

EVOLUTION OF THE FINNISH PULP AND PAPER INDUSTRY'S **BUSINESS NETWORK**

Focus on actors, resources and activities

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Research aim

- ▶ To construct a systemic picture of the development of the Finnish pulp and paper industry's business network by utilising the Actors, Resources and Activities –model

Methods

- ▶ Intrinsic case study, qualitative directed content analysis

Theoretical orientation

- ▶ Business networks, service-dominant logic, ARA-model analysis

Preliminary results

ARA1: 1860's - 1910's

From beginning of wood-based paper production in Finland to Finnish independence

- ▶ Finnish business system started to evolve in the middle of 1800's. Demand and consumption of paper increases: innovation wood-based paper. New technologies: mechanical and chemical pulp for paper and board production.
- ▶ **Actors:** Entrepreneurs and limited companies. Export associations. Financial institutions.
- ▶ **Resources:** Cheap wood, labour and energy. Finnish entrepreneurs, foreign knowhow. Foreign machinery and technology.
- ▶ **Activities:** Products: mechanical and chemical pulp, wood-based paper, board. Political influencing. Exports to Russia and Europe. Exporting pulp, paper and board.

ARA3: 1950's - 1990's

From the golden age of economic growth to economic crisis, upturns and European integration

- ▶ II World War. Rapid global economic growth. Increasing demand and usage of paper and board. Increasing investments, production and exports. Oil crisis in the 1970's. Upturns in 1950's and 1980's. European integration.
- ▶ **Actors:** Limited and state owned companies: Integrates. Export associations. Central association. State. Forest cluster. Financial institutions.
- ▶ **Resources:** New domestic technologies and innovations. Wood, logistics and harvesting expenses increase. Labour more expensive and more competent. Energy intensive.
- ▶ **Activities:** Products: news, tissue and other paper. Chemical pulp used for own production. Large domestic and international investments. Research and innovations in paper products. Increasing attention towards forest management. Formal political influencing: industrial diplomacy. Global exports. Exporting paper, board and pulp.

ARA2: 1920's - 1940's

From increasing co-opetition to Second World War

- ▶ Societal upheaval, I World War, Finnish independence. Newspaper became mass media and increasing demand for packaging paper. Saw industry joins paper industry. Increasing cooperation in production, exports, marketing and social and political influencing.
- ▶ **Actors:** Limited and state owned companies. Cooperation organisations. Financial institutions. State.
- ▶ **Resources:** New technologies, bigger and faster machines. Wood, residues and recycled paper. Cheap labour.
- ▶ **Activities:** Products: paper (newspaper), board and pulp side streams. High quality bulk products and research. Formal political influencing. Exports to Russia, Europe and North and South America. Exporting paper, pulp and board.

ARA4: 1990's - 2000's

From structural changes and new rise to crisis of paper and dawn of bioeconomy

- ▶ Collapse of Soviet Union. Finnish EU membership. Economic depression and structural change in Finnish political and economic system. Structural change in companies.
- ▶ **Actors:** Three big global corporations. State and EU. Stakeholders. Forest cluster.
- ▶ **Resources:** Modern big and efficient paper machines. Competent employees: intangible competence, innovations, patents. Wood: expensive domestically, cheap globally.
- ▶ **Activities:** Products: paper, board, chemical and mechanical pulp. Strategy and management: own marketing, exports, research etc. Corporate governance, corporate social responsibility and environmental issues as competitive advantage. Informal lobbying and cooperation. Global exports. Exporting printing and writing paper.

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