012; Elvelid & Larsson, 2012; Hansérs, 2012). A great advantage of the mentioned port is that during the winter it typically does not freeze, so that it can continuously be utilised to ship merchandise to Baltic countries (Ahlqvist, 2012). In addition, Gävleborg and Gävle are close to Stockholm and are often mistaken, by visitors, to be a suburb of Stockholm itself (Elvelid & Larsson, 2012; Hansérs, 2012; Åkerberg & Schilling, 2012). The indicated aspects are rather attractive for firm headquarters being established in cities like Stockholm or Uppsala, who could set up potential production plants in Gävleborg (Hansérs, 2012).

Besides infrastructural advantages, Gävleborg possesses further competences, like expertise in fibre optics and GIS (Arnell, 2012; Hansérs, 2012; Åkerberg & Schilling, 2012). Additionally, Gävleborg owns knowledge about the steel and wood sector, hydraulic technologies, as well as energy and environmental consulting (Hansérs, 2012). Apart from the know-how, Gävleborg holds 60 hectares of land, which is at all times ready to build on, as electricity and other aspects are laid out (Arnell, 2012; Elvelid & Larsson, 2012). Also available are facilities from companies that left the region, such as the production plant built by Ericsson, which enables firms who desire coming to Gävleborg to save building costs

(Elvelid & Larsson, 2012). Lastly, Gävleborg has a loyal workforce, which binds to the firms they work for (Åkerberg & Schilling, 2012; Hansérs, 2012).

Looking at a cost factor, Gävleborg has the benefit of having lower costs than other regions (Lundquist & Svensson, 2012). Especially establishment costs are to a great extent lesser than in Stockholm, due to smaller wages and logistics (Hansérs, 2012). Moreover, labour costs are fairly low in Gävleborg compared with other regions (Hansérs, 2012; Åkerberg & Schilling, 2012). Above all, the region has decreased living costs and lower-priced land, which might entice firms to set up in Gävleborg (Åkerberg & Schilling, 2012).

Aside from the costs, Gävleborg can offer a few services, which make living there more attractive (Lundquist & Svensson, 2012). For example, the public sector proposes lodging, health- and childcare, infrastructure, as well as an indulgent and artistic surrounding (Arnell, 2012; Åkerberg & Schilling, 2012). Moreover, lower level education is free of charge in Gävleborg, as well as higher-level education for EU citizens (Arnell, 2012; Elvelid & Larsson, 2012). In addition, there are many leisure and cultural activities during the summer and winter (Ahlqvist, 2012; Arnell, 2012; Åkerberg & Schilling, 2012). All the above-mentioned factors are significant for small firms coming to Gävleborg, whenever the owner of the company moves as well (Ahlqvist, 2012). In such cases it is good, to be able to provide a good life quality (Lundquist & Svensson, 2012).

Based on the above listed strengths and the endeavours by IGA and other authorities, there have been some establishments of foreign companies within the region. For instance, the Japanese company Tomoku AB, which builds wooden houses and sells them to Japan, wanted to establish itself in the region of Gävleborg (Ahlqvist, 2012). Their motivation of undertaking FDI is a prime example of the eclectic theory, as the company had the ownership advantage in form of knowledge about building wooden houses (Ahlqvist, 2012; Wild & Wild, 2012). Moreover, the location advantage had been present, as Sweden and especially Gävleborg have a long history in the forestry sector, which is the required resource (Ahlqvist, 2012; Wild & Wild, 2012). Lastly, combining those two beneficial factors led to an internalisation advantage (Ahlqvist, 2012; Wild & Wild, 2012).

Besides this, there has been a French company called Teleperformance, which set up in Söderhamn and operates there as a WOS (Lundquist & Svensson, 2012; Osland et al., 2001)

5.2 Weaknesses

When it comes to the weaknesses of the region of Gävleborg concerning its attractiveness for investors, all of the interviewees agreed that the level of education is not as high as in other regions of Sweden (Ahlqvist, 2012; Arnell, 2012, Elvelid & Larsson, 2012; Hansérs, 2012; Lundqvist & Svensson, 2012; Åkerberg & Schilling, 2012) which is also statistically proven (see appendix 4). As a consequence, companies prefer to establish in the bigger cities of Sweden such as Stockholm and Gothenburg, where they can be sure to find the competences needed (Arnell, 2012; Åkerberg & Schilling, 2012). In turn, this leads to young and skilled people leaving the region to go to the cities (Elvelid & Larsson, 2012; Åkerberg & Schilling, 2012). From a population perspective, another weakness of the region, which will become a future challenge, is the aging demographics, as many people are going to retire (Åkerberg & Schilling, 2012). This again leads to insufficient competence. Additionally, Gävleborg is not densely populated leading to a rather small target market (Arnell, 2012; Hansérs, 2012), which decreases the attractiveness. Therefore, if a company seeks market power based on the FDI theories (Wild & Wild, 2012), Gävleborg is most probably not the preferred region.

Although the labour costs are compared to other Swedish regions rather low within Gävleborg, they are still too high for jobs requiring a lower education level (Ahlqvist, 2012; Hansérs). Therefore, Bruno Ahlqvist (2012) has summarised the situation: *“It’s a dilemma. We have the people with low education who could do this job, but they are still too expensive on the international market.”* The higher labour costs for blue-collar jobs are a main reason for large companies such as Ericsson or Leaf/Läkerol to set up their production facilities in a lower-wage country such as to Eastern Europe (Arnell, 2012; Elvelid & Larsson, 2012; Lundqvist & Svensson, 2012). Consequently, they are also involved in FDI activities, however, from the Swedish perspective, in outward investment (Pottelsberghe & Lichtenberg, 2001). Their motivation can be best described by using the international product life cycle theory, because towards the end of the PLC when products are standardised, the production tends to move to developing markets with fewer charges (Vernon, 1966; Wild & Wild, 2012). As for Ericsson, the target market has also shifted (Hansérs, 2012), resulting into moving the assembly plants to regions having a higher demand for the product (Vernon, 1966; Wild & Wild, 2012). Overall, the leaving of companies is a negative factor for Gävleborg, although it is most often a strategic decision rather than a decision against the region (Åkerberg & Schilling, 2012; Athukorala, 2009).

Although there were only two municipalities interviewed, it already becomes obvious that the expectations are quite different. Whereas Gävle is most interested in a clear structure and strategy which clarifies the main duties of IGA (Arnell, 2012; Elvelid & Larsson, 2012), the municipality of Söderhamn, for example, is most concerned that proactive actions are taken now (Lundqvist & Svensson, 2012). For Gävle, “Invest in Gävleborg” does not play such an important role, compared to Söderhamn, because there is already the Gävle business department, “Invest in Sweden” and the “Stockholm Business Alliances” who deal with investments to the city (Arnell, 2012). However, Söderhamn depends more on the project IGA, because it proved to be quite difficult for them to attract FDI during the absence of the project between 2007 and 2011 (Lundquist & Svensson, 2012).

Caused by those disparities of expectations, a certain rivalry has developed among the municipalities (Hansérs, 2012). In fact, Gävle points out that they would focus rather on Gävle than on the region of Gävleborg, since it is more attractive (Evelid & Larsson, 2012). Therefore, they would prefer to work with “Stockholm Business Alliances” and “Invest in Sweden”, as they are more powerful in regards to attracting FDI (Arnell, 2012). Nonetheless, the overall aim of “Invest in Gävleborg” is to be neutral and work strategically together as a whole (Hansérs, 2012; Åkerberg & Schilling, 2012).

This internal drawback might have been avoided, because the municipality of Gävle decided to participate in the “Stockholm Strategic Alliances” in 2007 as an alternative to IGA, which stopped in the same year (Elvelid & Larsson, 2012). Also Bruno Alqvist (2012) regards the interruption of the inward investment agency as many missed opportunities for the region.

Another weakness of the region of Gävleborg is that it is not well-known, especially not abroad and in comparison to e.g. Lappland or Dalarna (Åkerberg & Schilling, 2012). This is also a reason why the tourism is not well-developed in the area (Lundquist & Svensson, 2012; Åkerberg & Schilling, 2012). The missing awareness of Gävleborg is further exemplified by Per-Olof Hansérs (2012) who thinks that many regions within Sweden have the same skills and strengths. Thus, there is no clear picture about the area’s unique features, which foreigners might identify with. This goes hand in hand with the perception that Gävleborg lacks self-confidence (Ahlqvist, 2012; Lundquist & Svensson, 2012). Additionally, the Swedish attitude “Jantelagen” could hinder the region to step up (Evelid & Larsson, 2012).

Further weaknesses of the region of Gävleborg in regard to its attractiveness towards foreign investors are that the insufficient response promptitude to prospects, as they usually turn to different locations simultaneously (Ahlqvist, 2012); that Gävle lies too far north (Ahlqvist, 2012), and for some industries, that there is still only one train track available for the movement of people and goods (Evelid & Larsson, 2012). Moreover, as described in the theory, there are sometimes financial incentives for establishing companies to stimulate inward investment (Vindelyn Smith-Hillman & Maktoba, 2005). This is also the case for some regions in Sweden; however, it does not apply to Gävleborg, since it is situated too close to the Stockholm area (Arnell, 2012; Åkerberg & Schilling, 2012).

5.3 Opportunities

Opportunities belong to the external factors and are possibilities to improve a company's performance (Hooley et al., 2008). The project "Invest in Gävleborg" as such provides a good opportunity for the region of Gävleborg to attract FDI, as it is important for the different municipalities to be promoted together, in order to achieve an impact (Arnell, 2012; Hansérs, 2012; Åkerberg & Schilling, 2012). This common promotion can be done through different activities such as creating a tailored portfolio (Hansérs, 2012; Åkerberg & Schilling, 2012) and by putting an informative project website online as soon as possible (Lundquist & Svensson, 2012), in order to have tools available to faster answer prospects (Ahlqvist, 2012; Hansérs, 2012). Another approach to increase the awareness of the region is to participate in selected trade fairs (Hansérs, 2012; Åkerberg & Schilling, 2012). In fact, it is a request by the majority of interviewees that the agency gets more proactive (Ahlqvist, 2012; Arnell, 2012; Elvelid & Larsson, 2012; Lundquist & Svensson, 2012). Exhibitions enable to meet many people at a common place and to build up relationships (Ahlqvist, 2012; Åkerberg & Schilling). In this regard, it is suggested to not rely too much on "Invest in Sweden" (Ahlqvist, 2012; Lundquist & Svensson), but rather be self-confident and aware of the region's competences (Lundquist & Svensson, 2012). Another opportunity to run the project more smoothly is the clarification of roles and tasks, in order to avoid overlapping of responsibilities with "Invest in Sweden" and "Stockholm Business Alliances" (Arnell, 2012; Evelid & Larsson, 2012).

In order to be even more proactive, some interview partners advised to get in direct contact with companies already established in the region (Arnell, 2012; Elvelid & Larsson, 2012;

Lundquist & Svensson, 2012). Maybe suppliers or collaborating firms of existing companies are interested in investing. Hence, companies in the region should be seen as ambassadors for Gävleborg (Lundquist & Svensson, 2012). These are other opportunities of initiating contacts with prospects.

Overall, the main aim of Gävleborg should be to increase the level of education from mainly high school to higher education graduates (Arnell, 2012), because it was named as a disadvantage for attracting FDI by all interviewees. Moreover, the region needs to be attractive by ensuring a good life quality (Lundquist & Svensson), in order to prevent young, skilled citizens to move to the bigger cities (Åkerberg & Schilling, 2012; Elvelid & Larsson, 2012). By increasing the education level, which also includes a better cooperation with the local university (Åkerberg & Schilling), the region will become more attractive to SMEs (Arnell, 2012). This higher education and competence level is especially important in regard to the worldwide pattern of foreign direct investments. The qualitative interviews have shown that production sites tend to move towards developing countries with cheaper labour (Arnell, 2012; Elvelid & Larsson, 2012; Lundqvist & Svensson, 2012; Åkerberg & Schilling, 2012), and consequently FDI inflows to emerging economies are on the rise (UNCTAD, 2011a). Thus, it becomes a necessity for Sweden and for Gävleborg in particular, to focus on jobs requiring higher education. For example, the region could focus on CleanTech, since Sweden is advanced in this field (Åkerberg & Schilling, 2012).

There are some opportunities for “Invest in Gävleborg” that are more concrete. For example, wind power is well-conditioned in the county of Gävleborg (Åkerberg & Schilling) and could experience a further growth, as a future establishment of 4,000 wind mills is planned (Lundquist & Svensson, 2012). In regards to the FDI theories, such an investment could be explained by the international PLC theory, because during the maturation phase, a company tends to invest abroad, where the demand is high (Vernon, 1966; Wild & Wild, 2012), which is currently given for wind power in Sweden.

Another opportunity for FDI might arise from the upgrading of the logistic harbour in Gävle, as this could attract companies searching for warehouses (Ahlqvist, 2012). Nonetheless, in order to have some jobs in the region requiring less competence, Per-Olof Hansérs (2012) suggests to search for opportunities in Uppsala and Stockholm, where many companies have their headquarters, and try to build up their production facilities in Gävleborg. This would be

reasonable, because costs are lower in this region than the cities and it is still easy for workers and management to commute (Hansérs, 2012). Notwithstanding, this would not be FDI, as no flow of capital crosses a national border (Athukorala, 2009).

Overall, as a further opportunity which might be realised, the aim should be that “Invest in Gävleborg” becomes a permanent institution (Lundquist & Svensson, 2012; Evelid & Larsson, 2012; Åkerberg & Schilling, 2012), which helps to build up long-term relationships with companies and authorities, and gives more reliability to IGA (Åkerberg & Schilling, 2012). Lastly, a better long-term planning can be ensured (Evelid & Larsson, 2012).

5.4 Threats

Within the theory part of this thesis, it has been explained that the threat of a SWOT analysis discusses external influences that could be dangerous for a firm or project (Hooley et al., 2008).

There are a number of roadblocks and dangers that might influence the performance and the success of “Invest in Gävleborg”, such as the competition with other investment agencies (Arnell, 2012; Åkerberg & Schilling, 2012). Every region in Sweden possesses or is in the process of establishing an inward investment agency (Åkerberg & Schilling, 2012). A consequence could be that companies undertaking FDI might be enticed away by other regions. Furthermore, Gävle, which is the capital of the region Gävleborg, collaborates already with the “Stockholm Business Alliances” and “Invest in Sweden”, as well as having its own business department working with similar objectives. Thus IGA needs to point out its positive attributes in a good manner, as it will otherwise not be of interest (Arnell, 2012; Elvelid & Larsson, 2012).

Another threat is the attractiveness of other countries, in which production and labour costs are lower than in Gävleborg. For instance, the company Ericsson moved its production to such a low production and low labour cost country (Ahlqvist, 2012; Arnell, 2012; Hansérs, 2012). Moreover, the Swedish market is rather small, whereas the market in other countries increased, so that firms prefer moving where the market is, in order to decrease transportation costs (Arnell, 2012; Hansérs, 2012).

Above all, due to globalisation, which enables the access of markets that were closed in the past, there is a worldwide investment flow (Elvelid & Larsson, 2012; UNCTAD 2011a). Another connected aspect is that there has been a general market shift (Ahlqvist, 2012): first, China was the target for FDI inflow, because there have been elevated investments (Ahlqvist, 2012; Ietto-Gillies, 2011). Later the shift of markets may lead to a flow of investment to India, Bangladesh and Vietnam (Ahlqvist, 2012). Due to the fact labour costs are rather high in Sweden, it is not likely that Sweden or Gävleborg will possess again high volume productions; thus they ought to focus on other areas (Ahlqvist, 2012). Overall, as explained in the theory, emerging and developing markets are on the rise concerning FDI (UNCTAD, 2011a).

A further threat for FDI flows is an economic downturn, since those flows are reliant on the economic development of a country and region (Wild & Wild, 2012).

In addition, there are governmental influences that might manipulate the establishment of FDI, since in some countries and areas of Sweden, financial incentives like tax holidays are provided to foreign companies (Arnell, 2012; Vindelyn Smith-Hillman & Maktoba, 2005). However, Gävleborg does not receive those benefits, as it is in the close surrounding of Stockholm (Arnell, 2012; Åkerberg & Schilling, 2012). Another fact that is influenced by the government is the amount of trade barriers (Vindelyn Smith-Hillman & Maktoba, 2005), which are higher in Sweden than in other countries; therefore firms decide in favour of other nations (Ahlqvist, 2012).

Aside from that, “Invest in Gävleborg” is set up as an EU-financed project, which will for now terminate in 2014 (Ahlqvist, 2012; Åkerberg & Schilling, 2012), though, in order to be successful, permanence and stability are important (Ahlqvist, 2012; Åkerberg & Schilling, 2012).

6 DISCUSSION

In the beginning of the investigation three research questions had been formulated that are supposed to be answered by the end of the study period with the help of the gathered theoretical knowledge, as well as empirical findings. Looking back at the research questions, it was possible to answer all questions and consequently fulfill the research aim.

RQ1: How can Gävleborg be characterised regarding FDI?

There are a number of factors that characterise Gävleborg concerning foreign direct investment. Gävleborg owns a good infrastructure, including railways, European highways, a class one port, as well as an airport in the near surrounding (Arnell, 2012; Hansérs, 2012; Åkerberg & Schilling, 2012). Moreover, it is close to the Stockholm area, where a variety of international companies are already located (Elvelid & Larsson, 2012; Åkerberg & Schilling, 2012). Furthermore, the region of Gävleborg is able to provide expertise in some sectors, such as fibre optics, GIS, steel and forestry, as well as environmental consulting (Arnell, 2012; Hansérs, 2012; Åkerberg & Schilling, 2012). Additionally, the Gävleborg region holds 60 hectares of land, which are at all times ready to build on. Thus foreign companies thinking about establishing themselves in the region would be able to build office rooms, as well as production plants without risking delays (Arnell, 2012; Elvelid & Larsson, 2012). Lastly, living as well as labour costs are comparatively low, which means land and workforce are obtainable for a fair price (Hansérs, 2012; Åkerberg & Schilling, 2012).

Nevertheless, there are also negative factors that characterise Gävleborg in the context of FDI. For instance, the region has exclusively one railway track, which is used to transport merchandise and people (Elvelid & Larsson, 2012). Moreover, even though the level of education is rather low compared to other regions, labour costs are relatively high for low-skilled labour (Ahlqvist, 2012; Lundquist & Svensson, 2012; Åkerberg & Schilling, 2012). Lastly, the region of Gävleborg is somewhat unknown by foreigners, contrasted with areas like Dalarna or Lappland, with other words brand awareness is absent (Lundquist & Svensson, 2012; Åkerberg & Schilling, 2012).

RQ2: Why is there a low number of foreign direct investments in Gävleborg?

The theory has shown that Sweden as an industrialised country is more active on outward than on inward investment (UNCTAD Statistics, 2012) which also applies to the region of Gävleborg, as especially big companies such as Ericsson and Leaf/Läkerol have left the area for strategic reasons (Ahlqvist, 2012; Arnell, 2012; Elvelid & Larsson, 2012; Hansérs, 2012; Lundqvist & Svensson, 2012; Åkerberg & Schilling, 2012). Although Gävleborg's wage level is competitive within Sweden (Hansérs, 2012; Åkerberg & Schilling, 2012), on an international scale, labour is too expensive for low-skilled jobs (Ahlqvist, 2012; Hansérs, 2012). As a consequence, Gävleborg cannot compete with lower labour cost countries, e.g. in Eastern Europe (Ahlqvist, 2012; Arnell, 2012; Hansérs, 2012).

Another rather global issue influencing FDI in Gävleborg is that there is in general a shift in markets and thus investment flows towards developing and transition countries, which are easier to access nowadays (Ahlqvist, 2012; Elvelid & Larsson, 2012; Ietto-Gillies, 2011; UNCTAD, 2011a).

The region of Gävleborg, in particular, has some characteristics which can be seen as drawbacks by potential investors, and thus be reasons for the non-investment. For example, the education level is lower compared to the average in Sweden (Ahlqvist, 2012; Arnell, 2012; Elvelid & Larsson, 2012; Hansérs, 2012; Lundqvist & Svensson, 2012; Åkerberg & Schilling, 2012) and the demographic situation might lead to an increasing lack of skilled labour in future (Åkerberg & Schilling, 2012). Furthermore, since Gävleborg is not densely populated, the catchment area and hence the target market are rather small (Arnell, 2012; Hansérs, 2012). In regard to dominant industries, Gävleborg has focused in the past on production facilities and low service sectors, such as call centres (Ahlqvist, 2012) which they cannot compete in anymore due to emerging markets. Furthermore, the region is not well-known abroad (Åkerberg & Schilling, 2012) and lacks self-confidence in its presentation (Ahlqvist, 2012; Elvelid & Larsson, 2012; Lundqvist & Svensson, 2012).

Additionally, the Swedish government provides some financial incentives to companies establishing in certain regions (Arnell, 2012; Vindelyn Smith-Hillman & Maktoba, 2005). However, Gävleborg is not eligible for those incentives, because it is geographically well-situated due to its closeness to Sweden's capital (Arnell, 2012; Åkerberg & Schilling, 2012).

Lastly, it has been a problem that "Invest in Gävleborg" is currently not a permanent institution (Ahlqvist, 2012; Åkerberg & Schilling, 2012), and that there was a gap between

2007 and 2011, although there were still ongoing projects (Ahlqvist, 2012). This discontinuity has led to ambiguities of the collaboration with other authorities such as the municipalities (Arnell, 2012; Elvelid & Larsson, 2012) as well as uncertainties with companies (Ahlqvist, 2012; Lundquist & Svensson, 2012).

RQ3: How can Gävleborg increase their attractiveness for foreign companies to invest?

There are some criteria which may have a positive effect on the inward investment to the region of Gävleborg. One crucial factor is the availability of skilled labour, i.e. the education level shall be raised (Arnell, 2012) and a high life quality ensured (Lundquist & Svensson, 2012), in order to keep educated people in the region (Åkerberg & Schilling, 2012). This also includes a closer cooperation with the local university and the offer of good health- and childcare (Åkerberg & Schilling, 2012).

From the perspective of the case study “Invest in Gävleborg”, it is important, that the municipalities are promoted as one region (Arnell, 2012; Hansérs, 2012; Åkerberg & Schilling, 2012), in order to increase its awareness (Hansérs, 2012; Åkerberg & Schilling), and to work strategically together (Hansérs, 2012). This may be supported by a tailored portfolio (Evelid & Larsson, 2012; Åkerberg & Schilling, 2012), participation in selected exhibitions (Ahlqvist, 2012; Hansérs, 2012; Åkerberg & Schilling, 2012), and an informative website (Lundquist & Svensson, 2012). Furthermore, the investment agency can become more proactive by getting in contact with companies which are present in the region (Arnell, 2012; Elvelid & Larsson, 2012; Lundquist & Svensson, 2012), in order to reach prospects via their contacts. Moreover, the quick response towards interested investors (Ahlqvist, 2012; Elvelid & Larsson, 2012) and the availability of facilities, e.g. land to build on, are vital for the attractiveness of the region for FDI (Arnell, 2012; Elvelid & Larsson, 2012).

7 CONCLUDING REMARKS

The purpose of the study was to discuss foreign direct investment in regard to the attractiveness of the region of Gävleborg towards this global phenomenon. Hereby, it has been shown that FDI, which has grown over time and becomes especially significant for developing nations, often, takes the form of a Greenfield investment or a cross-border M&A. The paper focuses on inward investment, which is basically any financial flow into a host country with the aim of starting a business by a foreigner, to the region of Gävleborg. In order to do so, six qualitative interviews with different authorities were conducted and evaluated on the basis of the given theories and their interrelation with one another. It has been discussed that a company's decision where to establish abroad is dependent on many factors, including e.g. the availability of natural resources, the company's strategic approach, the competitive environment and closeness to suppliers, and the availability of adequate employees.

This thesis has shown that Gävleborg is characterized by both attractive and unattractive aspects concerning investments. Therefore, even though a number of foreign companies have set up in the region of Gävleborg, the overall level of FDI is low due to various reasons.

One aspect is the low level of education in the region, but too high labour cost compared to other nations. Moreover, there has been a five-year gap, in which no efforts towards FDI attraction have been made. Linked to this aspect is the fact that the current inward investment agency does not yet proceed in a proactive manner. Furthermore, the region has a lack of self-confidence, which results in a lower awareness of the region, due to missing promotion.

Above all, theories show that a number of factors are important for firms to decide, whether to undertake FDI or not such as business environment, market size and financial incentives. However, the aforementioned aspects have been reasons for companies to leave the region of Gävleborg and move to nations that provide incentives like tax holiday or which accounts to a higher market size. Consequently, it is challenging for Gävleborg to compete in the global context for attracting FDI, however, it has some advantages such as its infrastructure and expertise in certain industries, which could be taken advantage of in future by creating awareness of the region and collaborating with established companies.

7.1 Theoretical and Practical Implications

This research project possesses valuable theoretical and practical implications for various parties. On the one hand, it provides a sound and understandable overview of the most

common FDI theories, such as the eclectic and product life cycle theory. Furthermore, entry modes, like M&A and WOS are explained, as well as different forms of FDI.

On the other hand, practical implications are given, which may aid IGA to understand their status quo, as well as how they are perceived by external parties. Moreover, an impression about resources, strengths and weaknesses are provided, that may entice or hinder FDI in the region of Gävleborg. Aside from this, the various municipalities of Gävleborg obtain the possibility to witness, where advantages and disadvantages lie. Also important is the fact that companies, which are interested in investing in Sweden or the region of Gävleborg receive an outline of what they could expect.

7.2 Further Research

After having completed the research project, a number of suggestions for further research have been identified. Firstly, it is proposed to observe the long-term effect and therefore produce a comparison in two years time, in order to see the development of the endeavours. Secondly, a contrast with another Swedish region could be of interest, to be able to understand how different or similar the approaches are, and the resulting performances. Linked to this aspect, a comparison with an inward investment agency of another country may be worthy of note, to identify strengths and weaknesses in the working process of “Invest in Gävleborg”. Thirdly, the point of view of a company that have or considered establishing in the region might be noteworthy, in order to provide a helicopter view on the topic. Lastly, an investigation could be conducted that measures existing companies’ perception of the Gävleborg region’s attractiveness.

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APPENDICES

1) Interview Guide for Carina Åkerberg & Michael Schilling

1. Define your tasks in 2 sentences.
2. What are your expectations of the project Invest Gävleborg?
3. Do you have an overview of the FDI activities in this region?
4. Do you focus your activities on certain industries/countries?
5. How does your collaboration with “Invest in Sweden” and the municipalities look like?
6. Why should companies invest in Gävleborg? What are the benefits?
7. Do you see any drawbacks of the region which could hinder companies to establish here?
8. Have you heard of any companies that have decided to leave the region? Why?
9. How do you promote the region for foreign companies?
10. Do you perceive your service as a facilitation for companies to establish in Gävleborg? If yes, how?
11. What would you change in the establishment process if you could?
12. Why did you start right now with this project and not earlier?

2) Interview Guide for Bruno Ahlqvist

1. Are you in contact with “Invest in Gävleborg”?
2. What would you expect of the project “Invest in Gävleborg”?
3. Do you have an overview of the FDI activities in this region?
4. Is there an FDI trend towards a certain industries/countries?
5. Why should companies invest in Gävleborg? What are the benefits?
6. Do you see any drawbacks of the region which could hinder companies to establish here?
7. Have you heard of any companies that have decided to leave the region? Why?
8. Is the new IGA different from the former one? If yes, in what way?
9. What major challenges did you have to face with IGA?
10. What were your major accomplishments?
11. What would you like to improve within the process of collaboration/establishment?

3) Interview Guide for Municipalities and Chamber of Commerce

1. Please define your tasks in 2 sentences
2. How does your collaboration with Invest in Gävleborg look like (so far)?
3. What are your expectations of the project Invest in Gävleborg?
4. Do you have an overview of the FDI activities in this region?
5. Is there a FDI trend towards certain industries/countries?
6. Why should companies invest in Gävleborg? What are the benefits?
7. Do you see any drawbacks of the region which could hinder companies to establish here?
8. Have you heard of any companies that have decided to leave the region? Why?
9. How do you promote the region for foreign companies?
10. What would you like to improve within the process of collaboration/establishment?

4) Education Level in Gävleborg

Figure 8: Education Level of Gävleborg (Region Fakta, 2012)

