

Local partnership in rural policy implementation

*Ella Mustakangas
Hilkka Vihinen*

Introduction

Local development policies in Finnish municipalities have changed significantly since the early 1990s. Indeed, Finnish municipalities are now increasingly faced with the need to adapt to new methods of governance in rural and regional policy.

The change, precipitated primarily by the EU, implied a transition from traditional, sectoral and hierarchical policy-making towards new decentralised and horizontal ways of making local policies. An essential change is the emergence of new local partnerships for rural development, which are moving the practice of local policy-making “from government to governance”.

Another driving force in the creation of such new forms of governance can however be seen to emanate from the realm of national politics. After a period of economic recession at the beginning of the 1990s conventional measures and centralised solutions seemed insufficiently able to guarantee social and regional welfare or an adequate level of employment. The new understanding was that the public sector was no longer able – on its own – to provide for the entirety of all public welfare provision. Changing ideas on the role and functions of the state led to a new kind of strategic thinking within Finnish administrative circle, and thus also to the reform of the functional structure of the public sector. Within this new governance structure, the municipalities, who used to implement statutory guidance principles, were now expected to internalise co-operation and partnership across administrative boundaries and to perceive their role in regional development in much wider terms (Vihinen 2001, 84). This is a significant challenge for them.

In consequence it can be seen that Finnish municipalities now have a better opportunity to exercise autonomy. Notwithstanding this however, given the simultaneously diminished level of financial resources made available to them, circumstances are currently not favourable for the local implementation of rural policy. Decentralised governance tends to cause substantial spatial unevenness among municipalities because of the varying local social and economic contexts. Besides, municipalities have often had too strong an interest in partnership creation, often even where it was at odds with the original notion of partnership.

Kahila (1999) argues that municipalities are still adhering to traditional sectoral forms without fully understanding the new environment and the importance of endogenous development. Partnership is clearly emphasised in municipal development plans, but implementation is still poor because this new way of thinking and doing is still being internalised (*ibid.*). Similarly, Sotarauta et al. (1999) note that although the new co-operation forms have become common, the actors' way of thinking and "know-how" concerning the new practices have not yet developed to the same extent. Although partnerships are basically seen as a potential and desirable way of promoting local development, the old administrative structures, the lack of information, and human related issues all seem to hinder the conversion of partnerships into practice and the widening of such co-operation as is ongoing to the more sensitive and important "strategic issues" level.

Finnish municipalities take part in several types of partnership structures at the local and sub-local levels. In some fields of activity, sub-regional co-operation between municipalities is not a new issue at all. For many years in fact Finnish municipalities have been obligated by law to co-operate in health care and over land use. However, our focus is not on the statutory duties, but on the voluntary co-operation forms now emerging at the local and sub-regional levels. Thus far, sub-regional co-operation has mostly concentrated on local economic policy, which derives partly from the establishment of the sub-regions by law in 1993. Local economic policy is usually implemented by public development companies owned by the municipalities in collaboration with educational institutions, business enterprises and other local actors.

In the current political and administrative context the municipalities are thus performing a tricky balancing act between the performing of different kinds of duties, some of which are more binding than others. In contrast to the issue of statutory duties, responsibility for regional development is much more open to local interpretation. This paper is based on a research process where we try to identify both the opportunities and the obstacles to the progress of these new local partnerships. The empirical study is conducted in four rural municipalities in southern Finland. The research material consists of thematic semi-structured interviews of the various partners in such local partnerships within the chosen municipalities. At the current time of writing however only the preliminary results of these case studies were available for inclusion in the discussion.

The aim of the paper is to examine the phenomenon of local partnership in rural policy implementation, its background, potentials and problems. The article begins with an examination of "partnership" as a policy approach in the wider context of new rural governance. After which we will briefly highlight the possible problems with partnerships in rural areas, as well as the preconditions for successful partnerships. The third section deals with the current setting of

rural policy implementation in Finnish municipalities by describing the current trends in local development policy thinking and the recent policy changes and their implications at the municipal level. In the last section of the paper, we will identify some critical partnership aspects and potentials, based on the findings of our case studies.

Partnership as a policy approach in new rural governance

Partnership as a policy approach refers to combining public sector support with efforts made in the private and voluntary sector and thus trying to facilitate co-operation and the formation of collective strategies. The idea of partnership is that all stakeholders should be involved in the development work. One may say that it reflects more general changes in the way of seeing world and in the efforts to find appropriate solutions for social problems (Vihinen 2002, 79). On the one hand, broad supranational phenomena, such as globalisation through free trade, social exclusion and terrorism require trans-national, even global action, but on the other hand, there is a growing need to deal with emerging problems on a regional or local level. Flexible, integrated and strategic regional responses have increased in relevance and consequently, regions and districts now attract ever more responsibilities in dealing with development work. The new operational environment thus underlines the role of the partnership.

In effect, the multi-sectoral idea of partnership is crucial to the new rural and regional policy thinking, as it is seen as one of the most promising ways of coping with the simultaneously globalising and localising world (see Tavistock Institute 1999). Partnership is a means through which regional and local actors to develop territorial integration and articulation. Partnership has also been seen as a means to build regional capacity and “value added” by bringing new dimensions of flexibility, co-ordination and embeddedness (Tavistock Institute 1999.)

The intensification of expectations with regard to the notion of partnerships can be seen as an implication of the ongoing changes in the governance of rural areas. The increasingly complex world requires growing interdependence and co-operation between a wide range of actors each bringing specific sets of skills and resources into the co-operation process. Along with the new governing styles the boundaries between, and within, the public and private sectors have dissolved and correspondingly, the interconnections between the public sector, civil society and the economy have become ever more indispensable. As Goodwin (1998) puts it, the idea of governance comes close to the idea of partnership; governance is an interactive process occurring between ranges of organisations, drawing attention to the difficulties of negotiating shared goals and agendas.

Governance and partnership also signify the endogenous character of development. Again, integrated “bottom-up” perspectives stress the role of social net-

works, the consciousness of territorial identity and institutional thickness as enabling elements towards successful regional development (Murdoch 2000; Ray 1998; Ray 1999; Day 1998). On other hand, it is argued that one way for the regions and localities to cope with supra-national economic trends is to simply “climb aboard”. This regional growth strategy is based on the view that the success of rural localities emanates from the growth of the centres. However, the governance of rural areas in accordance with this centre based regional development thinking is highly disputed (see Rosenqvist 2002).

New rural governance refers to the various ways of dealing with the current social and economic forces influencing rural areas. The governance of rural areas, indeed, is a multi-dimensional phenomenon with complex set of power relations and varying aims from the promotion of regional competitiveness to the improvement of democracy and the increased participation of local actors. Accordingly, in recent years rural analysts have increasingly paid attention to the governance of rural areas to outline their dynamics and to explicate how the new modes of governance are confronted by local circumstances (e.g. Goodwin 1998; Jones and Little 2000; Marsden and Murdoch 1998; Woods 1998; Ward and McNicholas 1998).

Firstly, the rural governance perspective and partnership formation turn our attention to the changes in the roles of local actors. According to Goodwin (1998) the concept “enabling government” illustrates the new operational model, which refers to the notion that the new governance approach not only changes the tools of governance, but also their meaning. Evidently, the changes concern the local authorities in particular, both civil servants and local elected representatives. The role of the new governance model is to identify stakeholders and develop and reveal the opportunities and linkages for them and to bring stakeholders together to act for themselves. Goodwin emphasises the social production perspective; new rural governance is about social production, not about the social control. Local actors are facilitated into form partnerships to gain a capacity to act – a power to [...], not a power over (ibid.).

Woods (1998) has analysed the changing role of elected local government. He argues that along with the new rural governance process elected local governments have been forced to re-imagine their roles. In the British context with the shrinking autonomy of locally elected authorities, the role of the locally elected government is moving from that of provider to enabling authority. The role of locally elected government is, according to Woods (ibid.), similar to that of a pressure group lobbying central government, private corporations, the European Union, non-elected bodies and other local actors with the power of the locality on the behalf of the people who elected them. Consequently, acting as a pressure group, the power of local government depends on the resources and networks linking the elected authorities to the wider global context. Acting as a pressure

group may also be a way in which elected authorities to legitimise their political power and influence within localities (ibid.).

In this respect as Olsson (2000a, 33) notes, the different kinds of contacts by elected representatives may be very useful in resource mobilisation. Thus, to exercise power elected officials are supposed to create new networks oriented around new objectives. This may also mean that elected officials start purposefully to create better preconditions for the non-governmental organisations to take more responsibility for welfare provision. However, the representation of elected representatives in partnerships seems to depend on their private activity and personal inclinations in rural affairs (ibid.). Though, new co-operative forms and partnerships may of course offer tempting opportunities for elected representatives to gain publicity and to create something visible in their localities (ibid.).

Local community involvement can be seen as a second crucial aspect in the governance of rural areas. Day (1998) argues that successful local development must grow out of local social interactions and experiences. However, rural settings bring extra challenges when efforts are made to promote community participation. In contrast to the local municipality personnel, for whom partnership participation is usually part of their professional duties, the rural community groups have to make an extra effort due to their inherent lack of experience and expertise. In addition, the format and language in partnership practices more often resembles those of the private than public sector (Jones and Little 2000). In rural areas, where paternalistic and “non-political” traditions may be dominant, there may be also a tendency to involve only key actors in the new structures of governance and to marginalize the wider community (Goodwin 1998).

Despite the ultimate aims of partnerships being to complement other forms of democracy, they may increase the actual power of existing local elites at the expense of disadvantaged and excluded groups, who may actually have a better opportunity of being heard through traditionally elected bodies (Westholm 1999, 20). Again, those who have been involved in local partnerships have mostly been newcomers in this area, while the indigenous people and the target groups for social and economic regeneration tend to shut themselves out (see Rannikko 2000, 50-51). As a result, the local administration may easily remain the biggest actor in terms of resources, expertise and commitment (Jones and Little 2000).

The preconditions for successful partnerships

Given the prevailing circumstances in rural areas, the creation of a partnership does not necessarily guarantee that regional capacity will increase or that local development will be enhanced. As human agency is regarded as an important motive force in co-operation (see Ray 2000), the partnership may become overly dependent on the contribution of individual personalities. The human factor is

particularly important in newly formed partnerships, which are for the first time forming their own practices and systems, and which do not have former structures to rest against (Tavistock Institute 1999, 54). If the partnership is formed only for specified tasks, there is also a risk that partners do not commit themselves fully to co-operation, and the partnership may thus be only short-lived. In addition, municipal civil servants, who usually have agendas of their own, may believe that they could save public money by remaining outside (see Larsson 2000, 8).

In rural areas the breeding ground for partnership and for the new governance structures is also usually biased by the thinness of the private sector. Depending on the scale of private institutions the contribution of private sector may vary dramatically. If such actors exist, they are not numerous and their resources and expertise are modest (Jones and Little 2000, 178-179).

Partnership is usually regarded as an instrument that broadens rather than one that narrows democracy (Olsson 2000b, 50). However, if the delegation of mandates is not clear, the strongest partners may essentially usurp executive power. Hallin (2000, 20) terms this a small partnership, which is usually built around access to financial resources. As the idea of partnership attracts general sympathy, it may easily be used as a tool of empty rhetoric (Westholm 1999, 14). Partnerships may also be established for more tactical reasons, as a means of chasing sources of financing (Jones and Little 2000, 181). Moreover, partnership creation is usually a learning process, as it takes time, personal skills, strategic planning and network creation to be fully adaptable.

Recent studies demonstrate significant variations in rural and regional policy implementation based on partnership (Westholm 1999; Edwards et al. 2000; see also Katajamäki et al. 2001, 27.) Consequently, rural researchers have thus outlined a number of common criteria that partnerships should seek to fulfil in order to be effective and fully adaptable to local needs. Hellström et al. (2001) subsequently defined four factors that should be taken into account in successful partnerships:

1. Partners should share a common view of regional development in their area and of the aims of the partnership.
2. The roles of each partner should be clearly expressed. Partners should also have the authority granted by their principals. Partners have to be able to ensure, on a trust basis, that every partner will manage their own tasks.
3. Partners must be driven by their own desire to come together and to commit themselves to participating in the partnership. One expression of this commitment is that partners be willing to allocate money to the common goal. Moreover, the elected (municipal) representatives should acknowledge the partnership.

4. Those who are managing the partnership should have legitimacy and competence in process management. This relates in particular to the municipal officers.

The setting of rural policy implementation in Finnish municipalities

The need for genuine co-operation forms

Since the 1990s Finnish public administration has functioned under the doctrine that public bodies should not produce goods and services, but instead should create preconditions for other – i.e. private – actors to do so (Rannikko 2000, 52). Problems in public sector financing and cumbersome administrative procedures have however motivated the extension of partnerships to different fields of local public policy. Thus particularly in terms of service delivery, new co-operative forms are now seen as a potential remedy to the problems of municipal economies (Suomen Kuntaliitto 1999; Suomen Kuntaliitto 2001).

According to current trends in regional policy thinking, local economic development relies more and more on the competitiveness of regions, and in particular on their own strengths and capabilities. Development at municipal level is increasingly influenced by the dynamics of the broader regional economy. Decisions concerning the location of jobs and places of residence are often decided upon within the sub-region. Under these circumstances a single municipality is doomed to be too small a unit to carry out successful local development policy by itself (Aronen 2001, 22.).

Very often the driving force behind local partnership formation is the fact that the success of a municipality often depends upon the success of its local private enterprises. Given EU competition rules, the enhancement of local economic life can no longer be based on corporate subsidies to enterprises. What remains is investment in the institutional and structural basis of the region (Lakso 2000). The particular role of the municipality as an enabling actor thus potentially strengthens the partnership approach in rural policy.

From a partnership point of view, Finnish municipalities have the potential to encompass rural development in many ways. The variety of activities pursued by the municipalities in the economic and development sphere indicates their strategic importance (Uusitalo 1999). The municipality is the basic administrative unit of regional development and the closest partner of villages and groups of entrepreneurs in local development (Uusitalo 1995, 125). They have wide experience in implementing local development policies with the assistance of central government (Kahila 1999, 77). Many of the indispensable partners in local economic policy, such as local communities, non-governmental organisations, entrepreneurs and local authorities, function within the municipal area,

which facilitates the formation of new co-operation structures. While new working methods and learning processes are under construction it is also noteworthy that in small municipalities local government is a significant employer of experts who have completed higher education courses.

A special feature exists in the horizontal relationships between the local authorities and voluntary organisations in Finland. Kautto and Heikkilä (2001, 48-49) note that there is no clear boundary between the public sector and civil society in horizontal relationships, they have co-existed at local level to a certain degree for decades. While municipalities have exercised far-reaching responsibility for citizens' welfare, voluntary organisations have also participated in providing local activities and services. However, the voluntary sector has never challenged the role of the municipality as a service provider. In social policy, in particular, the voluntary organisations have been rather wealthy and influential, but at the same time dependent on the state via numerous interlocking financial and administrative ties (*ibid.*).

Co-operation between municipality and surrounding villages takes place mostly within the projects financed by local action groups (LAGs). Since accession to the EU, Finnish municipalities have participated in LAGs etc. by financing the projects and in some cases managing them. According to the LEADER+ programme, the municipality is a member of the executive committee of the LAG. The municipality representative may be an elected representative, a civil servant or the head of the municipality (Maa- ja metsätalousministeriö 2000). The LAGs have thus brought a new dimension to local development policy, as they are in possession of independent funding measures (Kahila 1999, 79).

Policy changes and their implications at the municipal level

Given the changes in the approach to regional policy thinking and EU accession, there have been several alterations in the status and procedures of the Finnish municipalities. In general, Finnish municipalities have a wide scope to practice independent and local development policies and they carry considerable weight in the Finnish administrative system (Kahila 1999, 75). According to the 1995 Law on Municipalities, Finnish municipalities have the primary liability to promote sustainable development as well as their resident's well being. As with Nordic administrative culture more generally, which emphasises the independence of local self-government, Finnish municipalities are not subject to the state authorities in hierarchical terms, but the right of the state to guide and control must always be based on specific acts (Vihinen 2001, 82). However, in reality municipal autonomy has proved to be a chimera at best. Although municipalities have visible autonomy with the right to levy tax and of course through local democracy, more often than not they have played out the role of the imple-

menters of central government policies; the vertical relationship to central government has thus over time proved to be rather efficient. That is often termed “the Nordic paradox” (see Kautto and Heikkilä 2001, 48-49).

As far as municipal taxation is concerned councils decide independently on their own income tax rates. The authority of local councils is however quite considerable: two-thirds of the Finnish public purse is spent by them (Uusitalo 1999, 57). Most of the expenditure of local authorities and joint municipal authorities arises from the provision of basic community services, such as health care and social sector responsibilities. In order to carry out their statutory responsibilities, municipalities need permanent subsidies from the state. Government grants account, on average, for 14 per cent of the income of the municipality (Oulasvirta and Brännkärr 2001, 108).

During the 1990s several reforms influenced the municipal economy and increased instability and differentiation between municipalities. One central factor undermining the income basis of municipalities has been the reform of state subsidies. The state transfer system was revised in 1993 and updated again in 1996 and in 1997, with cost-based subsidies being replaced by calculated payments (Vihinen 2001, 82). Simultaneously, state subsidies were also diminished due to the need for savings in the state economy. Owing to these reforms the role of the state as a financier of municipal services lessened permanently.

Other significant factors effecting the operational environment of the municipalities have been the development of corporate taxation and the distribution of corporate taxes in 1999. Corporate tax was revised so that the tax revenue now depends more on the location of enterprises and the number of jobs in municipality. Given these tax changes, the local economy now has a more direct effect on municipal finances (Suomen Kuntaliitto 2000, 10). These tax reforms are expected to encourage the municipalities to become more interested in developing their own local economic policy, as they are now more vulnerable to private sector decision -making than ever before (Vihinen 2002, 81). Thus far, the changes in corporate taxation have in most cases both decreased the amount of corporate tax revenue and made it more difficult for rural municipalities to predict such revenue than before. It is also argued that the development of corporate tax may induce competition between municipalities as they try to attract new enterprises to their own areas (Suomen Kuntaliitto 2000, 10).

Local authorities were given more independence by the New Local Government Act in 1995. In conjunction with the new criteria for state subsidies the Municipalities Act aimed at improving the ability of the municipalities to allocate their resources and to reduce detailed control from the central administration (Vihinen 2001, 82). Although changes during the 1990s were supposed to make municipalities more substantial actors in the implementation of regional and development policies, the real outcome of the changes has proved to be quite

modest due to the generally perilous state of municipal economies. As such, it could be argued that reductions in state grants have prevented municipalities from taking advantage of their extended manoeuvring space (Kahila 1999, 75).

The reform of state subsidies has thus altered the position of the municipalities, particularly in remote areas, where the decline in, and ageing of the population is most intensive, and thus in such areas it has become more difficult for the local authorities to take care of their legal duties (Maaseutupolitiikan yhteistyöryhmä 2000, 63). Uusitalo (1999, 57) points out that the statutory tasks of local authorities are so substantial that due to the limited level of resources available they have been managed at the expense of non-statutory tasks, such as the implementation of local economic policy. Indeed we can now see the distinct possibility that several rural municipalities may run into debt in the coming years. Local economic policy may also differ due to the different circumstances and traditions of co-operation. For example, ongoing development towards the creation of an “information society” have been most intensive in areas that already practise effective local economic policy (Wuori et al. 1999, 163). As huge disparities exist in terms of the capabilities of different municipalities to take advantage of new opportunities and of the altered income basis, it is assumed that the development of Finnish municipalities will become even more differentiated in the future. (Vihinen 2001, 83; Maaseutupolitiikan yhteistyöryhmä 2000, 62-66).

Historically, Finnish regional administration has been characterised by the absence of regional government: instead, we have seen both strong central government and strong local government (Tavistock Institute 1999). As with so many other countries, the implementation of the EU Structural Fund programmes in Finland has been led predominantly by the public sector (Tavistock Institute 1999; Virkkala 2002; Grönqvist 2002). In 1997 the state finally had to establish regional state offices, making them responsible for the allocation of the Structural Funds financing. These so-called, Employment and Business Development Centres, control the majority of public development subsidies at the regional level. Although responsibility for programming was given to the regional authorities, final decision-making power remained in the hands of state authorities (Grönqvist 2002, 71). The State Ministries carry out certain operative duties at the regional and local administrative levels, and state officials still have the right, as well as the interest, to interfere in many issues that could be solved at the regional level (Vihinen 2002). The role of the Finnish central administration could thus be characterised as both focal and ambiguous.

However, in terms of the regional administrative system, Finnish municipalities are central to the emerging partnerships in regional policy implementation. The legitimacy of regional development programmes is based firmly upon the inclusion of the municipalities. That is seen as a special feature of Finnish

regional policy implementation (Virkkala 2002). In the Local Administration Act of 1995, programming responsibility was given to the Regional Councils, which do not have directly elected assemblies, but are actually associations of local councils (Kahila 1999, 76). Thus, the Regional Councils work on the basis of the mandate given to them via the municipalities. They have taken the form of partnership forums co-ordinating project work and dealing with project applications. According to Virkkala (2002), these regional partnerships form a link with the elected authorities in municipalities, even though the connection is indirect and remote. However, Mäkinen (2002, 195) believes, that given the compulsory membership in the Regional Councils, municipalities may easily ignore the fact that they, not the Regional Council, have the primary responsibility for local development.

Critical observations of the partnerships in four Finnish municipalities

Our empirical data is based on a series of interviews carried out in four Finnish municipalities: Orimattila, Huittinen, Tammela and Nummi-Pusula, all located in southern and southwestern Finland. Orimattila is a rural town of some 14,202 inhabitants. It is located 23 kilometres from the nearest city, Lahti, which is the centre of the Lahti sub-region. Huittinen is a rural town in the province of Satakunta with the population of 9,169. Nummi-Pusula has 5,905 residents. As the distance between Nummi-Pusula and Helsinki is only 79 kilometres, many people commute to the capital area. Tammela is a popular destination for holidaymaking, with 3,148 summer cottages, and only 6,404 permanent inhabitants. During the EU programming period 1995-1999, all four municipalities implemented the Objective 5b programme. In the programming period 2000-2006, Tammela and Orimattila were included in the Objective 2 programme, while Nummi-Pusula and Huittinen had to settle for implementation of the transitional programme with decreasing annual financing. All four municipalities participate in local development groups, which are financed either through the LEADER+ programme or by the Regional Rural Development Programme (ALMA).

In total we interviewed 23 people during August and September 2002. In addition, we also held one group interview with four people in Orimattila. Interviewees were elected officials, local civil servants, heads of municipality, managing directors of sub-local development companies and local entrepreneurs. Representatives of the LAGs were executive directors, project activators and villagers who actively participated in local development work.

Based on our investigations, the main problem with regard to partnerships from the municipalities' point of view seems to be the fragmentation of develop-

ment projects. From the perspective of the elected representatives in particular, the development work implemented by partnerships appears to be mosaic-like in nature with several projects and numerous project applicants from different kinds of development fields. Moreover, the unpredictable results of partnerships have attracted criticism in local councils. Given the tight restrictions on municipal purse strings, some elected representatives became impatient waiting for the concrete results of partnerships to emerge, and when such results did finally emerge, the same individuals were invariably disappointed. The situation is most acute in projects with several participants, as in such projects achievements are dispersed and it is thus difficult to show exactly what the municipality received in return for the money invested. As a result, some elected representatives stated that the atmosphere around the projects was becoming somewhat frustrated. Although the expenditure of any single project may not be substantial, the total sum required for all development projects may easily become significant. That seems to increase levels of concern among elected representatives and civil servants, in particular over how the money allocated to partnerships is actually spent.

The poor state of municipal finances was seen as an impetus for the municipalities to prioritise the development money. Most civil servants emphasised that given such fiscal restrictions it does not make any sense for municipalities to allocate money to numerous village house projects, most of which create few if any new jobs. Some civil servants however admitted that adherence to such strict economic thinking in the municipality may appear as egoistical behaviour to their other partners. As a matter of fact, this was very much the understanding among the other interviewed partners, but at the same time they agreed that the perilous state of municipal finances forced the municipal authorities to maintain firm control of the purse strings. Nevertheless, some elected representatives stated that the local council often simply used the poor economic situation as an excuse, particularly where it does not see any benefit from financing local development projects. Our interviews support the notion put forward by Mäkinen (1999, 184), that although municipalities are forced to prioritise their assets, resource allocation is also a matter of attitude. Moreover, Swedish experience indicates that the state of the municipal economy is not necessarily the decisive factor in resource allocation (see Olsson 2000a, 35).

According to the rules of the LEADER+-programme, municipalities are expected to allocate all the money at one time. In the light of earlier studies (e.g. Katajamäki et al. 2001), we assumed this to be a critical issue in municipal decision-making. This was partly true; at the beginning of the financing period some municipalities were rather hesitant to allocate all of the money to the LAG, and instead inclined towards financing single projects. In the municipal council they found it rather odd to be giving the money to the LAG, whose decision-

making more often than not was likely to take place in another municipality. However, in one municipality the representatives noted that the granting of the money “all at once” was surprisingly easy. Behind this surprising admission however we should note the existence a trustful relationship between the municipality and the villages. The head of the municipality noted that in this case the local authorities could be sure, based on previous positive experience with village action, that the money will sooner or later come back to the municipality, as the new projects are formed and subsequently launched. Former successes then seem to be essential to the future functioning of partnerships.

Although the crucial meaning of communication was broadly recognised among those interviewed, a number of elected representatives complained of breakdowns in the flow of information during project implementation. In the worst case, the occasion when elected representatives were able to have contact with the project was the moment when the municipal council actually allocated money to it. In consequence, the elected representatives see the projects merely as items of expenditure on the agenda. Another reason for projects being deemed unattractive in some cases from the municipality point of view originates from the poor participation levels of the local authorities. When the municipality is merely limited to the role of financier, information on the effects of the partnership may not reach municipal decision makers. The participation of elected representatives, in particular, seems to rely much upon their own interests. Elected representatives were criticised for being too passive by colleagues actively participating in projects. Meanwhile, the elected representatives who were involved underlined the rewarding nature of their experiences. Evidently, it is obvious that the municipalities themselves would also gain from active participation in the partnerships. This fact was recognised by some of the civil servants interviewed – they stated that the municipalities might not always be fully aware of what successful participation really requires. Indeed, too many municipal authorities, and both civil servants and elected representatives within them, would rather just disburse money and then sit back and wait for the results.

According to Grönqvist (2002), municipal civil servants would be well placed to take part in partnerships because of their professional status and higher levels of competence. In our study however it quickly became apparent that some civil servants found their *ex officio* position rather problematic. Within the projects themselves they have often felt it rather inconvenient to delegate duties to villagers who are not able to put in the working hours that civil servants do. It seems that participants from different sectors tend to remain unequal, even if they commit themselves to work towards common goals.

Seeking synergies between local authority and community participation

Most of the interviewees criticised the fact that local communities financed by LAGs are too preoccupied with improving the village meeting houses and the physical environment, arguing instead that actors at the grass roots level would be better to channel their energies into developing the economic life of the village, which was seen as the most promising way of supporting rural communities in the long run. One managing director of a sub-regional development company asked rather provocatively in this regard, “who will enjoy the improved surroundings in the villages if one does not have the ability to earn one’s living there?” Yet, a representative of the LAG emphasised that the ultimate purpose of the village projects is to create social capital and to increase co-operation skills, which should not be forgotten. In his opinion, the creation of concrete results, such as new jobs and enterprises, is the task of more broad based or larger scale projects managed by other partnerships such as sub-regional development companies.

However, as a whole the results of the interviews emphasise that the local development projects implemented by the LAGs are often too distant from local economic policy. The ultimate driving force in local development projects – the commitment of the local community – was thus seen as the best way to promote local economic development. Moreover, the village action managed by the LAGs was thought to be too weak and small-scale to alone promote economic development in rural areas. According to our interviewees there is then an obvious need for co-operation between the municipality and village projects to better promote rural development locally.

As earlier studies demonstrate, the problem with community participation is often centred on the lack of experience and expertise (e.g. Jones and Little 2000; Katajamäki et al. 2001). This concern was also raised during our study. One municipality has distinguished itself by hiring a special civil servant who has responsibility for all development projects in that municipality. According to the interview data gathered the number of partnership projects in this municipality has risen since this person was hired. Some critical comments were however expressed concerning this arrangement. One representative of the local LAG argued that the technical advice given by a municipal employee essentially undermines the ability of the local community to create the indigenous management skills needed for successful partnership participation. The technical consultant may unintentionally take too much of the responsibility for project management upon his/her own shoulders, and at the end of the day this may not be particularly helpful for the local community in its ongoing attempt to increase its stock of social capital. On the other hand, many interviewees accepted that the

municipality should be the project manager as far as local community partnerships were concerned, particularly where no other actor is available to pick up the baton of project management. However, as the interviewees stated, the initiative for such an arrangement should come from the local community, not from the civil servants.

The question of new opportunities for the local authorities to participate in local development work was also raised in our interviews. The strong potential role of the municipality was based on the notion that the LAGs are new actors in the area, while the municipalities are well-established institutions. According to the interviewees, the role of the municipalities could become increasingly forged around their expertise and knowledge of the locality concerned. Moreover, the level of experience held by the municipalities was itself acknowledged by the villagers and representatives of the LAGs. One active villager working as a chair of the LAG said that she used to encourage project applicants to consult the municipal trade promoters, who have information and connections, which the LAG is not able to offer. Again, continuous communication with the municipality was considered crucial even for the representatives of the LAGs themselves. One executive manager of a LAG stated that ideas for project applications might even be even tested by means of municipal expertise. As such, local civil servants may also have valuable information that would otherwise not be at the disposal of the project applicants.

The interviews highlighted the role of elected representatives in partnerships in rural policy implementation at municipal level. The study highlights the elected representatives as persons who have the ability to convey information between the municipal decision-making process and the villagers themselves. Elected representatives also have the ability to promote the operational pre-conditions of the voluntary sector and civil society, as the municipal council may decide to create equal opportunities for third sector participation in municipal duties. However, significant variation exists between elected representatives in respect of their activity levels and also more prosaically perhaps in how they see the new governance practices developing. The notion that the voluntary sector could be viewed as some as a “romantic” notion saw a worthwhile partner, that in reality produces little in the way of financial benefit to the municipality. On the other hand, those elected representatives who fervently believed in voluntary sector participation and in active citizenship argued that voluntary sector involvement would facilitate the municipalities in their task of attending to their statutory duties. Those who supported the participation of the voluntary sector also argued for the clear financial benefits they brought with them to the municipality.

Discussion

In the preceding sections we have discussed partnership as an instrument of rural governance at the local level and the experiences of this new approach in four Finnish municipalities. The governance perspective pays attention to the ongoing changes in the forms and content of governance in rural policy implementation. The division of work and power is changing, and our research indicates that the partnership between the municipality and the surrounding rural community is a multifaceted activity, which opens up numerous potential ways of contributing to local development. As the LAGs encourage municipal expertise and are they willing to hear the opinions of the local authorities, municipal participation in partnerships could thus in future be based more explicitly on expertise and experience. However, this prospect remains a significant challenge for municipalities trying to absorb these new governance practices. Municipalities should thus become more aware of the diverse methods of contributing to such local partnerships. As the earlier studies demonstrate, one significant factor influencing the character of partnerships has been the lack of interest in rural policy by party politicians and the political system as a whole (Katajamäki et al. 2001). Indeed in the local action groups that have emerged there have been surprisingly few local politicians and party activists. To some extent this also seems to hold true for our cases.

Despite the egoistical, economy-based inclinations of municipalities, our interviews turn attention to alternative perspectives as regards local partnerships. Among the representatives of the LAGs, we found a number of diverse opinions and experiences concerning the role of civil servants, some of them indicating that the participation of local authorities may even be desirable. The contribution of local authorities to development projects is also emphasised in the earlier studies. The expectations of the municipality concerning the projects may thus help to press partnerships to achieve better results. Moreover, established co-operation forms have made project management more efficient and sufficiently clarified the delegation of tasks (Malinen et al. 1999, 45).

From the municipal point of view the most significant problems seem to be the fragmentation of the projects and their excessive concentration on the improvement of local infrastructure and surroundings. Although the projects fulfil the requirements of specific EU-programmes, this in itself does not guarantee that they will be acceptable from the municipality point of view, nor does it ensure that they will fit specific municipal development strategies. From the rural development point of view, the different kinds of partnerships should be linked to a general local development strategy, in order that single projects could be more distinctly related to local economic development needs. This may be the way to underline the importance of the projects to the local economic policy, something that was demanded in most interviews.

Although there were arguments in favour of strengthening co-operation between the municipality and other local actors, the promotion of new forms of rural governance should be considered carefully. During the period of EU-membership, regional development has concentrated on the implementation of EU-programmes, while the role and resources of national regional policy has in consequence diminished significantly. Given the current fiscal problems faced by municipalities across Finland, where basic local basic services are competing with the EU-programmes for the same money, local authorities may be tempted to use the instruments of rural and regional policy as a means of dealing with their own statutory duties. A further problem occurs here if the municipalities delegate part of their duties for welfare provision to the voluntary sector. Our interviews, in line with earlier studies (e.g. Jones and Little 2000) demonstrate that the local communities do not have equal status in these partnerships. However, the discourses of endogenous development and community involvement may legitimise municipal decisions to delegate some of their own duties to local communities and village organisations. Our interviews indeed hinted at this prospect: One head of municipality stated that those who want to live outside the population centre, should prepare themselves to take the trouble to facilitate practical living conditions (roads etc.) in those areas. This is why the legitimacy of the forms of new rural governance should be discussed openly than is occurring at present, as the new forms of governance may open up fresh solutions to dealing with local welfare provision and the promotion of civic society. Moreover, they may also turn out to be a useful means to delegate responsibilities to such local communities. Thus, voluntary organisations and other unofficial actors should be given the right to express their voices and opportunity to find out to what extent they are able to take up this responsibility for local development.

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