

Crown and Crisis: The Norwegian Royal House Under Pressure

MANAGEMENT DECISION

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

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At the present time, the Norwegian Royal House case remains ongoing, meaning that final management decisions remain to be taken. As of early February 2026, and in parallel with the unfolding controversies, the Royal House has issued two official public statements acknowledging the incidents, constituting the entirety of the Royal House's official response. No other management decisions have been publicly communicated.

28 January 2026

On 28 January 2026, Crown Prince Haakon issued a formal statement regarding the forthcoming court case involving Marius Borg Høiby. The Crown Prince opened by expressing sympathy for those who are affected by the case, as well as for their families and others who care about them. He then emphasized confidence in the judicial system, stating that it is reassuring to live in a state governed by the rule of law and expressing trust that the proceedings will be conducted justly.

The statement clarified that Marius Borg Høiby “is not a member of the Royal House of Norway and is therefore autonomous.” It further stated that he is a Norwegian citizen with “the same responsibilities as everyone else – as well as the same rights.”¹ Beyond this, Haakon announced that the Royal House will not provide any further comments during the trial and that its duties will continue as normal.

6 February 2026

On 6 February 2026, the Royal House issued another official statement, this time addressing Crown Princess Mette-Marit's past associations with Jeffrey Epstein. In the statement, which begins by acknowledging the widespread public reaction, Mette-Marit states that she ‘strongly condemns Epstein's abuse and criminal acts.’ She expresses regret for not having understood earlier ‘what kind of person he was’ and for not having examined his background more thoroughly. Subsequently, a direct apology is issued:

“I would like to express my deepest regret for my friendship with Jeffrey Epstein. It is important for me to apologize to all of you that I have disappointed. Some of the content of the messages between Epstein and me does not represent the person I want to be. I also

¹ The Royal House of Norway (2026).

apologize for the situation that I have put the Royal Family in, especially the King and Queen.”²

The Royal House further clarifies factual elements of the relationship. It states that contact ended in 2014 and confirms that the Crown Princess never visited Epstein’s private island. According to the statement, she did not receive any financial support from him, either personally or for foundations with which she was involved. Meetings are described as having taken place in social settings, most of them in the United States, and with several people present.

The statement also notes that the Crown Princess intends to provide a more detailed explanation, but is unable to do so at the present time due to the demanding situation. Since 6 February 2026, Mette-Marit has neither appeared publicly nor issued any further communication.

Strategic Crisis Management: The Spanish Precedent

Between 2011 and 2014, the Spanish monarchy saw a sharp decrease in public trust. A combination of institutional and personal scandals began to erode trust. The King’s son-in-law, Iñaki Urdangarin (married to Princess Cristina, the King’s daughter), was involved in the Nóos corruption affair, raising questions about accountability within the Royal Household. At the same time, the King’s 2012 vacation to Botswana to go elephant hunting during Spain’s critical economic crisis drew severe criticism for being insensitive and unresponsive to the hardship of Spain’s population, with unemployment topping 24%. During this period, the monarchy’s approval ratings declined significantly.

18 April 2012

After King Juan Carlos left the hospital following a sustained hip injury during that hunting trip, King Juan Carlos apologized directly and on television, breaking centuries of custom with: “I am very sorry. I made a mistake and it won't happen again.”³

2 June 2014

Juan Carlos I declared his abdication. From a broad perspective, the decision was viewed as a calculated act of institutional preservation. The change to Felipe VI was portrayed as a moral recalibration and generational rejuvenation.

² Det Norske Kongehus (2026).

³ Tremlett (2012).

19 June 2014

King Felipe VI was proclaimed and sworn in as King. He implemented measures to rebuild trust, including increased financial transparency, the release of royal accounts, moral standards for members of the Royal Household, and initiatives to separate the institution from those involved in scandals. Following the accession, as part of establishing a 'clean slate' policy to prevent further reputational incidents, the royal family prohibited members from employment in the commercial sector.

11 June 2015

Almost a year after his accession, King Felipe VI formally revoked his sister Princess Cristina's (married to Iñaki Urdangarin) title as Duchess of Palma de Mallorca, in an effort to distance the institution from further legal scandals.

As the Norwegian Royal House is currently facing a reputational crisis, this raises attention to the similarities to those the Spanish monarchy encountered in the years leading up to Juan Carlos I's abdication in 2014. Guri Varpe's challenge as Head of Communications goes beyond personal scandals: it is about preserving the integrity of a legacy brand itself.

References

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