

# Participation of third sector in implementation of Regional Structural Fund programmes in Finland

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**ABSTRACT.** The role of the ‘third sector’ – or associations and funds – in regional policy can be linked to the search for new forms of governance. In our study, we were interested in the following questions: What is the role of the third sector in the partnerships of the Regional Structural Fund programmes (especially Objective 1)? Have the programmes and the partnership principle led to a shift from ‘government’ to ‘governance’? Do partnerships cover also the participation of the third sector? The article is based on a study on Objective 1 programmes in Eastern and Northern Finland. New forms of governance were reflected in the rise of partnerships and project-orientated action. However, the strong position of the public sector, the market-orientated conception of partnerships and the rigid functioning of the system – linked both to the Finnish administration and to the regional Structural Fund programmes – give relatively little space for the third sector.

**T**he role of the ‘third sector’ – or associations and funds – in regional policy is an actual topic, which can be linked to more general changes in regional development and to the search for new forms of governance. In Finland as well as in other European countries, there has been a shift from a top-down, redistributive regional policy towards more bottom-up and endogenous development, involving new forms of co-operation between the actors involved (e.g. Westholm 1999, Mäkinen 1999). These changes are linked to the discussion about a potential shift ‘from government to governance’, or from more hierarchical to more networked structures

and to the participation of different partners representing the market and the civil society in the shaping and implementation of policies (e.g. Kooiman 1993, Hirst 2000).

In this article, we analyse the role of the third sector in the context of the Structural Funds and its relation to a potential shift from government to governance. In earlier research, most of the studies concerning participation have analysed local action groups created by the Leader Community Initiative, and there is less information about the Regional Structural Fund programmes – which, however, are the largest instruments of EU’s structural and regional policy. This article

is based on a study about the role of the third sector in regional Structural Fund programmes (Objective 1) in Eastern and Northern Finland. In our study, we were interested in the following questions: What is the role of the third sector in the partnerships of the Regional Structural Fund programmes (especially Objective 1)? Have the programmes and the partnership principle led to a shift from government to governance? Do partnerships cover also the participation of the third sector? Our point of view is that although third-sector participation is shaped by the Finnish politico-administrative system, it also indicates the room for manoeuvre which is provided by the Structural Funds to the third sector or civil society<sup>1</sup> more largely understood (cf. Östhol-Svensson 2002).

First, we introduce the frame of reference and the national context before the analysis which is then divided in two parts, one dealing with the written data and the other with interviews undertaken. The results will be collated and analysed further in the conclusion.

### **Governance, Structural Funds and third sector**

The purpose of the Structural Fund policy is to promote economic and social cohesion across Europe by reducing disparities between regions and countries. During the programming period 2000–2006, the priority objectives of the Structural Funds were Objective 1, aimed for regions whose development was lagging behind; Objective 2, supporting economic and social conversion in industrial, rural, urban or fisheries-dependent areas facing structural difficulties; and Objective 3, aimed at modernising systems of training and promoting employment. Moreover, the Community Initiatives Interreg III, Urban II, Leader+ and Equal as well as innovative actions were funded from the Structural Funds. The functioning of the Structural Funds is based on four principles: concentration, programming, partnership and additionality (as well as the more general principles of subsidiarity and transparency). In this article, we concentrate es-

pecially on the partnership principle. The vertical dimension of the partnership principle signifies collaboration between the different levels of administration, while the horizontal dimension means connecting actors representing public, private and voluntary organisations to analysis and action (Westholm 1999: 14).

We use the concept of governance as the theoretical framework of this article. The concept is ambiguous and has different interpretations (Hirst 2000). In our study, governance is understood as a way of co-ordinating politics through networks and partnerships, which is crucially different from the traditional, more centralised and hierarchical government (e.g. Kooiman 1993, Hirst 2000). The circle of actors also embraces the market and civil society, including participants such as labour unions, trade associations, firms, Non-Governmental Organisations (NGOs), local authority representatives, social entrepreneurs and community groups. Governance is typically found in micro- and meso-levels in cities, regions and industrial sectors. (Hirst 2000: 19).

The governance discussion has a dual character and emphasises both the search for effectiveness in the implementation of policies and new forms of democracy and participation (Papadopoulos and Warin 2007). However, the relationship between governance and democracy is ambivalent. New forms of governance can pose a threat to traditional liberal democracy, since in new partnership- and network-based structures, aspects such as political control, accountability, equity, transparency, legitimacy, and representation become unclear. However, governance can be understood as the growing participation of different groups in decision-making and in the implementation of policies, and in the creation of more deliberative and participatory forms of democracy (see e.g. Hirst 2000, Bogason–Musso 2006, Papadopoulos–Warin 2007).

The partnership principle of the Structural Funds is often seen as reflecting these new forms of governance (Östhol-Svensson 2002, Valle 2002). However, most of the research concentrates on the vertical dimension of the partnership principle – which is especially important

in the research about multi-level governance (e.g. Marks et al. 1996, Hooghe–Marks 2001) – whereas in our study, we are more interested in the horizontal dimension of the partnership principle or the project level and the different actors participating there. The complex relationship between governance and democracy has been discussed in the context of Structural Fund partnerships (e.g. Virkkala 2000, Olsson 2003, Bache–Chapman 2008). On one hand, partnerships can erode representative democracy. On the other hand, the partnership principle can be linked to democratisation and a wish to include a broad range of different actors and citizens in the planning and realisation of the Structural Fund policy and to augment its legitimacy. More generally, citizen participation is seen as a means of increasing the attractiveness, feasibility and impressiveness of regional and local development work (Mäkinen 2003).

Earlier studies on the Structural Funds confirm the powerful positions of those who already have power, and especially the nation state and its representatives play an important part (Bache 1998, Sutcliffe 2000). According to an evaluation of the partnership principle of the Structural Fund policy, the public sector is outstandingly strong in Finnish partnerships (Kelleher et al. 1999). However, municipalities and their collaborative structures participate besides the administration of the state (e.g. Valve 2003, Grönqvist 2002, Virkkala 2002). Moreover, Finnish partnerships are more oriented towards the market than towards the third sector (Mustakangas et al. 2003: 11).

The results of earlier Finnish or international studies about Structural Fund programmes and the third sector are ambiguous, emphasising either a possibility of empowerment (Virkkala 2002, Mustakangas et al. 2003, Hyyryläinen–Kangaspunta 1999) or very limited room for manoeuvre (Valve 2003). The more positive studies about local partnerships also show limitations in the participation of the third sector, stating that the role of associations in partnerships remains vague (Mustakangas et al. 2003: 35) or showing that, at regional level, it is difficult for other than established institutions or interest organisations

to enter into partnerships (Virkkala 2002). Finnish studies about the Leader Community Initiative and local partnerships have in general been positive, as partnerships are seen to benefit local inhabitants and increase social capital (e.g. Hyyryläinen–Kangaspunta 1999; for a more recent and nuanced overview see Kull 2008).

This article is based on a study conducted in 2003 which analysed the role of the third sector in the partnerships of the Objective 1 programme, aimed at regions whose development was lagging behind (for the entire research report in Finnish, see Kuokkanen 2004). The analysis was made both at a general level of the Finnish Structural Fund programmes and at project level. The institutionalised forms of the partnership principle, the Regional Management Committees, were left out of focus, as the idea was to concentrate on the concrete level of policy implementation, which has, according to governance research, become more and more a place where power struggles or the concrete interpretation of high-level objectives happen (Hajer 2003). Also the growing ‘projectification’ of policies has been the topic of current research, and its relationship to democracy remains ambivalent (Sjöblom et al. 2006). The overall programmes were seen as reflecting the policy horizon in which the projects were situated.

The data consisted of written sources and interviews. The first step in the analysis was to read the single programming documents (SPDs) of Eastern and Northern Finland and to analyse the way in which the third sector or civil society was presented in them. The idea was that the policy documents frame a reality in which concrete projects are conducted. Thus, it can be assumed that the way in which the third sector is presented in the SPDs has also an impact on the practical functioning of the Structural Fund programmes. After that, the European Social Fund (ESF) projects conducted between 2000 and 2003 in the priority areas of expertise and employment or labour capabilities were analysed: who was leading the project, with which partners and what was the aim of the project. These ESF gave qualitative and quantitative information about organisers, partners and the concrete content of the policy.

Finally, twelve key actors representing civil servants at different levels of administration and representatives of the third sector realising ESF projects were interviewed. The aim of the interviews was to give more depth to the analysis and to hear concrete experiences from the projects. The interviews were semi-structured. In the interviews with the civil servants, the questions dealt with different third sector actors participating in the Structural Fund policy, the relevance and the value added of the participation of the third sector, the link between the third sector and the grassroots level, the role of the third sector in the different phases of the policy process and the role of the civil society in regional development and in the Objective 1 programme. In the interviews with the third sector, the questions were partly the same, but they also concerned the association in question and the project in which it had participated, the attractiveness of participation to the Structural Fund policy, cooperation with different partners and the role of the third sector in the Structural Fund policy compared to its other functions.

### National context

Finland is characterised by a strong unitary state, combined with significant municipal autonomy and a relatively weak regional level. From a European perspective, Finland has traditionally been characterised by the Nordic or 'social democratic' welfare state model (Esping-Andersen 1990), and the neo-corporatist elements and consensualism of the system have often been highlighted (Noussiainen 1998: 93). Finnish association activity has traditionally been high, when measured with the number of associations or the number of Finns belonging to an association. Associations cover different fields and mainly have a layered structure, ranging from local to national levels. (Helander-Sundback 1998.)

The collapse of the Soviet bloc, a severe economic depression in the early 1990s and Finnish EU membership in 1995 have all affected the political system. There has been pressure concerning the welfare state which has created new

forms of service provision and collaboration, and the corporatist model, which has, according to some authors, shifted towards more pluralism (e.g. Hirst 2000: 19, Pierre-Peters 2000: 35). Regional disparities have also increased (Sandberg 2000). Both the role of the third sector in the provision of welfare services and the creation of new, direct forms of citizen participation have been actual topics in the Finnish discussion and in political initiatives.

Finnish regional policy has been based on macroeconomic efficiency, equality and political reasons such as defence policy or legitimating the construction of the nation state (see e.g. Virkkala 2002). The state-based, redistributive approach has shifted more towards stressing endogenous growth, local actors, business activity and new forms of cooperation, and programmes and projects have become the main form of action (see e.g. Mäkinen 1999: 14–15). According to the Regional Development Act of 2003, Finland's regional policy has three main targets: to strengthen the competitiveness of the regions, to safeguard service structures throughout the country, and to develop a balanced regional structure. Finland's participation in the Structural Fund policy has strengthened the role of regional levels and introduced principles of concentration, partnership, programming, additionality, and subsidiarity.

The administration of the programmes and the partnership principle reflect the characteristics of the Finnish politico-administrative system, such as a strong central state, a sectoral division of public administration, corporatism as well as a situation of both collaboration and competition between the national and the municipal levels of administration (Kelleher et al. 1999, Virkkala 2000.). The way in which the partnership principle is implemented in Finland has been characterised as one of the most complex of institutional structures (Kelleher et al. 1999), and the rigid sectoral barriers have also been viewed as problematic (Virkkala 2000, Grönqvist 2002). The partnership principle is institutionalised in the composition of monitoring committees and Regional Management Committees which have an equal representation of the state, region and

social and economic partners (Valle 2002). A large number of different interest organisations and other associations were also consulted at the preparation phase of the programmes. At project level, partnership structures are less formal and institutionalised (cf. Kelleher et al. 1999).

The Finnish Objective 1 areas are situated in the northern and eastern parts of the country. They are characterised by sparse population, long distances, the predominance of rural areas, a Gross Domestic Product (GDP) and a level of education which are lower than the national average, a relatively high level of unemployment and negative population growth, active migration consisting especially of women and the better educated. The areas are large, covering around two-thirds of the country's land area and 20% of its population. Roughly one third of the area is located above the Arctic Circle.

### **Single programming documents and project level**

According to the single programming documents (SPDs) of Eastern and Northern Finland, both areas had adopted the ideas of endogenous growth and networking. The partnership principle was clearly present, but understood primarily as collaboration between the public sector and the market. Entrepreneurship was one of the special priority areas in both Objective 1 programmes, but it was also reflected throughout the programme. According to the Eastern Finland programme, in the period 2000–2006 entrepreneurship has been emphasised in relation to the public sector (*Itä-Suomen tavoite 1* -ohjelma 2000–2006, 2000: 107). In the programme of Northern Finland, social policy measures are also understood primarily as a means to provide workforce and management for companies (*Pohjois-Suomen tavoite 1* -ohjelma 2000–2006 2000: 57).

In the SPDs, there was relatively little mention of the third sector or civil society, but its role was manifold: consulting in the preparatory phase of the programmes, being a target group in the information of the programmes, acting

in employment partnerships and organising action at the village level. In the programme of Eastern Finland, the third sector was mentioned as a possibility for the region, which may be the reason for a slightly stronger emphasis on civil society, welfare and local participation than in the Northern Finland programme. In both programmes, however, the role of local culture and people was present.

When analysing concrete ESF projects in the context of expertise and employment or labour capabilities, the role of the public sector is evident. Municipalities and their collaborative organisations were among the most important main actors to carry out the projects, and the regional administration of the state (Employment and Economic Development Centres, *TE-keskus*) was also important. In the ESF projects, the context of expertise and employment or labour capabilities gave a big role to educational institutions, such as universities, polytechnics and vocational schools. Although the public sector was definitely the main area in which to carry out projects and though only a small number of businesses acted as main organisers of projects, local businesses were present in most of the partnership-based projects.

The analysis of the ESF projects in the priority areas concerning expertise and employment or labour capabilities revealed a variety of associations (and to a lesser extent, funds) carrying out projects. Many of the participating associations were rooted in the Finnish associational field and many have had duties of the welfare state 'delegated' to them already through public funding over a long period of time. Social and health associations were the biggest category, but fields such as culture, tourism, travel, agriculture, and forestry were also covered. A few associations could be linked to larger political or religious ideological backgrounds, but usually the associations were neutral in that regard. In Eastern Finland, many business-related associations organised projects, conforming to the business-orientated character of the programmes. Equality and environment associations, active in the preparation of the programmes, were hardly present at project level.

All associations could not be seen as representing the third sector, as municipalities had formed associations to organise inter-municipal partnership projects.

Labour market organisations were relatively few at project level. It is too early, however, to draw conclusions about their lessening role in governance (e.g. Hirst 2000: 19, Pierre and Peters 2000: 35), as they participate in partnership institutions at regional level (Virkkala 2002, Valle 2002) and in the preparation and monitoring of programmes. In the interviews, labour market organisations were mentioned by some civil servants, either viewed as an institutionalised (and thus relevant in the context of the Structural Funds) way of representing interests or criticised because of their weak participation at project level and in partnership formation.

The projects led by third sector organisations were heterogeneous, covering employment, creation of new welfare provision models, education, networking of actors, the organisation of events, landscape protection, and livelihood development. Associations could also be partners in projects led by other organisations, usually from the public sector. Many of these projects concerned the provision of welfare services, especially in the field of employment for unprivileged groups. In these projects, associations appeared mainly as a means of employment and, secondarily, as specialists or as innovators. Often the employment opportunities provided by the associations were linked to their own domain, for example, to nature, travel or local development. The projects in which the third sector was involved were not radically different from other projects, with the exception of the intermediary organisation projects. Intermediary organisations represented a novel way of organisation in the Nordic context. Through them, smaller associations had the opportunity to participate in the programmes, and administrative responsibility was left to the intermediary organisation which itself was an association.

It can be said that the functioning of the programmes was primarily economic, and aspects such as local participation had only a secondary

role. In the single programming documents, the third sector or civil society more largely understood was present very little, as the partnership principle was mainly viewed between the public sector and actors of the market – i.e. this concept of governance did not really cover actors of the third sector. However, at project level, there was a range of different associations and funds participating. It can be said that the EU Structural Funds and the partnership principle have adapted to existing Finnish civil society, as all of the participating associations and funds have already a long history in conducting similar tasks before. The biggest change is the introduction of the intermediary organisation model, helping to manage the bureaucracy of the Structural Fund system.

### **Interviews with Structural Fund actors**

The other empirical part of the study consisted of the interviews of actors working with ESF projects in the context of expertise, employment and labour capabilities. The interviewees represented both civil servants at different administrative levels and different kinds of associations which were implementing projects.

According to the interviewees, the participation of the third sector was viewed as desirable. The third sector was perceived as a link between the programme and the local level, citizens or customers (cf. Valle 2003). In that way, its participation was seen as a means of enhancing democracy. Associations were seen to commit local people and channel voluntary work. Aspects such as increasing the quality of life and providing alternatives in everyday life were mentioned. The third sector was also seen as an inspirer of discussion and a channel for the critic of the difficult workings of the Structural Fund system. The activation of new people and new perspectives through the third sector was thought to change the emphasis of the programmes, which was criticised for being too much orientated towards the market and the public sector.

However, the interviewees admitted the heterogeneity of the third sector, as the size



and working logic of associations and funds which participated in the programmes varied considerably. The link to the grassroots level is not automatic and it might even be used as a rhetorical choice by the third sector itself. Some civil servants considered the third sector only as one project organiser among others. In the interviews, the empowerment of the civil society was seen as a positive thing, but the actors understood the concept of civil society very differently: as small NGOs, as local people or as the local or regional level in general.

Besides linking the grassroots level and channelling opinions, the third sector was also associated with other aspects. Associations were seen to represent expertise and innovativeness. Their organisational structure was linked to flexibility, networking and fast reaction ability, in opposition to the more rigid structures of the public sector. Moreover, the third sector was linked to service provision, especially in the scarcely populated countryside, and to the employment or to the employability of vulnerable groups. However, the representatives of the third sector saw themselves mainly as completing, not replacing the welfare state (cf. Helander–Sundback 1998).

The interviewees mentioned problems in the participation of the third sector. The rigid functioning of the Structural Funds was a theme which was present throughout the third sector interviews. The biggest problem was the question of liquidity, because the paying happens afterwards according to the realisation (cf. Grönqvist 2002, Valve 2003). The financing structure was seen to benefit larger organisations such as municipalities or funds and hinder the participation of the smaller NGOs. Civil servants especially saw the intermediary organisations (see previous chapter) as an answer to this problem and as channel for third sector participation. Associations could also participate as partners in other projects where the administrative responsibility would be left to a bigger actor. However, according to the interview of an intermediary organisation, even associations participating through an intermediary organisation found the bureaucracy difficult.

Other problems mentioned by the interview-

ees included, for instance, the planning of programmes in the capital city Helsinki, the rough and changing monitoring criteria, problems of continuity in project work, the lack of municipal funding, different interpretations of concepts such as employment, the lack of reputation of a new organisation, or spatial limitations of the action. The large scale of the ESF projects was criticised as badly fitting as regards the Finnish countryside which is characterised by long distances and scarce population. The concept of the third sector in the ESF framework was also criticised for being very narrow and not rooted in the local reality. Those carrying out projects wanted a deeper anchoring of the programmes at local level together with easier and more understandable information.

One of the research questions was whether the Structural Fund programmes and especially the partnership principle have led to a shift from government to governance, thus affecting the role of the third sector. The interviews showed that Structural Fund programmes have changed the role of the third sector relatively little. Even if big, structural changes such as the shift to more project-based working logic, the 'productisation' of the third sector and the problems in committing people were mentioned, they were seen to happen irrespective of the existence of the Structural Funds. Projects have been an important way of action already before EU membership and many associations had a long history in service provision through public funding. The Structural Funds were seen as a phase in the historical continuum or as a way to finance projects among others, and sometimes the principles of the Structural Funds were actually unknown at project level. The actors did not see that the funding was applied only for the survival of the associations, as the administration took lots of time and energy. Even in the framework of the Structural Funds, grassroots action was considered as the most important thing, and projects should be linked to the normal action of the association to have a real and durable impact.

Although the Structural Funds had not changed the role of the third sector radically, they

had contributed to the overall changes of the associational field. The role of the EU as one factor in the proliferation of projects was mentioned. According to the interviews, participation in projects requires knowledge, work and possibly a novel way of thinking. Funding was seen as a way to enable learning, a broader scale of action and the taking of bigger risks than previously. Two of the associations interviewed were new, and the representative of the other one admitted to have chosen the associational form simply to get ESF funding. Also, the intermediary organisation model was new, and experiences from it were positive.

The representatives of the third sector enumerated a broad range of partners with whom they had been working and many of the interviewees themselves were navigating between public, private and third sectors – showing some blurring of the sectoral frontiers, often linked to new forms of governance. Partnerships were viewed as a positive thing, moderating ideological differences between actors, broadening the target group over traditional associational boundaries, having an impact on the image and publicity of the village (in the case of village action groups) and in small villages being actually the only possible way of action. Partnerships were also a means for the third sector to advocate its interests and increase its importance in the eyes of the public sector, thus empowering the civil society.

However, the changes in the role of the third sector were not only viewed as positive. Some interviewees feared that the ‘productisation’ and the growing bureaucratisation of the third sector might actually loosen the link between the third sector and the everyday life of local people – a threat which has also been present in earlier research (Hirst 2000). Moreover, even if the active role of citizens was mainly appreciated, some interviewees saw it benefiting those who were already active (cf. Geddes 2000: 793).

The participation of the third sector was mainly viewed as a positive and relevant phenomenon among civil servants. However, the third sector was understood as playing a part in the implementation phase rather than in

preparation and decision-making (cf. Virkkala 2002: 186). At national level, a growing number of participants in the preparation process of the Finnish Structural Fund policy was considered as difficult and as weakening the possibility to get a coherent national programme proposition. At regional level, some civil servants were willing to enlarge the participation of the third sector to decision-making, for example, through the Regional Management Committees. However, they had doubts concerning the representativeness and the heterogeneity of the third sector, the likelihood of bias, size and time limits, or the weakening of the link to the grassroots level. Civil servants saw the current situation and the possible pressures for change very differently. According to one civil servant, the Structural Funds already empowered civil society by bettering the local inhabitants’ quality of life, and from that perspective, the participation of the third sector does not play an important role. At the other end of the scale, another civil servant saw the programmes mainly as ‘business subsidies’ and fields dominated by the public sector which would need a more direct link to the civil society.

The representatives of the third sector were willing to strengthen their position, comparing it to the pronounced role of the business life or calling on their own knowledge about their own needs. They wanted an active empowerment of the civil society from the side of the public sector, when now much of the participation was based on their own initiatives. Civil servants’ weak understanding of the functioning of an association in certain time-related or economic limits was criticised. Some civil servants were claimed to treat intermediary organisations as a model brought from outside only because of ‘EU pressure’. One interviewee explicitly talked about the ‘gatekeepers’ in the Structural Fund policy (cf. Bache 1998) as a hindrance for civil society. She also saw partnerships as mere rhetoric which was not concretised in the Objective 1 world, because mainly of the strong role of the public sector. On the other hand, the good functioning of a project or even a broader empowerment of the civil society was linked to local civil servants



who were especially committed. Some problems were also seen as reflecting a phase of learning or a need to avoid misuse.

According to the interviewees, the most important role of the third sector was to act as a link to local level, and this was also the most important additional value of its participation when compared to other actors. However, also aspects such as expertise and innovativeness, a contrast to the rigid structures of the public sector or service provision were linked to the third sector. All these are attributes which have been linked to the third sector in the context of Finnish society (Siisiäinen 1996: 17–28). According to the interviewees, the third sector seems to have – or it would be desirable for it to have – the same functions in the Structural Fund environment as in the wider society. The biggest hindrance to participation are the rigid structures of the Structural Fund system, combined with the Finnish administrative culture, though there is also scepticism among civil servants when it comes to delegating more power to the third sector. The study shows an ongoing, though limited shift from ‘government’ towards ‘governance’. This is apparent in the formation of partnerships and in more project-orientated activity of the third sector. However, the Structural Funds and the partnership principle are only two factors affecting the role of the third sector, and it is difficult to distinguish them from other changes in society and in policy implementation. A narrow concept of governance, which concentrates solely on economic efficiency and ignores the aspect of participation, can however pose a threat to the third sector, which becomes alienated from its link to local people.

## Conclusion

In our study, we were interested in the following questions: What is the role of the third sector in the partnerships of the Regional Structural Fund programmes (especially Objective 1)? Have the programmes and the partnership principle led to a shift from government to governance? Do partnerships cover also the participation of the third sector? The study revealed that the third sector

does participate in Structural Fund programmes, although its participation remains limited. In the single programming documents, the third sector or civil society was present relatively little. The partnership principle had been interiorised, but it reflected predominantly a view of governance which was limited to collaboration between the public sector and the market. The project level and the interviews revealed, however, that different associations and funds participated in the realisation of the projects.

According to the interviewees, the most important reason why the third sector should participate was its link to the local level. In the ESF projects in the priority areas of expertise and employment or labour capabilities, most of the associations and funds which participated in the projects had already a long history of so doing and could thus be seen as anchored in Finnish civil society. In these projects, the third sector actors worked mainly with regards to employment, employability and the provision of services, whereas in the interviews, the functions of the third sector were viewed more like what they were in the wider society as a whole.

This study confirmed that the partnership principle was adapted to local realities. However, experiences from the intermediary organisation projects, which represented a new model in Finnish administration, were positive. In the interviews, intermediary organisations were seen as one means of third-sector participation. It is possible that this kind of structure, where a bigger organisation takes care of some of the required bureaucracy and funding to enable the participation of smaller actors, could be introduced more broadly at regional and local levels also in the other Nordic countries, where to date it has been unknown. However, it is also worth remembering the heterogeneity of the third sector, which cannot be reduced to certain models. The link between associations and the grassroots level is not automatic either – especially in the case of the relatively institutionalised actors required in the Structural Fund environment.

The study showed a partial shift from government to governance, which was reflected in

the rise of partnerships and in more project-orientated action, but the strong position of the public sector and the market-orientated concept of partnerships give relatively little space to the third sector. Attitudes towards the empowerment of the third sector were ambiguous, but the biggest hindrance to the participation of the third sector was the rigid functioning of the system – linked both to Finnish administration and to the very nature of the regional Structural Fund programmes.

## NOTE

- 1 We understand the concepts of third sector and civil society almost synonymously but delimited in a slightly differently way: The concept of the third sector is limited to registered associations and funds (about the definition criteria see e.g. Helander–Sundback 1998), whereas the concept of civil society covers also informal social action (Tester 1992).

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