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A Theory of Coordination and Its Implications on EU Structural Policy

A Comparative Study of the Challenges for Coordination in Structural Funds in Finland, Ireland, and Sweden

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ABBREVIATIONS

ACR	Agricultural Farm Register
AMS	The National Labour Market Board (Arbetsmarknadsstyrelsen)
COA	Court of Auditors
COM	Communication from the European Commission
COR	Committee of the Regions
CSF	Community Support Framework
DG	Directorate General (of the Commission)
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Community
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
FIFG	Financial Instrument for Fisheries Guidance
IACS	Integrated Administrative and Control System
ISPA	Instrument for Structural Policies for Pre-Accession
LAG	Local Action Groups
MA	Managing Authority
NUTEK	The Swedish Business Development Agency
OLAF	European Anti-fraud Office (Office Européen de Lutte Anti-Fraude)
OP	Operational Programme
PA	Paying Authority
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEA	Single European Act
SEUPB	Special EU Programme Body
SPD	Single Programming Document
TEU	Treaty on European Union

ABSTRACT

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The theme of the study is coordination in the context of the execution of EU structural policy. The approach is based on administrative theories and focuses on administrative questions. To begin with, three questions are set: (1) how coordination can be understood in a specific context, (2) in what ways the division of tasks, control, and communication are challenges for coordination, and (3) how the recognized similarities and differences in the selected country cases can be used in developing the administrative systems. The research is qualitative in nature.

To answer these questions, coordination is defined in the study as the interrelation of functions, structures, and resources. To capture the essence of coordination, the way to proceed is two-fold: the theoretical discussion provides six ideal-type approaches which coordination occurs, and the three country cases produce the idiosyncratic explanations and clarifications which enrich the theoretical findings. The comparative approach is also used towards two ends: to increase the understanding by revealing the similarities and differences in the selected country cases, and to increase the validity of the developmental suggestions presented.

The results of the study show that the content of coordination can be condensed in certain themes in the context of EU structural policy. When coordination is explained in terms of (1) the division of tasks, then coordination typically emphasizes the prevention of overlaps, ensuring the relevance of the overall goal, and the promotion of cooperative actions, (2) control, then coordination characteristically emphasizes the promotion of the unity of actions and a creation of better comprehensiveness, and that control is conducted with the same intensity and bases in all cases, (3) communication, then coordination typically emphasizes ensuring the functioning of the intra- and inter-organizational flows of information and the validity of transmitted information.

To be more precise, in coordinating the following items should be noted: the capabilities to manage a high number of involved organizations in terms of goal-attainment, the possibilities to delegate with true empowerment, to determine and operationalize the overall goal and overcome the competing subgoals, to be ready for giving one's autonomy, and to seek new modes of actions.

Finally, European governance as a multi-level administrative framework promotes comparisons. Essentially, it facilitates the use of common terms and concepts as a base for comparison. It creates a *conceptual equivalence* which means that concepts, terms, and connotations in certain administrative framework contain the same meaning independent of the particular nation or administrative and cultural backgrounds.

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1. THE CONTEXT, OBJECTIVES AND APPROACH OF THE STUDY

Despite the importance of the European Union (EU) in organizing and regulating welfare in Europe, research concerning the governance and the administrative arrangements of EU affairs has remained quite insignificant. Overall, research activities have concentrated more on the interpretation of the long-term functions of European integration (e.g. Keman 1997; Archer & Butler 1996; Nugent 1999), the analysis of policies, describing the features of the system and the decision-making process (e.g. Attina 2001; Stevens & Stevens 2001; Barbour 1996; Peterson & Bomberg 1999) than on an analysis of core administrative processes and management. On that basis, the study is an effort to come to grips with this aspect of the EU.

The subject of this study concerns the administrative aspects of coordination. The main aspiration here is to achieve a better understanding of coordination in administrating EU affairs. To accomplish this, coordination questions and issues which tend to challenge coordinative efforts will be analyzed in theory and in a comparative setting in a specific context, EU structural policy. The reasons to take EU structural policy into consideration are clear and are outlined below.

1.1. EU Structural Policy

First of all, the significance of EU structural policy has increased considerably since the 1970s at the EU level and in Member States. Especially the constant growth of funding illustrates this: currently 35 percent of the EU budget is allocated to structural policy measures, while in 1970 the proportion of the common budget was just three percent. Only the execution of the common agricultural policy (CAP) causes more expenses. The total amount of EU structural assistance for the programme period 2000–2006 will be €260 billion. Also, a comparison to the previous round indicates a heavy increase in spending: for the period 1994–1999 it was almost €170 billion (The budget of the European Union 2004).

The funding is channeled to the Member States through four Structural Funds. They are the main financing instruments for executing structural policy. Still, the Funds do not constitute a single source of finance within the Union budget. Each Fund has its own thematic area (At the Service of the Regions 2002):

- Infrastructure, job-creation and productive investments, development projects and aid for small firms are financed by the European Regional Development Fund (ERDF)

- The return of the unemployed and disadvantaged groups to the work force, training measures and systems of recruitment aid are promoted by the European Social Fund (ESF)

- The fishing industry modernization and adaptation are helped by the Financial Instrument for Fisheries Guidance (FIFG)

- Rural development measures and aid for farmers, mainly in regions lagging in development is financed by the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF-Guidance). The Guarantee Section of this Fund also supports rural development under the Common Agricultural Policy

An essential point is that the Structural Funds are not directly allocated to projects or final beneficiaries. Instead, the execution is organized into certain multi-annual programmes. Funding is mostly concentrated on three Objective-programmes (94 percent). Objective 1 and 2 are territorial. Objective 1 focuses on helping regions whose development is lagging behind (the GDP is below 75% of the Community average) to catch up, by providing them with the basic infrastructure which they continue to lack or to encourage investments in business activity. Some 70% of the funding goes to these regions. Objective 2 supports economic and social conversion in industrial, rural, urban or fisheries-dependent regions facing difficulties. Objective 3 is thematic (it is not related to any specific area) and focuses on modernizing systems of training and promoting employment. (At the Service of the Regions 2002.) In addition to these three Objectives, there are also four Community Initiatives:

- For cross-border, transnational and interregional cooperation, Interreg III

- For sustainable development of cities and declining urban areas, Urban II

- For rural development through local initiatives, Leader +

- For combating inequalities and discrimination in access to the labor market, Equal

The programming presented above is the second reason for concentrating on structural policy. As argued in several research studies, programming has, for example, made, implementation more adequate, has increased efficiency (Mäkinen 1999) and has reduced overlaps in goals and measures (Hooghe 1996b; Borrás 1998). However, in terms of coordination there are still many unanswered questions and the previous reforms of EU Structural Funds have created some new challenges. For instance, the number of principles (subsidiarity, additionality, partnership, etc.) concerned has remained quite high (e.g. Börzel's 2003 critics), and the aims and contents of structural policy at the European level are extensive and inclusive in nature (Smith 1997; Jouve & Negrier 1998).

Thirdly, the management of the Funds and programmes is highly distributed. With most issues, execution is left solely to the Member States or entrusted to regulatory bodies, while the role of EU institutions is restricted to rule-making and negotiation of fund allocation, selection of European wide priorities, and policy instruments with the Member States (Hooghe 1996a: 7; Borrás 1998: 213–214). Practically, most of the resources in the EU budget are managed and spent by Member State public authorities (some 80% which consists of the 45% of the CAP funding and 35% of Structural operations). To manage and implement the programmes, there is a great variety of administrative arrangements in each Member State. This also makes a difference in comparison to the CAP measures which are more or less direct income transfers in nature.

Fourthly, as Hooghe (1996a: 15) notes, structural policy with a complex organizational structure escapes our conventional understanding of statehood and our idea of governance. When governance related issues are dealt with, perhaps the most typical way is to disaggregate the EU into its component parts such as the EU institutions, the Member States and its institutions, and the non-governmental participants (see e.g. Lane 1997; Andersen & Eliassen 1996; Nugent 1999). To interpret coordination in the context of the EU and the challenges with it requires an understanding of the interplay of administrative systems at different levels. This means that governance is understood quite comprehensively in this research (cf. Tiihonen's 2004 analysis on the concept of governance). In simple terms, there are three levels involved: the supranational level (i.e. the EU institutions), the national level, and the subnational (regional and local) level. Thus, it is assumed that the

coordinative efforts of EU structural policy occurs between and crosscutting at three administrative levels.

EU governance is not only about the transfer of tasks, powers, and responsibilities between levels of administration, but also about changing the relations and balance between governmental institutions and administrative interaction between national and subnational organizations (Kassim 2001: 2). The distinction between European and nation-state actors becomes more and more blurred. The Commission has made closer contacts with national and subnational authorities, enterprises, and other interest groups which has lead to the situation that it has become more involved in the day-to-day implementation (Marks, Hooghe & Blank 1998: 287). This intermeshed character of European decision-making makes it inevitable that officials from all levels of governance often find themselves in the same policy networks (see also Rhodes, Bache & George 1996; Tiihonen 2001). Thereby, is it more relevant to speak about multi-level governance in the context of EU structural policy rather than engage oneself with only nation-state actors or supranational actors, like the Commissions, the Council, and Parliament?

It is evident that multi-level governance follows an inquiry of coordination because of shared responsibilities between administrative levels, complex organization and authority structures, and diversity in interests. Additionally, has the nature of coordination in the national administrative context changed because of the supranational element? Are there unifying elements involved, especially in terms of organizational arrangements and control? How can cooperation be reached between European wide and national interests?

Setting a Tentative Framework

Structural policy aims for cohesion within the EU by reducing social and development differentials, and by helping less developed regions through the use of different procedures. The enforcement takes places in highly complex organizational settings and under diverse premises. Therefore, it is useful to make certain explications about the focus of the study.

Figure 1 (below) illustrates the framework of reference which includes policy formulation, administrative systems, and outcomes. The simple presumption made in this study is that the more efficient coordination is in all levels of governance, the common outcome, cohesion, will be reached in a more efficient manner. Therefore, the administrative system involved should be as efficient as possible, in addition to policy formulation and political decision-making.

Policy formulation Policy Coordination	Administrative system Administrative Coordination	Outcomes
EU-level and national-level strategies to achieve cohesion Political decisions about the priorities - What the cohesion should consist - What are the eligible actions - Resources - EU regulations and national legislation	**EU-level coordination** Defining strategic guidelines and common goals **National-level coordination** Administrative actions	**Effective coordination within the administrative system of Structural Funds**	**Better achievements in European cohesion**

Figure 1. The Context and Preassumptions of the Study: Coordination as a Tool for Cohesion

The national-level coordination of EU structural policy is of interest here (see Figure 1). Thus, the setting is similar, for example, to Metcalfe's (1993) and Wessels' et al. (2003) comparative analyses. Metcalfe presents a nine-step scale on the ways in which national governments coordinate European policies. Wessels et al compare fifteen member states. How do governmental actors in national settings adapt to common challenges, constraints and opportunities that the execution of EU policies creates?

Concentrating on national-level coordination breaks from more traditional analyses concerning the EU and its policies which deal with both EU-level coordination and supra-

national questions. Some of these analyses can be listed briefly here. For instance, Peterson & Bomberg (1999) analyze decision-making in the EU while Barbour (1996) and Nugent (1999) present the history and the development of European policies and the organization of supra-national policies, as does Archer (1996) in his research. There are also many more specialized studies, like Hayes-Renshaw and Wallace's (1997) analysis of the functioning of the Council of Ministers and Stevens and Stevens' (2001) research on the administrative practices of the EU.

The 'boom' of EU-level analyses in 1990s partially derives from the fact that since the mid 1980s, with the completion of the internal market, the EU has quite steadily increased its competencies and importance as a worldwide actor. This means that policy areas previously within national domains became common policies through the Maastricht and Amsterdam Treaties during the 1990s. Another point is that the development of the EU as a supranational actor and a politico-administrative system is unique. However, as argued earlier, structural policy is based on the shared responsibility and competencies between the EU and its Member States. Therefore, certain references concerning the relations between national and supranational levels are needed, especially in the empirical chapters. References are also needed because the EU-level forms the overall context for coordination, especially between the Member States.

The study is not concerned with the policy formulation of EU policies or the content of programmes, or the validity of their strategies or outcomes. Therefore, political decisions about structural policy and strategy, or even policy coordination will not be analyzed in this study (policy formulation in Figure 1). However, policy formulation has provoked a lot of discussion in terms of the 'open method of coordination' which is a particular method in European policy-making among others (see e.g. Radaelli 2003: 25–27; Overdevest 2002: 1–3). Furthermore, the analysis is not concerned with the quality or content of policymaking at the supranational or national levels, including decisions on overall budget size or composition, or how the spending should be directed between nations and regions.

The scope of the analysis of national-level coordination is restricted to three selected EU countries. Despite the comparative setting, the purpose of the analysis is not directly to

value in which country case coordination is organized in the most efficient way or which country case would provide absolute benchmark for the others. Instead, the main aspiration is to clarify and explore the trends and strategies through understanding and identifying the challenges confronted in coordination at the national level. Additionally, the study attempts to examine the related opportunities and limitations of different approaches, and to present some best practices to develop administrative arrangements on the basis of comparison.

The content and discourse of national-level coordination will be the sum of different factors as opposed to a one-fold conceptualization. It is also defined on the basis of needs and expectations: who defines the needs of coordinative efforts, whose interests does it serve, and what kinds of power relations are involved? It is easy to argue that multi-level patterns of governance and the number of interest parties in EU affairs complicate coordinative efforts and lead to highly obscure coordinative situations.

Specifically speaking, the coordination of EU structural policy at the national-level includes and gets its content on the basis of several points of view. For instance, society and politics, and administrative related aspects are reflected in the content of coordination. As Tiihonen (1985: 14–16) argues, the discourse about coordination also concerns the relation and interconnection of theories and practices, and in what ways they both change the content. This is mainly presented in Chapter 2 of this book. Legislative framework forms one point of view. The Regulation (EC) 1260/1999 laying down the general provisions of Structural Funds is one of the key regulations setting the context for interpreting coordination. There is also the national level legislation of each country concerned. Both will be discussed in the empirical chapters. There are a lot of questions involved: do norms create the framework, are the practices derived directly from the norms, and how they are applied? Additionally, a wide range of related documents such as organizations' procedure manuals, drafts, memos, and evaluations are used in creating the content for coordination.

Although all the above-mentioned items are important in comprehending coordination, the interpretation of coordination of EU Structural Funds here will emphasize the role of national officials and the significance that they place on coordination. In what ways do they

understand coordination and the importance of it in certain situations? What kinds of differences exist, and what kinds of factors (e.g. culture, administrative traditions, established procedures, etc.) explain the similarities and differences?

All the above-discussed items create the frame of reference for studying coordination. However, the discussion does not explicitly disclose what coordination is and why it concentrates on specific issues. In order to identify coordination, coordination has to be conceptualized and defined in the contexts of certain theoretical aspects.

1.2. Conceptualizing Coordination

Metcalfe (1993: 7) remarks that even though a general meaning of coordination is clear, coordination is a surprisingly imprecise concept. A basic meaning can be taken from Latin – 'coordinationis' – which refers to the arranging or binding together of two or more different parts (The Concise Oxford Dictionary of Linquistics 1997). In general, the definitions in administrative theory do not differ much. For instance, Fayol (1949: 5) notes, "*to coordinate is to bring harmony and equilibrium into the whole*" and according to Selznick (1957: 5), coordination is "*the main instrument to keep differentiated functions and structures in line with overall purpose*".

Also, by reviewing some key classics of administrative science (e.g. Chester Barnard, Henry Fayol, Mary Parker Follett, Luther Gulick, Philip Selznick) that discuss coordination to some extent, two items tend to arise above all others. Typically, coordination is related to the prevention of fragmentation and the achievement of a common goal.

In addition to the classics, system and contingency theories have affected the discussion about coordination. The shift from closed to open systems is one of the profound factors. Questions about how the organizational environment affects the functions and structures in an organization, in what ways organizations are dependent on and collaborate with other organizations, and also that an organization's efficiency and goal attainment are dependent on the degree of the response to consumer's needs have been emphasized. (Alter

& Hage 1993: 82–88; Thompson 1967; Hasenfeld 1992a; see also Burrell & Morgan's 1979: 60–62 critics.) Thus, while classical organization theories have mainly emphasized the intra-organizational issues in coordination, the system and contingency theories widened the discussion to intra-organizational relations.

On this basis, coordination in this study is tentatively defined as follows: it refers to inter-relation of functions, structures and resources in a particular organizational context.

Despite this clear definition, a lot of questions still tend to arise: what are coordinative efforts; how do they emerge; how does one know that coordination actually has taken place in a certain situation; is coordination always an answer to dysfunctions? Regardless of its importance in practical administrative operations and the key role it plays in theories of administration, there is no consensus on how coordination should be conceptualized, especially how it is put into operation in a particular context. The most important factor for this diversity is that the definitions are applied in very diverse frames of references: from the specifics of an individual organization based analysis to broad societal connotations; for example, how co-optate different welfare policies; how to balance the relation of public and private sectors in society (Kaufman 1991; Dahl & Lindblom 1953); and how markets are functioning (Thompson et al. 1991; Peters 1998). On that basis, the following restrictions and definitions are needed.

Three Functions and Two Structures: Building a Framework for Interpretation

A common feature for almost all attempts to characterize and conceptualize coordination is that another concept is employed in explaining or making the meaning of coordination precise. Then, the variety is great. To mention some of the commonly used concepts, control as Gulick (1937a) applies it, is a good example: how control and the control information is used to coordinate better. Authority is used in some research; for example who or what instance poses an authority to make coordinative decisions and on what basis (Metcalfe 1993; Derlien 1991; Hoggett 1996; Peters 1998). Also, both Mulford and Rogers (1982: 13) and Alter and Hage (1993: 82) apply cooperation to clarify coordination.

This is also done in this study: coordination is clarified by applying three organizational functions and two organizational structures which are sorted out from among many possibilities. However, as Tiihonen (1985: 15) remarks in his research on the coordinative role of a government office, to analyze coordination comprehensively requires that different practices and discourses which are not directly related to coordination but indirectly implicating the content and discussion on coordination are taken into account. In this research, the following two organizational structures and three organizational functions are used to reveal the idealized meanings of coordination but also meanings deriving from practice.

Often, coordination has been associated with organizational design[1]. On that basis, two structures tend to be obvious and explanatory: hierarchy and network. Both will be discussed explicitly in connection to certain functions in the following chapters, but tentative descriptions of the two structures are as follows. In analyzing coordination, hierarchy adds elements such as centralization, unity, formality and continuity. Ideally an opposing organizational structure is the network structure. It contains such elements as power, resource and operational relations and dependencies, context specification, informality, and decentralization.

In addition, three selected functions are the division of tasks, control, and communication. Because the arguments for the choice of the functions are not so unequivocal, some specifications should be made. Basically, the arguments are two-fold.

First of all, the arguments derive from societal level aspects, and their importance and relevance in explaining and understanding the construction of society and societal relations in philosophy and in different sociological paradigms. Of course, a limited number of notions could be referred to here.

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[1] In the literature, organizational structures are typically analyzed using several contradictions. Here, some feasible possibilities could be mentioned: Burns and Stalker (1961) 'mechanistic – organic'; Orton and Weick (1990) 'loosely – tightly coupled systems'; Scott (1987) 'closed and open systems'; Trist (1981) applies the terms 'Old approach' and 'New approach'. Or by using even more detailed configurations: Mintzberg's (1979) five structural configurations of organization and Morgan's (1997) six models of organization.

The questions of how work should be arranged in a well-functioning society have been the focus of philosophy ever since Plato's 'The Republic'. Alongside these philosophical thoughts, mainly in relation to classical political economy, a more descriptive assumption started to arise on how the division of labor should be arranged in modern society and especially within capitalistic and industrialized mass production systems (e.g. the works of Adam Smith and Karl Marx). Perhaps the examination of the division of labor is most frequently related to sociology, particularly Durkheim's (1964, original 1893) studies. In sociology, different kinds of approaches have been elaborated on to explore the mobility of workers between different occupations; from pre-industrialization to post-industrialized society; from craftsman to expert within industry.

In the same way, two other concepts, control and communication, are engaged in their societal contexts. In general, control refers to actions that are used to observe a certain process and that the process is on a preferred course; basically there is the target or 'ideal' against which the actual state of affairs is to be compared (cf. Parsons' 1951 and Merton's 1968 notions on norms). Control has frequently been related to questions of authority, power, or rationality on society, group, or individual levels: i.e. who possesses the authority to control, and on what facts the control relation is based on (cf. Weber 1968; Gouldner 1954; Galbraith 1983). Accordingly, control can be elaborated upon, as Dunsire (1978b: 18) notes, by separating two broad contexts where control is studied: (1) in a context where the attempts of the bureaucracy are directed to exert control over citizens and others, as an executive agent of the government (cf. also thoughts of Montesquieu in 'The Sprits of Law' and Mill's On Liberty); or (2) in a context where the government exerts control over the bureaucracy and by which, in turn, bureaucratic chiefs exert control over their personnel and operations.

The third function, communication, is often considered one of the determinants of social relations, and such a system can have a varying degree of structure, depending on the characteristics of the relations in question (Åberg 1986: 13). Communication can be used to very diverse ends, for example in modeling socialization, and determining inclusion or exclusion, behavior patterns, interaction, transactions, etc. For example, in sociology, Habermans has stressed the structure of domination embedded within our language and

everyday discourse (an 'ideal speech situation' where consensus is achieved in communi-
cation without the existence of power). Thus, the structure of language, and its nature and
use provide a key with which to unlock many insights into the fundamental mode of op-
eration of different social formations. Despite the variance, communication is frequently
compressed to concern the construction of meanings and exchanging symbols in particular
context according Myers and Myers (1982: 7). Then, an examination connotes it to the
tradition of works of Mead's *'Mind, Self and Society'* (1967, original 1934), who states
that the conscious human being evolves through a social process, a process of interaction
which involves the development of language and 'mind' and 'self'), as well as the work of
Simmel's, and Buckley's, for instance.

A second, and more restricted basis for the choice of these three functions derives from
administrative theory. As noted above, only a limited number of notions could be referred
to here.

Classics like Taylor (1947) and Willoughby (1927) strongly argue that the uniting element
-- coordination -- is required because the division of tasks separates single actions and op-
erations in organizations. In administrative theory, a certain kind of mutual understanding
about the necessity of control in organizations exists. Quite often, analyses of the nature
and existence of control follows in the tradition of Gulick's (1937a), Barnard's (1938) and
Woodward's (1965) findings. They note, for example, that both to execute efficient con-
trol and efforts to complete the span of control requires coordinative efforts. Also, Thomp-
son (1967), Katz and Kahn (1966), Blau and Scott (1963), and Simon (1997) emphasize
the importance of communication, but the questions of coordination are attached espe-
cially when it is implied in terms of transmitting information

An Anticipation of Coordination Challenges

The determinants -- structures and functions -- for identifying the precise content for coor-
dination were briefly discussed above. The key idea in exploring coordination through
them is that each of them (1) presents their own explanation of what coordination essen-
tially is and (2) illuminates what kinds of challenges are related to it. To reach the aim of

the study (i.e. the better understanding on coordination), it is worth anticipating the potential challenges for coordination and strategies to overcome them (Table 1). The particular and tentative notions presented in Table 1 are based on the literature (Simon 1997; Mintzberg 1979; Blau & Scott 1963; Dunsire 1978a; Follett 1949; Mulford & Rogers 1982; Rossi, Freeman & Lipsky 1999), and are subjective in nature. They only open and gather together the preliminary assumptions concerning the research focus; the aim of the following theoretical and empirical analysis in Chapters 2 to 6 is to provide a detailed description.

Table 1. Challenges and Strategies in Organizational Coordination

Potential challenge	Alternative strategies to overcome
The number of involved organizations tends to increase	To decentralize and thereby gain a better accordance with the subsidiarity
Arrangements and work procedures become fragmented and diverse	To regroup and aggregate the branches of government and to simplify the procedures
The variety of practices increases and extensiveness of control becomes insufficient	To increase unity and make the span of control more complete
The intended outcome cannot be completely ensured	To intensify prevailing control practices (increase the use of IT-based monitoring and proactive guidance), and to link evaluation and program development more closely
Complexity tends to increase the need for control which focuses on procedures	To allow diversity in ways of ensuring the adequacy of process
Failures in transmitting information occur more and more often	To increase familiarity with other organizations and their practices
Communication does not transmit all the valuable information	To ensure a common base of know-how and operationalize the common goal (cohesion)

1.3. The Research Problem

In reference to the earlier discussion, the aim of this study is to understand coordination better through a combination of theoretical and empirical analysis. Thus, the scientific contribution is to increase understanding on how to regroup and to redefine diverse coor-

dination efforts, and to present the theoretical possibilities and challenges in the context of administrative discussions. The more practical contribution is to develop practical tools for the coordination of administrative activities.

The particular research questions are:

1. In what ways can coordination be understood in the specific context i.e. the European union structural fund programmes?

2. How do the division of tasks, control, and communication challenge coordination, particularly that carried out by the Managing Authorities in the three selected countries?

3. Regarding the similarities and differences in the country cases: what kinds of developmental notions i.e. best practices in coordination can be presented?

Figure 2 illustrates the basic structure of the study.

THE MAIN RESEARCH QUESTIONS

- What is the essence of coordination?
- What are the core challenges?
- How to develop the administrative arrangements?

THEORETICAL APPROACH

To elaborate ideal-types of coordination
- Division of tasks within a hierarchy or network
- Control within a hierarchy or network
- Communication within a hierarchy or network

EMPIRICAL COMPARISONS

To identify the similarities and differences in the selected country cases

BETTER UNDERSTANDING OF COORDINATION

Figure 2. Outline of the Research Setting

The study includes six chapters. The first chapter is an introduction to the thematic focus of the study and establishes a methodology for analyzing coordination theoretically and empirically. The second chapter presents the theoretical discussion to understand coordination as a theoretical implication, as well as the theoretical framework for a comparative analysis of coordination and coordination challenges in the selected EU Member States. In brief, the three selected organizational functions and two organizational structures are applied for a clarification of coordination and an identification of coordination challenges. These are affiliated in terms of understanding coordination and coordination challenges precisely. Then, Chapters 3 to 5 analyze coordination challenges employing the framework used in the theoretical discussion. Finally, the concluding remarks are presented in Chapter 6.

The analysis is based on a combination of theoretical literature, practice-based documents, and expert interviews in three countries. While the theoretical approach emphasizes administrative theory literature, the comparison of the three countries is based on country related documents and interviews. A concentration on the three countries means, of course, that the experiences and literature from other European countries are excluded.

1.4. The Comparative Approach of the Study

The comparative approach is used to explore the similarities and differences of the three selected country cases. The countries are Finland, Ireland, and Sweden. As outlined above, only the administrative issues related to EU Structural Fund programmes on the programming period 2000–2006 are of interest here (cf. Figure 1). The assumption is that comparison provides the knowledge of what coordination is and what things challenge coordination. Thus, the comparative approach is primarily applied in similar fashions as Ragin (1987a: 6) holds it: to provide the key for understanding, explaining, and interpreting.

To compare countries in terms of particular features is the most classical choice for comparison. As Niemi-Iilahti (2000: 88) states, in line with Wilsonian tradition, to understand our own governmental and administrative system and to recognize similarities and differ-

ences with other countries has always be a focal argument for comparisons. Secondly, as a motivation to conduct country comparisons there are always strong elements of development involved; it is possible to learn from another's experiences, to copy and to transfer the 'best practices', and to apply them to your own country. In addition, the enlargement of the EU should be regarded: in what ways can the experiences from 15 member states be taken into account in adjusting administrative system in the acceding countries?

Sartori (1994: 16) remarks that the most essential question of a comparative approach is what is comparable? As he argues, in most cases it is easier to argue that countries or phenomenon are 'incomparable', but 'how do we know unless we compare them'?

Without commensurability, comparison is pointless. According to Salminen (1999: 34, 39) commensurability, in simplified terms, means that in each case there is at least one factor in which meaning remains unchanged from case to case. Therefore, for the basis of comparison, the nature of the applied concepts should be relatively universal. For that reason, the use of the comparative approach tends to be finding a balance between culturally related concepts/meanings and generalizations/universal labeled concepts (cf. Sartori's 1985: 246 analysis on the three levels of abstraction in the comparison). The limitation of the former is usually related to a low applicability with country comparisons while the latter's is a low capability to describe the essential features of the particular case.

In this research, a desire to ensure both commensurability and comparability derives from a method that each case is described and interpreted with the same precision and all the same issues will be raised in all cases. Secondly, in order for comparison to be reliable, a critical theoretical framework is required: the chosen themes that are discussed in the theoretical framework lead the interpretation and reporting of the empirical material. Thirdly, the research material is gathered by using the same principles and specificity in each case. (Cf. Salminen's 1999: 37–39 detailed illustration of phases of comparative research.)

The applied concepts and terms are an evident challenge for comparative study; they might even be a stumbling block. Dogan and Pelassy (1984: 20) are unconditional when they say that there can be no comparison without concepts; without concepts (i.e. intellec-

tual constructions) there are no common dominators between the objects submitted for comparison. Then, the obvious challenge is for the concepts and terms to have the same meaning in every single country case (Sartori 1994: 16–17). Furthermore, the challenge tends to become more demanding when the number of countries or cases grows. Again, the essential issues are the choice of the research problem, the approach and the definitions. We might even say that comparative research requires more effort regarding these particular issues.

In addition, the choice of the units and cases is the most important and perhaps the most challenging decision in comparative research, as Dogan and Pelassy (1984: 99–105) note. Basically they determine the degree of comparability and commensurability. How and on what basis are the 'right' organizations or cases chosen?

At least part of the answer depends on the sum of the following issues. Essentially, the choices depend on the approach and the questions posed in the research. Along with this, the theoretical framework and desire for knowledge guides the decision process. Also, the empirical object is to be considered. What is the 'nature' of the empirical object; is it such that it could be managed in a comparative setting (applicability)? Is the information about the empirical object such that it makes comparison possible and is it commensurable (the symmetric nature of the data)? What kinds of research resources are required to get the information? Finally, what would be the most suitable method?

The Country Cases and Organizations

The choice of organizations in this study is based on the function (for different possibilities see Salminen 1999; 2000; Heady 1996; Dogan & Pelassy 1984; Almond & Powell 1978; Husa 2003; 2000). All the organizations, Managing Authorities (MAs) which are designated by the Member State, are conducting the same function, the national coordination of EU Structural Fund programmes. In addition, they also conduct some other parallel functions (Sound Management of the Structural Funds 2001):

- Drafting programmes and programme complements

- Assembling statistical and financial information required for implementation, monitoring and evaluation

- Preparing documents for the Monitoring Committees and making proposals for functional adjustments and financial reallocations within and between programmes, and chairing and providing a secretariat for their Monitoring Committee

- Submitting payment claims and arranging payments for final beneficiaries

- Co-operating with the Commission and organizing evaluations

- Ensuring that proper financial management and accounting system are in place

- Ensuring compliance with EU policies (notably rules on competition, the award of public contracts, environmental protection, etc.)

MAs in the three countries are illustrated in Table 2 (below). Also the program which they are in charge of is mentioned in parentheses. As the Table illustrates, the number of organizations designated as MAs varies in the selected country cases: six in Finland, seven in Ireland, and ten in Sweden.

Table 2. Managing Authorities and Programmes in a Comparative Setting

Finland	Ireland	Sweden
Ministry of the Interior (Objectives 1 and 2, and Urban)	Department of the Environment and Local Government (Objective 1)	National Board of Forestry (Objective 1)
Ministry of Labour (Objective 3 and Equal)	Department of Enterprise, Trade and Employment (Objective 1)	National Board of Fisheries (Objective 2)
Ministry of Agriculture and Forestry (Objectives 1 and 2, and Leader+)	Department of Finance (Objective 1)	National Rural Development Agency (Leader+)
Regional Councils of Lapland, Northern Ostrobothnia, South Karelia, and Southwest Finland (Interreg III)	The Department of Agriculture, Food and Rural Development (Leader+)	ESF-Council (Objective 3 and Equal)
	BMW Regional Assembly (Objective 1)	County Administrative Boards of Gävleborg, Jämtland, Jönköping, Norrbotten, Västerbotten, and Örebro (Objective 1 and Urban)
	S&E Regional Assembly (Objective 1)	
	Special EU Programmes Body (Objective 1 and Interreg III)	

The variety of MAs derives from the fact that EU Regulations do not stipulate which is the appropriate authority to coordinate the operations of EU's Structural Fund programs. In other words, this means that the Member States are able to designate the authorities it prefers, and that the detailed management of any programme financed by the Structural Funds is always decided on by the Member State concerned.

On that basis, it is easy to assume that the implementation structure and therefore the coordination procedures of the operations are likely to be different in various countries (cf. Rantahalvari's 1995: 20 notions). In general, these differences derive from different governmental and organizational systems, governance traditions, and procedures. Despite that the latitude is relative. The organization has to be agreed on in a negotiation between the Commission and the Member State. It is worth asking if there are existing tendencies that may unify the administrative and governance models of the Member States.

Because the compared organizations (MAs) perform the same function, it can be argued that the comparison and choice of compared units fulfill the requirements related to functional equivalence. In brief, functional equivalence is embedded in the idea that different organizational structures may perform the same function, and second, that the same structure may perform several different functions (Dogan & Pelassy 1984: 31–37; Heady 1996: 8; Salminen 1999: 39).

The choice of the countries and organizations in focus could also be explained in other ways. The approach makes it possible to elaborate on the opportunities and problems relating to the small countries that act in the European arena. Secondly, Finland and Sweden are newcomers, joining the EU in 1995, while Ireland accessed the EC in 1973. Therefore, we might expect that the Irish have a lot of experience in the implementation and coordination of EU Structural Funds. It is also interesting to compare two countries that began implementation at the same time (e.g. what kinds of similarities and differences could be observed, what kinds of problems and solutions they share). Thirdly, the organization of the programming varies (cf. Table 2 above). The basic difference is that Ireland belongs to the Objective 1 area (a so-called cohesion country) and for that reason there is only a single program for the whole country that covers most of the Structural Funds measures,

while in Finland and Sweden there is a wider range of programs (Objective 2 and 3, and several Common Initiatives). In the Irish case, Objective 1 consists of six OPs and each OP has a single MA. However, Objective 1 consists of almost the same measures as Objectives 2 and 3, which are implemented in the Finnish and Swedish cases. Thereby, it should be asked how the amount of organizations within the same Objective or in the whole system in a single country affects coordination and what kinds of challenges are created.

More generally, it should be noted that the chosen countries share an active and long tradition of conducting public administration reforms. Several country comparisons confirm this (Distributed Public Governance 2001; Hyyryläinen 1999; Juvonen 1997). Several questions follow from this: is active reforming reflected in the management of Structural Fund programmes; in what ways might it restrict generalizations and conclusions; can the developing suggestions applied in other countries which have been less active in reforming?

There are also some more practical arguments for the choice. In all comparisons, the researcher has to pay attention to language matters (see e.g. Almond & Powell 1978: 17 about finding language equivalents for describing local arrangements, especially problems faced when using translations). This question is emphasized especially with qualitative comparison because the written and spoken research material forms the essential basis for the study.

On the contrary, in a quantitative study, language does not matter because analysis is based on numbers that create a universal base. In all three countries, the approach enabled an analysis based on native language (written and spoken). Personally, Finland as my homeland was a self-evident choice, mainly because of previous personal work experience and language matters. Sweden was partially chosen because of the possibility to use Swedish and the same reason is valid for Ireland with English. If the countries chosen would use some other language, it might impede the analysis and it would restrict the findings and increase the possibility of certain misinterpretations (e.g. the meaning of a par-

ticular issue would be over-emphasized because the documents that concerned the issue are translated while other issues are not).

How to Manage the Depth of Analysis?

Usually, the aim in qualitative research is to understand the phenomenon in 'depth'. In general, this means that the amount of cases is limited. However, a specific amount of cases could not be explicitly defined as indicated in several method guides (Yin 1993; Alasuutari 2001; Hirsjärvi & Hurme 2000). The matters determine the particular research problem and approach, and the choices that the researcher makes and how the choice is argued.

Is the nature of comparative approach such (especially country comparison) that it tends to increase the amount of analyzed cases? For example in this study, increasing the number of countries meant approximately six to eight more organizations. The number of organizations is, of course, dependent on the approach and the requirements of comparability and commensurability: in other words, to keep the approach the same in each country case and in each organization case.

The number of cases is not a problem in itself, but in the context of qualitative research it might become problematic. In every case, the researcher should critically (especially self-critically) evaluate if an increase in the amount of organizations (unit for analysis) decreases the depth of analysis. We should recognize that the amount of organizations does not play as central a role in qualitative research as in quantitative research, especially in terms of coverage and validity of the explanation (Salminen 1999: 20–27; Hyyryläinen 1999: 17–19). However, the amount has a central role in terms of the depth of the analysis and better understanding.

This is presented in a simple fashion in Figure 3: an increase in the amount of the units of analysis (b), makes it more complicated to manage the depth of analysis (a). Yin (1993: 3) also remarks that an increase in the number of cases may decrease the intensity of recog-

nizing and understanding the relations between the cases, and especially reduce the illustration of the richness of each case.
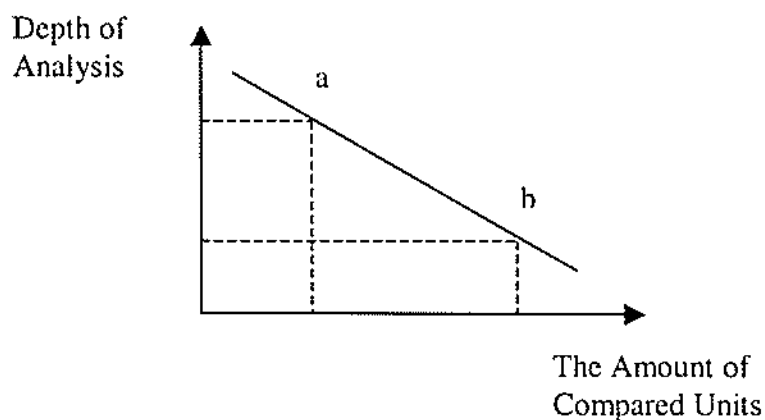
Figure 3. Relation of the Depth of Analysis and the Number of Compared Units

The issue that becomes problematic in situation (b) is that the amount of research material grows very rapidly. For example, in this study, interviews in three country cases produced a total of 250 pages of written material. Then, the researcher is forced to critically evaluate: (1) In what way to find and to critically report on the relevant and essential notions and what could be left out from a huge mass of material, and to present the findings in the 'right' place and context?; (2) How to report on the chosen and relevant issues in a commensurable manner?; (3) How to ensure the commensurability and comparability in gathering data? An obvious strategy to manage a qualitative comparison when the amount of compared units increases is to focus and restrict the scope of the analysis further.

Conducting the Interviews

To commit oneself to a certain approach and method means there are some consequences involved. In qualitative research we could engage ourselves in several methods (e.g. Yin 1994; Anttila 1999; King 1994). In this study, the chosen method is the focused interview (more detailed on the method Hirsjärvi & Hurme 2000: 9; Merton, Fiske & Kendall 1990). Before entering an explanation of the particular arguments for the method, the commitment returns the discussion back to methodological questions. Then, the pivotal question

is, what kinds of conclusions can be made on the basis of a comparison in which the empirical material is gathered by using the focused interview?

This study follows the arguments that Salminen (1999: 52) presents: as a research method, the comparative approach can be related to the principles of induction and analogical argumentation. It follows that the qualitative method (the focused interview) produces information on single cases and particularities, and these single cases are interpreted and the knowledge and understanding gained will be widened to concern the other cases and events in the future. This means, of course, that the future is believed to be rational, and a regular course of events, and that one can learn from the past. Thus, the question is, can the conclusions on single cases be concerned with the other cases? For example, by exploring the chosen three cases, how valid are the conclusions in the other EU member states and in the acceding countries? According to Pence (1998: 166), in analogical reasoning, the closeness of compared aspects increases the reliability of the conclusions, and thereby, the best analogies are made between very similar things. However, one should critically evaluate in what ways the similarity has been created in comparison: is it established by restricting all the troubling factors outside of the research design or are the compared things really commensurable? Additionally, a subjective approach is emphasized in induction. Does it decrease the reliability, especially in the case of country comparison, because the interviewees can mislead the researcher, particularly when operating in a nonnative language environment?

The arguments for focused interviews could be argued from several points of view. Perhaps the most important point stems from the use of the comparative approach because the researcher could not always be sure that the interviewees understand the questions correctly or in the same way; therefore it is vitally important that the researcher specifies his/her questions during the interview[2] (King 1994: 17; Patton 1987: 111). Certainly, the different points of view are one of the aims of the study but getting no answers because

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[2] This is also an argument for the structure of the study. The first step was to get a theoretical understanding about coordination. After that the empirical material was collected and analyzed. From this point of view, for example the applicability of e.g. grounded theory approach would not be restricted in country comparisons, especially when considering commensurability and efforts to ensure it by asking specified questions during the interviews. In other words, how does one create specific questions if the researcher does not understand the object him/herself?

the interviewees could not understand the question is not acceptable. The opportunity to specify and to explain the question more carefully serves the requirement and goal of commensurability, and this is especially vital in the case of county comparisons. Also, during the interviews, it is possible to observe how the requirement of commensurability is going to be fulfilled and make the required fulfillments – or at least to recognize what the most problematic matters might be in order to prevent their recurrence in all interviews. However, this does not necessarily mean that the commensurability of the analysis will consequentially get better. For example, the question is understood in the same manner in all interviews, but for some reason, the researcher does not get an answer. The reasons for this vary: the interviewee does not want to give an answer, or consciously does not give an answer, the answer is not an answer to the question, or the interviewee is not familiar with the matter.

To identify and to recruit persons for interviews was motivating despite the fact that to find the 'suitable' or 'right' persons for interviews was demanding. The way to overcome this was to gather background information extensively and carefully (e.g. what kinds of organizational settings are involved and what kinds of organizational settings would form the solid base for analysis) which meant a huge workload before the actual interview sessions. The difficulties derive from various aspects: some of the personnel information is classified, who is really in charge, who is truly an expert on the current issue, as quite often there are changes in personnel, etc.

In this study, the exact choice of organizations based on certain function helped a lot: in recruiting persons it was known exactly what to look for. The aim was that the focused interviews could be conducted in all 23 MAs, but a few persons could not be reached. Despite that, it could be argued that the missing three officials do not disturb the validity or reliability of the interpretation. Essentially, the answers in the interviews resulted in a sufficient degree of saturation.

In each MA, the interviewed person was the head or leading officer of the EU Structural Fund unit or department. On the other hand, concentrating on leading officers and experts does not tell the whole or even an objective 'truth' about the challenges in coordination in

every single case; in brief, information shared by the interviewees might be based on the positioned knowledge of the system under scrutiny (Sobo, Simmes, Landsverk & Kurtin 2003: 403–406). This should be regarded in interpretation to avoid over-interpreting the findings. Additionally, to choose leading officers and experts enables a comprehensive point of view in coordination but at the same time, might restrict the approach to emphasize the points of view of management. However, it is not explicitly relevant to assume that leading officers would be on a totally different course than other personnel in the chosen organizations.

The focused interviews were conducted in two ways: face-to-face interviews on location and interviews by telephone. The former were prioritized in every case. Essentially, because it increased understanding for the sake of getting a physical touch on the system and gave the opportunity to receive additional material. The reason for the latter procedure is related to the reasonable use of resources: organizations acting as the MAs, especially in the Swedish case, are located around the country, and that would lead to the situation that several expensive and troublesome trips around Sweden and Ireland would be required. Also, in the Irish case, two MAs were interviewed by telephone. On the other hand, conducting interviews by phone requires that the researcher is aware of the possibility of superficiality: it is easier to pass questions related to problems or sensitive matters on the telephone than in a face-to-face interview. In addition, for few interviews, a reasonable time schedule could not be agreed or other reasons impeded an opportunity for an interview: this meant that representatives of five MAs were left out of the study. Face-to-face interviews generally took one to two hours, and telephone interviews some 45–90 minutes. All the interviews were taped entirely and transcribed with the permission of the interviewed persons.

In a country comparison, special attention should be paid to the appointment despite the fact that Hirsjärvi and Hurme (2000: 66) state it is just a formal procedure. This is required for the sake of travel expenses. Therefore, I prioritized the interviewees: the first appointment was made with the official whom I expected to be the most important informant; after that the other interviews were adjusted around that appointment. Because the phone

interviews were much more easily appointed, they were conducted as soon as a suitable time was found.

In making the questions, the commensurability and applicability of the comparative approach must also be considered. Using the concepts and terms carefully is a precondition to success. This requires that the concepts and terms preserve the same meaning (1) both in theoretical and empirical aspects, (2) in all country cases, (3) in interview situation, and (4) the analysis. The exhaustive preparation for the focused interviews on the basis of different kinds of related documents (EU regulations, national acts, government bills, and, circulars, etc.) and organization related documents (work procedures, reports, evaluations) helped a lot in choosing the suitable terms for the questionnaire.

The structure of the questionnaire and all the questions are based on the theoretical discussion; yet, the scientific 'language', terminology and concepts have to be translated and applied to fit practical situations. The questionnaire was sent to all interviewees with a formal, carefully prepared covering letter (Appendices 1 and 2). It was experienced that sending the questionnaire beforehand facilitated quite a lot of success in the focused interviews. The interviewees were themselves familiar with the questions and thought about possible answers beforehand. They could also create an overall picture about the theme and aim of the study.

2. COORDINATION AS A THEORETICAL FRAMEWORK

This chapter will undertake an affiliation of the previously introduced organizational functions and structures in terms of understanding coordination better. Thus, the presumption is that these functions gain different features within different organizational structures, and thereby increase our understanding of coordination. The following discussion is mostly theoretical through the creation of theoretical contradictions or polarizations. Basically, the analysis aims to provide six ideal-type constructions which occur within coordination. These will also provide pre-assumptions of challenges faced in each construction.

Analytically speaking, the way to proceed is the same in each section. While all the functions concern – the division of tasks, control, and communication – were briefly described in the introduction, the beginning of each section in this chapter provides an exact definition for them. Then, the particular function will be discussed within both; a hierarchical and a network structure. Basically, each function will by handled through the use of dichotomies. At the end of the theoretical analysis, the main notions will be summarized.

2.1. Division of Tasks

In administrative science, questions related to organizing have been in a pivotal role. The division of tasks is very closely related to, or even seen as a synonym for organizing. However, organizing is quite a manifold concept. Its content and meaning varies depending on what discipline is concerned and in what context organizing is applied; sometimes coordination is understood as one of the tasks of organizing (cf. Gulick 1937a: 13). From these points of view some specifications should be made. Organizing refers here primarily to the division of tasks which is a process of arranging single tasks and activities that occur within a particular organizational system[3]. The presumption here is that the division of

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[3] The division of tasks, with close connotations to a broad and widely used theoretical concept, division of labor, is anchored to the discipline and tradition of administrative science and is used here purely with administrative meanings, despite its roots in the philosophy of science.

tasks should be elaborated upon because coordination and certain challenges within this concept can be identified.

As mentioned above, each function is explicated using theoretical dichotomies. Thus, in simplified terms, there are basically two interconnected strategies in dividing tasks in organizations. The first option or goal is to prioritize specialization, and parcel the tasks and activities in as small parts as possible. Then, repetitiveness and standardization are the key elements of the division of tasks. The second strategy is to emphasize aggregation. Then, the key elements are related to features of professionalism, like non-standardization, combination of tasks under larger titles, and self-organizing and autonomy over the division of tasks. Thus, the implications that coordination gains is dependent on what strategy is preferred when dividing tasks. Here, this is discussed in theory first, and is enriched in Chapter 3 with empirical notions from the country cases and EU affairs.

Specialization

In the beginning of the 19th century, the development of capitalistic economy and ongoing industrialization, as well as the introduction of new technologies, led to the growth of organizations in terms of size, production and personnel. This increased the complexity of organizations and advocated the rationalization of organization and work. Thus, new solutions were required to promote greater efficiency and development. At the end of 17th century, Adam Smith, examines the specific questions of the division of tasks in the early stages of British industrialization in *Wealth of Nations*. According to Smith (1976: 14, original 1776), the division of tasks, especially specialization, is a pivotal nominator of productivity. In the theoretical discussion, Smith's example of the pin maker is a classic.

> "... *One man draws out the wire, another straights it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on, is a peculiar business, to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which, in some manufactories, are all performed by distinct hands, though in others the same man will sometimes perform two or three of them. ...*" (ibid. 14)

Smith carries on with another example. Here ten men are specialized in their tasks and each of them produces one tenth of a pin. Together they produce 12 pounds of pins in day, each nearly 4800 pins:

> "...*But if they had all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made twenty, perhaps not one pin in a day...*" (p. 14)

Though his example is nearly 200 years old, it still gives good arguments for understanding the meaning of specialization in current organizations. According to Smith (1976: 18), the increase of productivity is explained by three factors: 1) the dexterity of each employee tends to increase, 2) time savings, mainly because workers do not have to change their work places in different work phases, 3) the introduction of technology and new machines, which are used to facilitate working. Putting all these together, the repetitiveness of tasks and specialization on the particular task are the core factors that facilitate greater productivity and efficiency. Also, a greater specialization in the division of tasks facilitates standardization. (Mintzberg 1979: 70; Freidson 1994: 49–50.) Along with these theoretical assumptions, it is fascinating to consider in what ways these principles are reflected and what kind of relevance they have in the context of EU governance, especially in the selected country cases.

Regarding specialization, in theory, the main focus lays on efficiency: the optimal use of resources to achieve the desired objective. According to Harmon and Mayer (1986: 114) efficiency is the explicit '*raison d'etre*' of an organization for Weber, Taylor, Fayol, and, Barnard. Especially Taylor employed a scientific management approach to try to learn, through very detailed '*time and motion*' studies, exactly how the productive process could be improved. He sought to determine the 'one best way' to carry out specialized tasks. It follows, then, that efficiency is quite often understood as the implication of successful specialization and standardization. (Salminen & Kuoppala 1985: 85; Harmon & Mayer 1986: 67, 83–85; Hyyryläinen 1999: 27.)

More specifically, the imperatives of specialization can be exemplified by setting Gulick's (1937a) and Barnard's (1938) thoughts next to each other. The focal point is that specialization is required because production is restricted by some technical components. Firstly, the place where work is done, because the same person cannot be in two places at

the place where work is done, because the same person cannot be in two places at the same time. Secondly, resources like time because one person cannot do two things at the same time. In addition, the level of education explains the need of specialization. At the beginning of the 20th century, there was a lack of highly educated and skilled workers. Because a worker's capabilities and skill are limited, one of the main focuses of these theoreticians was to divide tasks in the most simplified pieces which are easily standardized and cultivate repetition. These were both understood to promote swift training, and therefore, facilitating achievement of greater efficiency. (Taylor 1947: 97; Gulick 1937a: 3; Barnard 1938: 128–129.) However, we should notice that both the world and the profound needs for the division of tasks have changed. But these principles cannot be totally bypassed in explaining the content of the division of tasks and its goals and ends in current organizations, and of course, in the governance of the EU affairs; they at least form a background for organizational arrangements.

One of the main targets of specialization is the standardization of both outcomes and tasks[4]. A key element is to make tasks as simplified as possible, and to increase repetitiveness and control. However, we should recall that these strategies of standardization are usually connected to industrial organizations in the context of mass production. There are thousands of workers and production is merely based on volume rather than on highly specialized products or services. In the context of public administration, standardization is revealed to be a quite questionable term and thereby the idea that diverse tasks are or could be exactly determined has provoked contradictory opinions (see e.g. Blau 1983; Etzioni 1964). In the same way, in the context of EU, the member states are encouraged to find alternative administrative arrangements. On more general level, it should be asked what tasks can be standardized and what benefits can be achieved through this?

Even though the assumptions of the above-discussed theoreticians and theoretical approaches are focused on quite normative suggestions about the needs of specialization, some basis for current organizations can be found. Putting all the above together, the ele-

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[4] In a citation from Mintzberg (1979: 329) about the organization of Holiday Inn hotels concretizes standardization quite nicely: *"At every Holiday Inn, the best surprise is no surprise"*.

ments that explain specialization and which are required in increasing the efficiency of coordination are:

- The assumptions about human factors:

   o Standardization, specialization and repetitiveness are used to gain greater efficiency because workers abilities, know-how and technical skills are restricted

   o The importance of recruiting and placing of workers in the 'right positions' in terms of processes and organization hierarchy

- Assumptions about physical factors:

   o The placement of production in terms of geography, time and organization

   o The nature of production, technology and processes

These features related to specialization have provoked criticism, especially when they are overemphasized in terms of increasing efficiency and rationalization[5]. As Mintzberg (1979: 73) notes, especially Scientific Management in American industry has lead to a certain kind of mania to emphasize the importance of specialization in achieving efficiency and to focus on processes, outcomes, and their effective implementation. This has lead to dehumanization and a mechanistic approach, leaving human relations in a minor role, and thereby, in some cases, it has actually decreased efficiency. It has been argued that these principles form a one-fold guideline of management. Human resources are criticized as being subjected to management: the managers should organize more efficiently while the workers do not possess any important role in arranging their own work (especially Taylor 1947: 36–37 has emphasized clear lines of management and workers). The employees' opinions and needs have to be taken into account in arranging tasks and man-

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[5] The problems caused by extreme specialization in organizations are examined in the research within several disciplines. To simplify, the criticism is based on the Human Relations Movement and organizational humanism which is based on the work of organizational psychologists, like Abraham Maslow, Douglas McGregor, Chris Argyris, Warren Bennis, Rensis Likert, and Frederick Herzberg. A particular 'kick-down' was in the concept 'self-actualization' which was introduced by Maslow (1954: 82). On the other hand, both Etzioni (1964: 60) and Ahonen (1989: 26) argue that Scientific Management and early human relations could not be understood as complete opposites, particularly in terms of motivation, organization and management. First, both approaches comprise a quite similar attitude towards rationalization and efficiency. After discovering the informal organization, it was immediately applied to develop the efficiency of teamwork. Secondly, the early human relations movement do not make any difference between the goals of the organization and the workers' individual goals. In other words, there is constant equilibrium between the organization and an individual's goals. But there is one profound difference. According to Scientific Management, the balance is natural if the physical and human restrictions of working are abolished; the human relations movement emphasizes that equilibrium of these goals should be created by management. (Harmon & Mayer 1986: 100–103; Argyris 1990: 66–67.)

agement. A part of the criticism is focused on the ways in which the highly rationalized organizations tend to define, limit, and therefore impede individual human growth and values. These, in turn, influence their attitudes towards their work, and ultimately affect how they perform their tasks. (Hasenfeld 1992b: 27.) Also, other stakeholders, such as customers and other organizations, should be taken into consideration in dividing tasks and decision-making.

To avoid the negative features which derive from specialization, such as over-emphasized repetitiveness, routines, and standardization, Likert (1967: 104) emphasizes the use of potential of human resources to increase organizational efficiency and commitment to goals. There are many different approaches on how the personnel's motivation and commitment could be increased (e.g. Schein 1992; Argyris 1990; Morgan 1989; 1997). A feature included in almost every approach is that each person should realize that he/she belongs to some social group within the organization. A consciousness of belonging to a certain group fosters loyalty and commitment to the groups' goals (Freidson 1994: 64–54). A second feature here is that usually when human resources, group dynamics, and social relations are emphasized, individuals are understood to have an influence on their tasks, and to influence the organization with their work. Thirdly, different kinds of teamwork solutions are encouraged. (Schermerhorn 1999: 354–354; Katzenbach & Smith 1998: 15.)

Aggregation

In the scientific literature, the opposite features of specialization are quite commonly related to discussions about the aggregation of tasks, especially professionalism. Again, definitions of professionalism vary and with numerous diverse features, and thereby, a limited number of notions can be taken into account here[6]. In aggregating tasks some aspects commonly related to professionalism should be highlighted. They are: non-standardization, flexibility, authority and autonomy over the division of tasks, high re-

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[6] Some definitions are: (1) The main difference between a profession and other occupational groups is that professionals themselves have the ability to control and organize their work (Freidson 1970: 71); (2) Profession refers to an occupational group that is highly educated and specialized, and has an intellectual monopoly of their branch (Helander 1987: 48); (3) Profession is an occupational group which has been institutionalized by their know-how and intellectual basis (Hellberg 1991: 24); (4) Profession is not a occupation, rather it is a way to achieve control over one's own work (Johnson 1972: 45)

sponsibility for outcomes, and dependence on an individual's capabilities to problem-solve (Freidson 1994; Mosher 1982; Elliot 1972; Kuittinen & Salo 1997; Temmes 1992). In addition, aggregation with connections with professionalism is worth discussing because of the empirical focus: most EU-related issues are commonly comprehended to requiring high knowledge and skills, and therefore, understood to be professional.

In the previous section, it was argued that a low level of education and skills, and also standardization and repetitiveness are connected in certain ways to the division of tasks. When aggregation is the emphasized strategy, the determinants of task division changes. Generally, the high levels of education and skills are emphasized. It is assumed that the accomplishment of education and skills are mainly based on an individual's own ambitions, not the requirements or goals set by an organization or requirements related to the organization's production processes. Also, as Mintzberg (1979: 350) argues, the application of skills always requires an interpretation of the situation and the goal of the task. In other words, skills are applied in various and differentiated situations.

The term 'self-organizing' is a key concept. Professionals organize their work procedures and divide tasks themselves, relying on their educational backgrounds and specialized skills. Therefore, there is little place for standardization and repetitiveness. (Sveiby 1990: 36–37; Kuittinen & Salo 1997: 202; Temmes 1992: 120.) Formal work procedures and manuals, and different organizational norms and even expected behavioral patterns tend to lose their applicability and relevance as tools for coordination. This is often related to difficulties to apply exact evaluation criterions. How does one evaluate efficiency or effectiveness of work procedures and outcomes if they are not standardized by any qualitative or quantitative means?

A deficiency in applying formal and common standards as a basis for the organization of tasks does not mean a total absence of standards or norms. Instead of applying standards and norms set by an organization, the standards for work procedures and division of tasks are set by the profession itself. Then, educational background, professional ethics and values are core factors in determining the standards. (Blau & Scott 1963: 60, 244–245; Etzioni 1964; Mintzberg 1979). Thus, we might ask if this unifying trend in educational back-

ground, ethical codes and norms actually promotes standardization, especially the standardization of skills and know-how for conducting certain tasks in a certain organizational context.

All the mentioned features of professionalism affect an organization's policy. A certain profession might create its own policy within or along the organization's formal policy. Mosher (1982: 134) states that the particular context primarily determines how these policies will meet each other. Thus, one of the tasks of coordination is to interrelate the organization's policy and the profession's policy towards a common goal. A particular issue to ask in the empirical context is how the fact that the implementation of EU policies is typically the responsibility of several (specialized) branches of government in member states affects the adopted policy and what kinds of challenges these arrangements create for coordination.

What said above follows that the basic question is what is the basic strategy in dividing tasks in both intra-organizational and inter-organizational relations: does one strive for specialization with extremely simplified and specialized tasks and standardized procedures (repetitiveness and routines); or does one emphasize the aggregate fashion with the features of professionalism (especially nonstandardization and specialization in terms of knowledge and skills), an autonomy over the division of tasks in an organization, and a high responsibility for outcomes rather than single tasks? In a particular situation, both fashions presumably take different forms depending on the specific organizational structure, and thus, both ways to arrange tasks present different kinds of implications and challenges for coordinative actions.

2.1.1. Division of Tasks within a Hierarchical Structure

Traditionally, a hierarchical structure has been seen as an obvious structure for the organization of all organizational functions, as well as the structure that represents the most rational design for the organization to attain its goals in an efficient way (Blau & Scott 1963: 32; Mintzberg 1979: 81–85; Tannenbaum, Kavcic, Rosner, Vianello & Wieser 1974: 81–82; Hasenfeld 1992b: 25; Denhardt & Denhardt 2003: 25; Tiihonen 2004: 206–

210). Thus, in proportion to the empirical focus, it is not an unique finding that in the three country cases, the general impression on the formal division of tasks between organizations (MAs) and their intra-organizational relations, indicates an accordance with hierarchical order (see e.g. the following documents which lay down the abstract and formal division of tasks in government: Valtioneuvoston ohjesääntö 2003; Information on the Irish State 2003; How the Country Is Run 2002).

A hierarchical structure and specialization as methods to organize share some features, at least more so than specialization and network structure. First, as was stated above, efficiency in the context of specialization (tasks are divided into the most narrow, specialized, parts as possible) derives from job specification, standardization, routinezation, and repetitiveness. It tends to be quite obvious that this could not be achieved in any other structure than hierarchical. To exist, they all require stability and continuity which are frequently related to hierarchy[7] (Blau 1983; Morgan 1989; Blau & Scott 1986; Perrow 1972; Crozier 1964). Controversially, in the case of low stability and low continuity, the above-mentioned factors tend to remain low.

Secondly, the features commonly related to hierarchy – a comprehensive and impersonal body of rules, formal and precise definitions of responsibilities and procedures for each individual task at every organizational level, and a highly formalized distribution of authority with clearly expressed lines of super- and subordination – all promote specialization. Moreover, these features are traditionally emphasized as the principles of a rational organization, for example Weber's (1968: 958) ideal-type bureaucracy. The essential assumption is that the more precisely these principles are implemented, the more efficient the organization and its goal attainment process tends to be. The above-mentioned features all facilitate, but also require, the introduction of routines and a standardization of tasks; formal rules could be understood as some sort of implication of standards. All are also

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[7] It is generally agreed that the existence of hierarchy requires stability in intra-organizational relations as well as in the organization's relation to its environment. Continuity here is connected to predictability and anticipation of organizational actions, operations, and arrangements. More generally, continuity is related to the features of Weber's (1968) definition of bureaucracy where he sought to identify the most basic features common to modern systems of large-scale administration, and what are the actual criteria that a system of administration has to meet for it to be called 'bureaucratic'.

applied in terms of ensuring the efficient accomplishment of a single, precisely defined task. (Thompson 1967; Blau & Scott 1963; Mintzberg 1979.)

It is generally assumed that all the above-mentioned issues are understood to facilitate coordination. For example, tasks could be temporarily designated to an organization or a person because each organization or individual that conducts the task knows exactly what skills, educational capabilities, and expertise is required for the specified task, and what the output should be; these are both outcomes of job specification and standardization.

Coordination Prevents Overlaps

Hierarchical structure is based on precise determinations of organizational levels (i.e. the pyramidal image) and precise job specifications. However, specialization quite often increases the number of hierarchical levels, and thereby, the amount of coordinated units. This also fragments the organizational structure. Thus, the main challenge for coordination within a hierarchical division of tasks is to prevent unnecessary overlaps of specialized tasks: if unnecessary overlaps in the implementation emerge, the efficiency tends to decrease. In addition to the question of how specialized jobs on the same hierarchical level could be coordinated, we should ask how coordination takes place in several levels of hierarchy.

According to Mintzberg (1979: 91), these challenges are traditionally confronted by creating an additional level in hierarchy and making it responsible for coordination on that particular level. However, this is not a solution for every single case. This might even further complicate coordination and hinder streamlining of coordinative actions in the organizational system. Additionally, when taking into consideration the empirical context of this study – the EU administration, which already concerns multiple levels of governance – the addition of coordinative levels sounds ineffective in general because several levels already exist. Of course, the solutions and the problems vary in each country case, as will be seen in the following chapters.

Specialization Challenges the Coordination towards a Common Goal

Specialization, especially in the form of job specification, may become problematic in terms of organizational goals and goal attainment. The assumption is that the more specialized the tasks are, the more difficult it is to connect individual tasks to the overall goals of the organization. For example, Mintzberg (1979: 34) states that within a hierarchical division of tasks, a narrow specification not only impedes coordination, but it may also encourage '*the building of private empires*', which refers to departmentalization in an organization. The most negative outcome in such a structure is that the organization's formal goals are replaced by the goals of these 'private empires'. Putting this theoretical assumption in the context of the empirical focus, one might, for example argue if the stability in a government hierarchy (for example a very stable role of the ministries in the Finnish case) facilitates the building of private empires. An additional question is: does the concentration of EU activities in a certain organization or subunit just facilitate the building of excellence or does it facilitate the building of private empires which is based on excellence?

A challenge in coordination is how to associate individual tasks or jobs with the organization's overall goals and desired outcomes. Quite often, further centralization in terms of making coordinative and decisions on the division of tasks have been offered as a solution to achieve common goals. Also, additional and more precise determination has been applied to facilitate coordinative actions.

A Clear-cut and Centralized Authority Structure in Coordination

In every organizational system or structure there is always some particular actor, organization or position which has the authority to make coordinative decisions[8]. Respectively, we might argue that coordination always needs an existence of authority.

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[8] In general, authority refers to the possession of power to forbid, command, permit, determine and regulate (Barnard 1938: 163; Katz & Kahn 1966: 210; Hood 1991: 177). Much more comprehensive analyses of authority are represented for example by Weber (1968), Galbraith (1983), and Blau (1983).

In a hierarchy, there is an apparent tendency towards centralized authority. Simon (1947: 238) notes that the more specialized tasks tend to be, the greater the need for centralized decision-making. Decisions about the organization are centralized in a certain actor or organization which has a formally determined 'final authority' at each level of the organizational hierarchy (Thompson 1967: 48; Follett 1949: 43–44; Simon 1947: 128; Burns & Stalker 1966: 5). This derives from the assumption of ranking in the lower and higher levels of a hierarchy, and therefore, it is always possible to find the actor which has the authority to make circumscribed coordinative decisions over the subordinate levels. Thus, the responsibility for coordination follows a formal structure and formally defined line of authority. For that reason, the meaning of top-down relationships is emphasized in a hierarchical division of tasks and coordinating: quite often they are related to the responsibility for top management and for each level; for example, the executive officer has the greatest responsibility. Furthermore, officials have a clear-cut responsibility for their performance to a superior which promotes the centralization of authority. (Simon 1947: 135; Blau & Scott 1963: 183; Perrow 1972: 85; Burns & Stalker 1966: 5.)

The authority to make decisions about arrangements is fostered by impersonality and legitimated by formal rules, norms, and job descriptions, and also formal positions in the organization's hierarchy. Thereby, personal qualifications and other resources that an organization or individual actor possesses do not directly affect authority. (Crozier 1964: 80–82; Blau 1983: 40–50.) It follows, then, that the authority to make coordinative decisions and actions is also vested in a position in the hierarchy, not a person (Beetham 1991: 130; Blau 1983: 30–31; Merton 1961: 49).

Precise definitions of responsibilities may restrict coordination. Because of hierarchical levels and a pyramidal design, authority is not divided equally to all levels of an organization. Perrow (1972: 85) argues that the principle of the division of authority is that the people at the top have a lot more authority than those at the bottom. Thereby, the lower one's position or level is within the organization hierarchy, the more limited possibilities one may have to affect the division of tasks and coordination, especially when the whole organization's strategy is concerned (Gulick 1937a: 7; Burns & Stalker 1966: 5; Blau 1983: 54). Secondly, if the authority to make decisions over the division of tasks is locked

within precisely defined formal determinations, decisions about coordination are restricted in the same manner. Thus, coordination only includes the actions that are precisely defined to that task or position in the hierarchy, nothing else. However, due to the restricted authority created by specialization, managers could not by any means interfere in another department's division of tasks or coordination.

Coordination is the Termination of Unnecessary Tasks

When efficiency is assumed to be derived from stability, continuity, and specialization, it actually validates the understanding of an organization as being more or less 'machine-like'. At the same time, we constrain our understanding of coordination: despite the continuity, coordinative actions concerning the division of tasks are necessary only when a malfunction emerges. However, there would be a constant striving towards developing the 'machine'; to make the organizational system efficient through coordination, especially by diminishing unnecessary overlaps and streamlining the procedures between organizational layers.

The closed nature of hierarchical structure is based on the presumption that an organization can be defined exactly. This presumption is derived from several items. First of all, a formal and unchallengeable goal, determined by the top-down process, defines what the essential and necessitated actors, organizations, and actions are[9]. Secondly, the involved actors are formally determined in the norms. Thirdly, because of top-down decision processes, the involved actors have to be accepted by an actor who poses as the legitimated authority. In addition, elements of obligation and coercive participation is involved. On that basis, a determination of organization and questions of task division which are under coordinative actions is quite a clear-cut and unambiguous procedure. On the other hand, this of course restricts coordination: coordinative actions concern only those organizations and arrangements which are conceived in the formal definitions, and that gives a little

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[9] However, in proportion to administrative theories, the classical view of organization does not actually concern explicit notions about organizational boundaries, in terms of functional or structural factors. In other words, there are no unquestionable or plausible answers as to why certain functions are included while others are not, and on what basis organization structure is really determined. On the contrary, a general assumption is that the organization includes all the necessary functions which are required in terms of efficiency and goal attainment.

place to react to sudden changes. (Morgan 1989: 22; Blau & Scott 1963: 1; Ranta 1998: 2).

In the division of tasks, if stability is preferred, the reaction to changing requirements and the needs of the environment tends to be restricted. Furthermore, because stability promotes highly formalized organizational structures and procedures, it does not allow for swift changes in the division of tasks or organization relations. Without a doubt, this also makes coordination inflexible, and thus, changing the focus of coordination could be complicated. If there is a need to change the organization, for example, when some task becomes unnecessary because it does not have any relevance in the organizational environment, coordination activities should then focus on the closure of unnecessary tasks, not only on the prevention of overlapping tasks.

2.1.2. Division of Tasks within a Network Structure

The previous section focused on the division of tasks within a hierarchical structure, in that it tends to prefer specialization as the basis for coordination. The specific determinants for coordinating in a hierarchical division of tasks are: unity of actions and standardization by formal and precise job descriptions; application of formal norms and rules to authorize the present structure and coordination efforts; centralized authority structure and accordance with the formally-defined line of authority in conducting coordination. Also, stability and continuity are seen as preconditions for standardization and repetitiveness, and thus, factors that facilitate the coordination of organizational arrangements.

While a hierarchical structure tends to share more of the features of specialization, a network, as an ideally opposing structure, tends to share several features related to the aggregated fashion. Thus, it creates different kinds of challenges and opportunities for coordination[10]. Some arguments for that follow. First of all, a network is based on perpetual change

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[10] Hierarchical structure as a basis for public administration organizations has faced much criticism. Sometimes hierarchy itself has been regarded negatively and at the same time all the features related to hierarchy are seen as negative. Hierarchy is often replaced with other kinds of structures, perhaps most often with a network structure, or fixed-model structures. As mentioned in the introduction, the concept of network in this study is seen as opposing hierarchy. Like hierarchy, networks having different meanings in administra-

which is acknowledged as a presumption for gaining greater efficiency. Therefore, standardization in terms of job specification, position related procedures and responsibilities, and precise or formal task codification tends to be low. Also, possibilities for routines and repetitiveness are limited. Thus, coordination strategies related to these options might seem ineffective and inappropriate. Accordingly, the authority to make coordinative actions differs. In a network, authority is more contextual, resource-based and is highly personalized with a certain organization or individual. In addition, autonomy should also be considered, which was previously determined to be in relation to aggregation. This means that in certain organizational systems, the actors have the autonomy to decide the inter-and intra-organizational arrangements by themselves (see also similar point of views Scott 1965: 81; Sveiby 1990: 70; Temmes 1992: 123–126).

When coordination efforts are examined in terms of a division of tasks based on a network structure, the traditional theories of organization become questionable in certain ways. For example, the need for coordination is primarily assumed to be caused by specialization (job specification) or the interconnectedness and incoherence of specified tasks as well hierarchical levels or sectors (see Gulick 1937a; Barnard 1938; Fayol 1949; Simon 1997; Mintzberg 1979). Additionally, at least three factors are understood as problematic in terms of the coordination of network based organization: the lack of precise definitions (what actors formally belong to the organization), lack of stability, and lack of continuity. As discussed above, a network-based division of tasks tends to comprise all three. Thus, alternative fashions to coordinate have to be found.

The Creation of a Common Value-Basis and Mutual Agreement in Diverse Contexts

It is pivotal to understand the logic of goal processing in a network context because the content for coordinative actions always derives to some extent from the organizational goal. The network structure as a basis for division of tasks does not comprise organization as a self-evident instrument for goal attainment because the structure does not acknowl-

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tive theory (Benz 1993; Sharpf 1993; Ahrne 1994; Alter & Hage 1993; Morgan 1989; Krogars 1995). In spite of the diversity, there are at least three more or less common features concerning networks: the way to which the actors are connected to each other, dependencies that emerge, and different kinds of power and functional relations that are involved.

edge precise or unambiguous definitions of organizational goals or borders (March & Simon 1958: 115). This is in opposition to hierarchy which contains the assumption about the unity of structure. On the contrary, a network structure is commonly understood as an open system with the fixed preferences of participants. Then, a shared value-orientation is required in determining the common goal for a particular network structure (Selznick 1957; Katz & Kahn 1966; Thompson 1967). This requires the emergence of cooperation and interaction between actors which both argues on the behalf of a more volunteer-based participation. Accordingly, the goal partially determines the necessary participants in a network structure. Therefore, we might argue that the efficiency of a network structure derives from the capabilities and success of finding cooperative situations that bring different actors or organizations together; without cooperation, network structure would not exist (Ahrne 1994; Alter & Hage 1993).

In the context of a network, perpetual change is the key factor in adjusting the internal structure in the environment to gain greater efficiency[11]. Thus, organizational structure and arrangements tends to change all the time depending on the current task; every participant concentrates on its own specialty (Tiihonen 2004: 128). For that reason, there is no self-evident organization for a certain activity because every situation requires its own organization. An optimistic way to see this is that the dynamic nature enables the optimization of the organizational structure: only those organizations and resources that are needed for goal attainment are involved in implementation (Blau & Scott 1963: 244–245). Conversely, organizations that are not included or that are not willing to cooperate have a quite small role or no role at all in decision-making about the division of tasks or coordinating. Of course, resource allocation or task division is not optimal all the time. As Rhodes (2001) argues, the optimal use and allocation of resources depends on the organiza-

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[11] In the context of administrative theory, network structure is usually based on system theory or the contingency theory tradition, which emphasizes the openness and reactivity with the environment and an organization's capabilities to reshape its internal structure to changes. Thus, the efficiency of the organization is a function of the congruency between internal structure and various needs presented by the environment. (Selznick 1957; Katz & Kahn 1966; Thompson 1967.) However, when perpetual change is considered as a starting point for analysis of network-based division of tasks, there are some restrictions involved concerning the research process and conclusions at the same time. As Benz (1993: 169) remarks, a particular study produces a certain 'picture' or conclusion about dynamics and this is always fastened to a certain moment. Thus we have a paradoxical situation: despite the fact that networks are considered to be dynamic, the research requires a certain kind of stability in the structure because a certain level of stability in the network structure is required for making conclusions about the structure and its forms.

tion's ability to cooperate and to gain a common value-basis in the implementation of a particular activity. Also, the goal, which is based on mutual understanding and cooperation, is always in relation to a particular task or activity.

All the above said follows that each coordinative effort requires its own process of cooperation and interaction. This means that coordination and applied coordinative actions are based on a process of mutual understanding and always in connection to a particular activity and the context. The binding element might merely be the shared values of participants, or resources, like educational background or expertise that have been determined by a certain profession (Helander 1987: 49–50; Temmes 1992: 40–44). Coordinative efforts are also related to creating a common value-basis for arranging and dividing tasks.

Independency Challenges Coordination

Regardless of resource dependency and cooperation, the involved organizations tend to maintain their more or less independent positions and particularities in a network structure (Orton & Weick 1990: 203–207; Burns & Stalker 1961: 119–122; Kuittinen & Salo 1997: 203). Also, because participation in the network structure is based on the organization's own consideration (what kinds of gains are expected and what happens if no participated), organizations retain certain autonomy to make decisions about the division of tasks and coordinating. Therefore, one of the key points in coordination within a network structure is to prevent incoherence of more or less separated tasks and actions.

From the point of view of coordination, independency may cause challenges. The other organizations' ability to interfere in the organization's implementation procedures and intra-organizational issues are explicitly limited. Again, as a reminder, coordination includes a feature that if coordination exists between organizations they should give up some of their autonomy to the others. Also, a great variety of procedures and arrangements and different ways to divide tasks may exist because of autonomy. Thus, there is a little room for coordinative actions towards a unity of behavior or action patterns; the unity concerns the outcomes rather than procedures. Thereby, in terms of coordinating, we should ask the following: what organization in the network is responsible for what; what

actions are each organization conducting in the implementation; and, if the tasks are divided, which organization is responsible for coordination of the overall organizational system and the accomplishment of tasks?

With independency it follows that trust among actors is required in coordination. The division of tasks in a network relies more on personal relationships and shared value-orientation than on formally defined norms, goals, and procedures (Tiihonen 2004: 124–125). This means that the coordinative efforts regarding division of tasks depend on the organizations' willingness to cooperate and trust each other. Empirically it is interesting to ponder what facts explain the trust between organizations in the execution of EU structural policy A commitment to coordinative efforts depends highly on the trust between organizations because the formal or even coercive features of participation do not exist as clearly as in a hierarchical structure. In a hierarchical structure, the nature of participation and obedience to coordination is more obligatory or coercive: a particular organization which poses a formally defined authority might oblige other organizations to participate and so involve the other organizations in its coordination and goal attainment process.

Context Related Coordination Decreases Predictability

Perpetual change of the network structure creates possibilities in the division of tasks and coordination because it enables flexible solutions and changeable arrangements. Of course, it follows that every situation and activity requires its own style of coordination, depending on the organizations involved and the goal pursued. Therefore, coordination emphasizes ad hoc based solutions. Moreover, this facilitates juncture redefinition of coordination if needed. (Majone 1991: 463; Burns & Stalker 1961: 21.)

Conversely, context and ad hoc based solutions in task division and coordination may lead to ineffectiveness; coordination relations should be created for each activity, and furthermore, the possibilities to generalize coordination to fit all situations are limited. A question that stems from these theoretical assumptions in the case of EU structural policy is whether or not MAs should build up a unique coordination arrangement for every single situation. Furthermore, in the theory it can be assumed that ad hoc based solutions de-

crease the anticipation of the division of tasks and coordination. It follows that continuity in coordination tends to be low. For example, it is not possible to anticipate exactly the division of tasks which should be coordinated in a particular activity, or what organizations will take part in implementation, and in what way responsibilities will be distributed. Also, when a new issue arises, it could not be firmly anticipated what organization will take the coordinative role and be responsible for division of tasks. On the other hand, all these issues add to the importance of coordinated actions.

Possession of Resources Determine Authority

Authority in a network differs from a hierarchy. In a network structure, authority prefers a more decentralized design. This derives again from the assumption that in a network, the arrangements are under perpetual change and redefined constantly. Therefore the authority situations tend to change frequently, and so the authority is highly dependent on a particular situation and task and no 'final authority' exists for all situations (cf. Follett 1949: 3, 77–78). Therefore, authority for coordination is based more on an on-going process of interaction, co-operation, and mutual understanding between the organizations involved. The shared norms and common value-orientation, and sometimes common patterns of action, legitimate the authority. (Blau & Scott 1963: 29, 144; Etzioni 1964: 79.) In the context of EU Structural policy, the key question is how well the common goal, cohesion, produces a common goal and value-basis for implementing organizations, and does it vary between the studied country cases? To reach a consensual decision for shared value-orientation might be problematic if the goals and the necessity for coordination are understood differently (Lindblom 1965; O'Toole 1993; Sharpf 1993; Pollitt 1991). This is, of course, true in shaping EU Structural policy, depending on the level at which the decisions about coordination are made.

However, there is still the possibility for centralized tendencies in a network structure: in particular, decision-making over division of tasks and coordination could be concentrated in particular actors or organizations. It is important to note that centralization does not refer to the same issue which was discussed earlier with hierarchical structure and the ap-

pearance of a 'final authority': within a network structure centralization is likely to appear in terms of resources[12].

Resources determine the organization's interests in the issue and what kind of authority it has to make coordinative actions in the division of tasks (Etzioni 1964: 126; Rhodes 2001). Later on, in the analysis of country cases, this will be concretized especially in the case of Paying Authorities; they allocate the resources for the MAs. Thus, it can be asked if the possession of resources really gives authority over the other organizations. On more abstract level, as Parsons (1951: 189) points out, the instructions of professionals (physicians, lawyers, architects) are usually obeyed because of confidence in their expertise. In other words, this is based on the idea that an organization could make decisions about the division of tasks, at least decisions about internal arrangements, on the basis of excellence and expertise in that particular area.

Because of perpetual change, the authority to make coordinative decisions depends on the activity. Therefore, if the centralization of authority occurs, the nature of it in coordinative actions is not a stable or continuous, it is contextual. This also means that the organization responsible for coordination changes: for a certain activity a particular organization is in charge of coordination, but the authority is usually recreated and redefined on the basis of resources.

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[12] Typically, an organization's dependence on resources and interaction in exchanging different resources in different contexts are used in explaining the formation of a network and division of tasks (Marsh & Rhodes 1992; Cloke et al. 2000; Bache 2000). Resource dependency refers here primarily to the relationship that takes place between actors and where they are dependent and resources are understood in a very comprehensive way, including e.g. financial, knowledge, physical, and informational resources.

Centralization in this context could be better understood by reviewing discussions on professionalism. Expertise, flexibility, and creativity have been traditionally related to professionalism as positive features. These are used as an opposite or alternative phenomenon for the features of bureaucratic organization and structure, like rigidity, stolidity, incoherence, and hierarchy. However, during the 1970's, organizational research started to point out the negative features of professionalism. The discussion began to include theses about increasing elitism and the misuse of power. Also professions' tendencies to increase their abilities to occupancy and achievements for gaining societal power are examined (Johanson 1972; Freidson 1970; Murphy 1990; Goldthorpe 1982). At more abstract level, Habermans (1973) concludes that professionalism, in relation to the centralization of power based on resources (knowledge, expertise) in public administration, may lead to undemocratic tendencies i.e. excluding political influences from public administration and decision-making. For comprehensive illustrations about the problems of professionalism in society see Ridley (1968) and Freidson (1994).

The resources which a particular organization or actor has determines the openness of networks. Lowndes and Skelcher (1998: 322) argue that the more resources an actor has, the more possibilities there are to join different kinds of networks and gain authority. There is, of course, a more negative approach involved: because a network is primarily based on interconnection and personal relationships, only those organizations which are understood as pleasant are involved. This might lead to inefficiency: an organization that has the most suitable expertise or other resources in a particular branch does not participate because it is problematic to deal with, and therefore, all the required resources are not in good use or allocated in the implementation.

2.2. Control

In the administrative theories, a certain kind of mutual understanding about the necessity of control in organizations exists. The assumption is that administrative activities and decision-making both need some kind of control. (Dunsire 1978b; Marcus & Marcus 1972; Simon 1997.) Therefore, the theoretical question to ask here is in what ways control can be used for the purposes of coordination. Empirically, in what ways do MAs use control to coordinate in the selected country cases, and what kinds of differences can be recognized between the Finnish, Irish, and Swedish cases? The discussion proceeds in the same way as the previous section. First, control is precisely defined using a specific dichotomy. Then, the discussion on control will be carried out in terms of hierarchical and network structures, both of which provide certain clarifications on coordination issues.

The basis for determining control, as with the division of tasks, can be found in administrative theories, and is considerable for the manufacturing industry and industrial organizations[13] (Gulick 1937a; Barnard 1938; Fayol 1949; Follett 1949; Woodward 1965). Fre-

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[13] To make a difference between the manufacturing industry and administrative control, Woodward (1965) presents a juxtaposition where control is divided into 'mechanical' and 'administrative'. Despite the diversity there is at least one common factor in the focus of studies: control is analyzed in terms of hierarchy by looking at the relationship between supervisors and the supervised. Thus, the classical issue in the theory has been the elaboration of the ideal span of control (e.g. Gulick 1937a, Fayol 1949, Barnard 1938, Follett 1949). Practically the question is how many subordinates a manager is able to manage. Blau and Scott

quently, control refers to activities that are used to observe a certain process and those activities are also used for keeping the process on the preferred course (Uotila et al. 1989: 233; Sarja 1995: 116). In the context of public administration, different concepts (e.g. power, authority, influence, guidance, steering, or, monitoring) are used synonymously with the term (Hoggett 1996; Ahlstedt et al. 1974; Lumijärvi 1994). Also, several kinds of classifications that are based on the focus of control (time and place) are applied: who is under control and who is in charge of control; what kind of authority does the control organization pose (coercive or persuasive)? Also, the context in which control is used defines control[14] (Tannebaum 1968: 5; Dunsire 1978b: 19–20; Gruber 1987: 197; Ruostesaari 1992: 295–298).

It necessarily follows that a more exact definition is required. In this study, control underlines administrative questions and certain connotations of it are used for understanding coordination better. Essentially, control refers here to actual and potential ways of influencing, as Dahl (1982: 17) and Ahlstedt et al. (1974) have defined it. Putting it simply, the emphasis will be on the instrumental use of control: in what ways is coordination achieved by using control to maintain and develop efficiency and for reaching defined and preferred goals (Urwick 1938: 119; March & Simon 1958: 38; Dunsire 1978b: 45–48)?

Keeping in mind the above-mentioned items, the discussion on control mostly concentrates on the feedback mechanisms through which control is usually examined in administrative processes, especially in relation to management and decision-making in organizations (Simon 1947; March & Simon 1958; Thompson 1967; Scott 1967). In the ideal case, the process is fine-tuned with applying feedback, and the goals could also be redefined. To simplifying, control as feedback (information) is seen as an organizational resource itself; what can be applied in the achievement of common goals or even in striving towards indi-

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(1963: 168) conclude that the approximate number of subordinates is six persons. However, from the point of view of this study, to define the ideal span of control is not an adequate task.

[14] To refer the discussion on control in the introduction in wider societal context, in this study control is concerned inside the bureaucracy, in the public administration 'machinery'. Thus, the approach in this study is more concerned with the organization of control in the framework of public administration organizations than societal or personal level questions and connotations. Though government related issues (in what ways the government exert control over public organizations) will be examined to a lesser degree, all the related issues could not be totally excluded. Additionally, political, economical, and juridical explanations of control are examined to a lesser degree.

vidual goals. However, Tullock (1965) emphasizes that information can be used in different ways. It can be used as an item of trade, where the organization is a certain kind of market, and where each person has an interest of their own that they are out to maximize – official as a species of 'economic human'. Thus, information, while it is an organizational resource, may also turn out to be a commodity of this trading system, and used for the private purposes of those into whose possession it comes. Despite that, control evidently gains much wider connotations in the following and especially in the context of the empirical focus.

Procedural and Substantial Control

Control, especially when it is related to all parts of the administrative process, tends to become complicated. This is also very clearly implicated in the empirical focus: control is perhaps the most awkward, and therefore the most discussed, issue in the governance of EU policies.

To overcome inaccuracy, the content of control is condensed into two constraints: procedural and substantial control. The former refers here to control activities that are used to ensure that all processes are in line with the overall goal of the organization, and that all activities are appropriate in terms of achieving the goal. The latter refers to what extent control is focused on the substance of activities and how appropriate the activities are. (Dunsire 1978b: 90–91, 100.) Therefore, the constraints of control revert us back to questions about efficiency and effectiveness. Of course, the fine-tuning of the concepts used varied, depending on the user. Here, the content of efficiency is, in simplified terms, "are we doing things the right way"? In principle, to optimize efficiency by control, there is a tendency to emphasize procedural control. Correspondingly, the content of the term effectiveness is used here for the illustrated question, "are we doing the right things"? (Salminen 1998: 137). In other words, how does one ensure that all activities serve efficient goal achievement?

When control is applied in various situations, the constraints of control vary. Basically the differences arise from the stage of the administrative process where control is applied.

Taking an example from the empirical focus, we could assume that the planning phase of EU expenditure programmes requires different kinds of control efforts than the decision-making and implementation phases. Thus, the features of substantial control might be emphasized in planning, while the features common to procedural control are emphasized in implementation. In principle, all combinations are possible.

As Hoggett (1996) argues, a striking trend during the 1990's in public administration had been to emphasize substantial control, and we could assume that the current situation has not changed dramatically. This trend is fostered by the introduction of performance management and NPM related reforms, both of which underline the importance of outputs and outcomes rather than control procedures and input control (cf. Follett's 1949: 77 notes on change of control towards 'fact-control' in which she refers to control process with emphasis on outputs instead of procedures). Evidently, these questions are very simplified and in practice the issues tend to become blurred.

However, control and division of tasks share certain features. It could be asked if the decisions made in the division of tasks actually affect the way of choosing modes of control or vice versa. For instance, if specialization is emphasized in organizations do we then actually commit ourselves to procedural control? Converse, if we emphasize the aggregated fashion to divide tasks do we at the same time advocate substantial control?

In addition to procedural and substantial control, there is one complementary element which is a simple juxtaposition: to segregate control in the actual and the potential. The former refers to a situation where the control situation is evident: both the controller and the controlled realizes the existence of control relations and the use of sanctions or corrective actions are evident. Those who are controlled are actively guided by norms, rules, and formal procedures which are applied to attain a particular goal or to reach and maintain the required level of efficiency. The latter refers to a situation where the controlled regards the potential for sanctions and their realization. The existence of control itself may affect behavior and the actor may consciously or unconsciously act according to a certain behavior pattern without any realization of control or sanctions. (Lin & Hui 1999; Teboul et al

1994; Martinez & Jarillo 1991; Dunsire 1978b; Wirth 1991; Tannebaum 1968; Marcus & Marcus 1972.)

2.2.1. Control within a Hierarchical Structure

Ranking in Order Determines Coordination and Control Relations

Simply put, control within a hierarchy is based on the assumption of the determination lower and higher levels. Etzioni (1964: 76) goes further by arguing that without a clear ordering of higher and lower ranks, where the higher rank have more authority than the lower ones and hence can control and coordinate the latter's actions, the basic principle of organization is violated: the organization ceases to be a coordinated tool for achieving a defined and preferred goal. The pyramidal image of hierarchy means that each person, organization or organizational unit has a specific and formally determined span of control in relation to lower level organizations or units, but also a responsibility for actions to the higher levels. (Weber 1968: 958; Blau 1967: 455.)

This is in relation to the assumption about the existence of the 'final authority', a person or organization which has the authority to make decisions over control, its content, and acceptable procedures. Authority, as concluded previously, is based on formal norms and rules and on an impersonalized position in the hierarchy. Therefore, the use of control, whether it refers to procedural or substantial, is the responsibility of the higher level.

A hierarchical structure enables a delegation of the responsibility for control to the lower levels. This requires formal descriptions of the responsibilities that have been delegated; what are the precise obligations and responsibilities? A hierarchical structure also enables a chain of control activities or procedures. This is best revealed in the organization of control information; it is gathered by the lower levels, and is passed up in the organization hierarchy until it reaches the top of the organization; all the levels make the necessary controls at their level.

Procedural and Actual Modes of Control Preferred

In some respects, the division of tasks tends to explain which is preferred, substantial or procedural control. If specialization is emphasized, should procedural control be preferred? One of the reasons to agree with this is that the efficiency in specialization is gained by tight control over standardized and routine work procedures. Then the main purpose of control is to indicate all the deviations apart from standardized procedures, and this arguably one of the core priorities of coordinating with hierarchical control. Also, the assumption that the more repetitive the tasks, the more there is a need for procedural control facilitates this. The point behind these is that if the procedures are the same, the outcome in every case is the same. Also, standardization increases the ability to use exact measurements for evaluating outputs or outcomes and that tends to increase the probability of procedural control. (Perrow 1972: 39; Woodward 1965: 224–226; Blau 1968: 457.)

Basically, actual control, with precise norms and rules, facilitates a clear-cut manner to coordinate and control. The formality increases the transparency of the control environment or situations: the other organizations and all the levels of the intra-organizational system are informed about competent actors that are responsible for carrying out control and their jurisdictions. The features of hierarchical structure, stability and continuity, both facilitate formal definitions. Also the occurrence of formal norms and rules promotes an anticipation of the ways of control. It follows that all levels in a hierarchy are familiar with control procedures (e.g. in what ways the use of financial resources are controlled, what things will be followed, what kinds of control information are required with each task, and what actions will be taken if misuse of finances occur). Also sanctions that follow disobedience are evident.

For these reasons, coordination efforts are at least two-fold. First, coordination is applied to ensure that control is as extensive as possible. This means that the actors at every level of the organization or all the involved organizations are controlled in formally defined ways. Secondly, it is ensured that inadequate control overlaps do not exist. However, overlaps in control are not always negative in terms of efficiency or goal achievement; some individual actions might require control overlaps. In practice, this might refer to a situation

where the actions of an organization are controlled by two separate organizations. For example, in the EU Structural Fund, measures for control over financial issues are typically the responsibility of independent auditors and control over substance is carried out by several, formally defined organizations.

Insufficient Extensiveness Decreases Intensity

Striving for extensiveness in control is challenging. The challenge derives partially from the hierarchical division of tasks: to divide tasks in specialized parts often increases the number of actors or organizations involved, and that complicates the goal to gain extensive control and coordination over the total system. Furthermore, when the number of organizations increases then coordination and control tend to become too complex and difficult to organize, and thereby, the intensity of control may decrease. Again, quite a casual solution for insufficient extensiveness of control has been to add an additional level to the organization hierarchy (Mintzberg 1979). Of course, this is not an obvious solution for every individual case.

The formal determinations of control relations and responsibilities are not always unconditional. Misinterpretations or misunderstandings of formal rules and norms can occur. The organizational structure might be too manifold or complex for the explicit determination of the responsibility. Also, control itself might be too narrowly defined. Under these kinds of circumstances, coordination relying on actual control may fail which also means that the intensity of control is low. Accordingly, when control and control relations become too complicated, there is the possibility that the easily controlled issues are emphasized and so avoid complicated control situations.

It is possible that the formal organizational control arrangements do not meet the actual lines of authority. Then, the obvious problem is that the 'final authority' in control relations could not be defined precisely in each level of the hierarchy (Follett 1949: 44), which decreases the intensity. This is also partly related to the existence of informal organizations within the formal organization structure. Basically, as March and Simon (1966: 122–123) note, how consistent the formal authority is with informal authority is important to

consider. On that basis, control and coordinative efforts might be unsuccessful because of the absence of authority.

Rigidity of Control Procedures

A formal goal and the stability of organizational design set the possibilities for control and coordinating efforts. This derives from the assumption that an unquestioned formal goal exists. Then control efforts can be adjusted and derived from the goal. Both stability and continuity also facilitate further standardization of control procedures and coordination, and thereby increase the efficiency in control.

On the other hand, a challenge is that control only produces information on the issues which are formally determined beforehand and usually by using defined indicators. (Hood 1991: 348–350.) Then, problems tend to arise when issues that are not defined in advance occur. Additionally, the prevailing control procedures might be too inflexible to react to the constantly emerging new issues. In the most crucial case, this might lead to a situation where there is a total lack of control information. Still, perhaps the most common situation is that control efforts do not produce adequate information. Then, we might ask on what basis the coordinative decisions are really made.

Perrow (1972: 38) argues that the occurrence of a standardized and formally defined control environment might limit an organization's capabilities for decision-making, especially to reach out for innovative solutions. This also concerns coordination: when control is tightly based on formal rules, we might expect that there is a low level of innovative solutions in coordinating.

2.2.2. Control within a Network Structure

Since we consider a network as the opposing organizational structure to hierarchy, it is obvious that different features of control will be emphasized in the context of coordination. In the same manner, the confronted challenges and opportunities in coordinating differ. In spite of that, the overall theoretical questions could be assumed to be similar to con-

trol under a hierarchical structure: in what ways can control be achieved, and what kinds of disputes are faced in coordinating? Empirically, it can be asked what kinds of implications network-based control activities tend to exist in managing EU funded programmes, and if there are evident implications of these features, in what ways these challenges are resolved in the country cases.

Achievement of Control Depends on an Organization's Capabilities to Cooperate

The dynamic and the contextual nature of authority in a network structure affect control. First of all, as Warren (1972: 312) notes, control is limited in scope, time, and context. Thus, both control and coordination underline a particular context, situation, and activity. For that reason, a permanent and standardized determination of control relations between organizations is more or less absent and inappropriate (Hoggett 1996: 21). Therefore, when an activity ends or new activities emerge, there is a need to create and adjust control in the current situation.

Because of a lack of formally determined control relations in the organization of control, it is dependent on the organizations' capabilities to interact and cooperate (Rhodes 2001). Hence, the task of coordination is to form trust and a common agreement between organizations and to create a cooperative environment for control, and thus, to generate a commonly agreed upon basis for procedural and substantive control. A disparity of acts and the independent roles of involved organizations causes coordination to create a certain kind of unity in control efforts. Thus, it should be asked in what ways coordination could connect independent control practices to serve the main goal of the organization?

Independency and Expertise Promotes Substantial Control

Does a network structure promote more substantial control than procedural? This can be clarified in terms of diversity which was concluded to be one the features that justifies the existence of a network structure and where its efficiency derives from. In a network structure, each organization involved conducts a single activity (task specification) and decision-making for intra-organizational questions is left to the organization itself, by relying

on the organization's abilities to arrange intra-organizational implementation in the most efficient and optimal fashion. The usual assumption is that the need for procedural control or its applicability tends to be limited (Blau 1968; Blau & Scott 1963; Marcus & Marcus 1972; Hoggett 1996). However, procedural control is not totally absent. In the context of network structure, it tends to emphasize ethical and procedural codes of the particular profession, instead of formally agreed upon norms or guidelines (Mintzberg 1979; Freidson 1994; Blau 1968).

With the above conclusions, a network structure promotes substantial control. Under a network structure, substantial control, engaged in control outcomes and outputs, is gained by the standardization of knowledge and skills regarding a particular organization and its expertise, or even by setting a standard for outcomes on the basis of mutual agreement. Discussions about substantial control are also in relation to changes in control or steering systems in the public sector: the introduction of performance management and NPM reforms emphasizes the importance of control outcomes more than inputs or the detailed control of implementation procedures (Aucoin 1990: 117–118; Hood 1991: 5–6; Temmes 2003: 231; Lähdesmäki 2003: 76–78; Tiihonen 2004: 214). Also the independent roles of organizations emphasize the importance of substantial control in a network structure. Since organizations are assumed to be independent in certain ways, despite their dependence on each other's resources, it is vital for an effective network structure to somehow ensure the quality and quantity of the outcome (i.e. coordination).

Authority and Responsibility for Control Derives from Resources and Mutual Agreement

The responsibility for control efforts and the structuring of authority to control a network differs from a hierarchical structure. It was assumed earlier that the authority to coordinate is legitimized and based on resources and mutual agreements, not on hierarchical status or position within a formally determined span of control (Rhodes 2001). In a network, the primary interest for implementing control practices, and also the determination of responsibility, lays on the organization's self-interests and priorities: usually organizations issue their resources under another organization's use, and if the resources are used, it has an interest to control their use.

Finding Shared Principles for Control and Lack of Continuity are Challenging

The method of volunteer-based participation within a network design creates the opportunity to limit the scope of control: organizations that have an interest in a certain activity are involved in control. So, in the optimal situation, control produces information which corresponds to the needs of the involved organizations and stakeholders of a particular affair.

On the other hand, the assumption that control is situation or context related in a network structure and dependent on the common agreement of participants might fragment the basis of control and producing control information too much. Both decrease continuity, predictability, and the formalization of control efforts, and therefore create challenges for the systematization of control information. Thus, a challenge for coordination is to find a common value basis and agree on which basis control is carried out, and furthermore, what activities or measures are to be controlled. If the common agreement of the purposes or targets of control are not achieved, each organization within a particular network structure produces control information for its own needs. But, who controls the whole organizational system and ensures the goal-achievement of the whole organizational entity?

The diversity in bases is concretized when making comparisons: if there is no information which is gathered or produced using the same principles, there is no possibility to make comparisons between the information gathered over several time periods. Also, comparisons are not possible between different activities if the control information has been gathered on a different basis. These are both challenges for coordination on the basis of control information. Thus, within a network structure, attention should be paid to what basis the control information (feedback information) is gathered and how well it illuminates the parallelism of individual activities.

Problems faced in the creation of common control and monitoring criterions and procedures have been discussed, especially in the branch of evaluation research (Rossi et al. 1999; Pawson & Tilley 1997; Vedung 1997; Viinamäki 2001a). In simplified terms, the more needs or aspirations for quantitative control approaches, measures or indicators, the

more the requirements of stability tend to be emphasized with control systems. As well, quantification would increase the tendency that measurement and control is focused on features that are easily measured and expressed in quantifiable form. It follows that these features will be taken into account in control. The problem here is that these features do not always meet the essential features of organizational efficiency or effectiveness. Obviously, in coordinating, this means that coordinative efforts are mainly focused on issues in which the control could produce information, and thereby restricting coordinative actions too much.

An obvious challenge is related to the development of control. Since control relations are under perpetual change and are highly dependent on the context, we might expect that possibilities to apply the 'learning by doing' method in developing control might be obscured. These mentioned factors also tend to challenge the predictability of control procedures.

2.3. Communication

In order to coordinate and to achieve coordinated actions in organizations, communication is essential. Several theorists conclude that communication is a prerequisite for coordination and no coordinative efforts could exist without communication[15]. In addition, in certain ways, coordinating the division of tasks and control need communication and interaction. The need for it in coordination is also implied in the definitions of coordination presented in Chapter 1. Simon (1997: 248) goes even further by arguing that the problems of organization are not problems of departmentalization, division of tasks or coordination of separated units, instead the problem is in the organization of communication. Thus, according to Simon, by examining an organization's communication system and its capabil-

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[15] For example, Myers and Myers (1982: 8) argue that: "*it is the binding element that keeps the various interdependent parts of the organizational system together. Without communication there is no organized activity. Communication allows organizational structures to develop by giving separate individuals the means to coordinate their activities and thus achieve common goals.*" According to Vasu (1990: 156), communication is the "*foundation of control and coordination*" in organizations. Also, Barnard (1938: 8) states that: "*in any exhaustive theory of organization, communication occupies a central place, because the structure, extensiveness, and scope of organizations are almost entirely determined by communication techniques*".

ity to support the organizational structure, coordination and goal attainment, we could best attack the organization's problems.

In the following section, communication will be dealt with in same manner as the other two functions. The focus is on definitions of communication in the context of administrative theories[16]. Basically, we will try to define communication for the purposes of the examination of coordination in organizations (cf. Teboul et al. 1994: 15).

Communication within organizations is dealt with in much research (e.g. Simon 1947; Etzioni 1964; Fayol 1949; Barnard 1938; Likert 1967; Orsini 2000). The definitions and purposes given to communication vary, depending on the purposes and subjects of the individual analyses. Despite this variation, there are some issues that are common to some extent for all analysis of communication within organizations:

- How and on what basis is communication exercised and who is taking part in communication?

- To whom is communication channeled and who or what factors define these channels?

- What ways of communication are emphasized and what kinds of information are communicated?

Before moving on to consider possible answers to the questions posed above, it will be helpful to consider more closely the conceptual definition of communication. Communication is understood here as an instrument for organizational interaction. Thus, the main purpose of communication is the transmission, processing, and apprehending of information in a certain organizational environment (Vasu 1990: 147, 156; Myers & Myers 1982: 6; Katz & Kahn 1966: 223; Simon 1947: 187).

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[16] Thus, the purpose is not to reach a complete definition of communication or its different connotations in other disciplines. Communication has been discussed from various perspectives and approaches e.g. anthropology, art, biology, speech, general semantics, psychology, and sociology, etc. (Budd & Ruben 1972; Myers & Myers 1982; Simon 1947).

The Functions of Communication in Organizations

According the Myers and Myers (1982: 7–9) approach, two factors are important in communication: constructing meanings and exchanging symbols. The former refers to the development of a common symbol system (e.g. language) for sharing experiences, and communication is the transaction of these symbols. In the latter, the form (verbal or nonverbal) and context (intra-organizational or inter-organizational) of communication are important.

In order for communication to be effective, at least two conditions must be fulfilled. First, the information should contain some particular symbols that are shared with all communicative parties. Information which cannot be translated into a common symbolic form has no communicative value. Secondly, the communicative parties should also share the expectations and associations of what communication creates. When communication refers to the exchange of symbols, the interest lays in the different forms that communication comprises. (Myers & Myers 1982: 14–15.)

We could not undermine the significance of common symbols and meanings in the organizational context. March and Simon (1958: 162) argue that an organization's efficiency depends on its abilities to exchange symbols; in other words, what is the organization's capacity to transfer and process (apprehend) information? The key issue here is how to develop a common communication environment in an organization where the symbols and expectations are shared. Commonly the creation or existence of professional language has been understood as an indicator of shared values in communicating. When certain symbols become shared in a particular organizational context, then information and communication becomes standardized. There seems to be a relation in that standardization tends to increase the efficiency of communication and decrease the amount of misinterpretations. Then, the assumption is, the more communication is standardized, the more information could be communicated (etc. March & Simon 1958: 162). Also, a particular action or set of actions that an organization conducts might create a basis for shared values and meanings for communication. At the same time, shared values and meanings separate a group

of organizations or individuals from the surrounding environment and other organizations. (Scott 1967: 301–302; Blau & Scott 1963: 119–123; Dunsire 1973b: 159.)

The way in which Myers and Myers (1982) consider communication remains abstract as they do not explain explicitly in which ways communication is actually carried out in organizations. A more precise determination can be obtained if communicative actions are taken into consideration. Katz and Kahn (1966) summarize them in the organizational context as follows:

- To provide specific directives and instructions
- To give a rationale for the tasks (i.e. to provide information which produces an understanding of the task and its relationship to other organizational functions)
- To provide information about organizational policies, strategies, and practices
- To provide feedback on performance

Traditionally, the first point has been emphasized, particularly in scientific management. According to Taylor (1947) management's task is to command and provide instructions to subordinates about how work should be done. Here communication relations tend to remain one-fold – from management to subordinate. In the same way, Weber (1968) puts emphasis on the formal organizational structures and on the formally determined chain of command in the organization of communication. It should be noticed that both approaches underline the formality of communication.

With the Administrative School approach, in particular the work of Fayol and Barnard, the way in which the functions of communication are understood changed. The second and third points in Katz and Kahn's (1966) ideas above can be understood in relation to Barnard's (1938: 165) thoughts. For him communication is matter of legitimacy. The organization's goals and strategies, and the rationality of functions are connected to communication: it is one of the ways to give legitimacy to coordinative actions. According to Barnard (ibid.) communication can achieve legitimacy only when the following four conditions are obtained simultaneously:

- *"The receiver does understand the communication (Hence, a considerable part of administrative work consists in the interpretation an reinterpretation*

*of orders in their application to concrete circumstances that were not or could
not be taken into account initially)*

- *At the time of decision the receiver believes that it is not inconsistent with the
purpose of the organization (conflicts of orders)*

- *At the time of decision, the receiver believes it to be compatible with his per-
sonal interest as a whole*

- *The receiver is able, mentally and physically, to comply with it."*

Another point here is the work of the human relations movement. After Mayo and others
discovered the importance of the informal organization, the definitions and functions of
communication have emphasized more and more informal ways of communicating. One
of the results of the Hawthorne studies is that the social environment tends to effect an
individual's perceptions, values and expectations. There is also a social inclusion involved
and of course this is in relation to the legitimacy of communication (compare to Barnard's
thoughts above). Thus, communication is more than giving formal instructions or provid-
ing information about an organization's goals and strategies. Additionally, the formal
norms of an organization may be displaced with informal ways of communicating.

The Use of Communication

Communication and coordination, as usually thought of in an organizational context, is
rational, intentional, and purposeful (Vasu 1990: 149). However, it should be noted that
while all communication contains information, not all information has communicative
value (Myers & Myers 1982: 14–15). Thus, not all communication that takes place within
an organizational context is relevant in terms of coordination. As Simon (1997: 226)
states, the lack of information is not the typical problem for coordinative efforts although
lack of the *right* information is. From here follows a very problematic question: on what
basis can one define which is adequate communication and which is not, and what kinds
of communication are needed?

According to Scott (1967: 154), the use of communication in an organization can be di-
vided into two strategies. Communication can be used to purely utilitarian means: to in-

crease efficiency and to achieve an organization's goal in the most efficient way. On the other hand, communication can be used in a more or less manipulative manner. Again, the main object is to achieve the organization's goals, but communication is used to manipulate opinions, values and norms or exchange behavior patterns. In the extreme case, this might be even referred to as propaganda. Furthermore, Scott's two-folded use of communication could be extended to concern inter-organizational relations. In other words, the organization may also use communication in both the above mentioned ways with other organizations while ensuring its own goal achievement. In addition, organization members sometimes use both the formal and informal communications to advance their personal aims.

The use of communication may face several challenges. However, the challenges that have been discussed in the scientific literature are quite often very pragmatic and in connection to a specific organizational context (Scott 1967; March & Simon 1958; Vasu 1990; Etzioni 1964; Dunsire 1973b). Despite the variety, Thompson's (1967: 301) notions are often replicated in new contexts and are shown to be quite universal, and thus, they are worth presenting here:

- The nature and functions of language and incorrect operationalization of both
- Failure to understand or deliberate misrepresentation
- Organization size and complexity
- Lack of acceptance or communication channel
- Rapid changes within an organization or environment

Naturally, these are quite general notions, but they will be examined in more detail in further analysis (i.e. in the context of both organizational structures and enriched with empirical notions from EU Structural Funds). There are a few questions that we should ask ourselves. On what basis does communication take place in a certain structure? In what ways is coordination through communication applied to ensure efficiency and goal attainment? What kinds of challenges and opportunities are related to coordination through communication in each structure?

2.3.1. Communication within a Hierarchical Structure

Coordination Focuses on Ensuring Upward and Downward Flows of Communication

Basically, a hierarchical organization forms a clearly and comprehensively determined system with formally and precisely defined lines of communication. Thus, the formally defined closed structure also permits organizations which are concerned with communication relations, for example, to communicate with each other, to whom 'paper-flow' (memoranda, reports, letters, guidelines, circulars) is delivered (Barnard 1938: 175–180; Thompson 1967: 54.) These formal definitions are also regarded in relation to other organizations. This might be an advantage because external organizations are more aware of whom they have to be in contact with and who is responsible for what, and this might lead to a positive effect in terms of organizational efficiency and coordination. This also determines the extensiveness of coordination: it is understood to concern only formally defined actors and engaged organizations. Scott (1967: 171) also notes that communication could actually be used to sustain or to advance the prevailing organizational structure and thereby stabilize coordination efforts.

In a hierarchical structure, as the principle 'to rank in order' indicates, flows of communication in both intra-organizational and inter-organizational should follow the lines of authority from the head of an organization to the bottom: who or what position is in charge of contacts and what kinds of communication are permitted to other organizations (Simon 1997: 212; Blau & Scott 1963: 183–184; Barnard 1938: 177). Again, the other features examined for hierarchy, stability and continuity, both foster the formal determination of communication relations (Carzo & Yanouzas 1967; Barnard 1938; Follett 1949). Thereby coordination regarding communication within a hierarchical structure is focused to ensure upward and downward flows of communication.

Blau and Scott (1963: 184) argue that the classical model of hierarchical coordination implies that the higher levels in the hierarchy (usually the supervisors) discharge their duties by serving formally defined ways of communication, and may clarify the ways of communication and the responsibilities for transferring information. On the other hand, what hap-

pens if these formally defined fashions are shown to be inefficient or inappropriate? One obvious point derives from the fact that the authority to make coordinative decisions is centralized at the organization's top management in the hierarchy. In the worst case failings in communication may paralyze the whole organization. For example, if communication relations fail for some reason, the executive level cannot get the information that it needs, and executives cannot communicate decisions or instructions to the lower levels in hierarchy. (Vasu 1990: 145; Åberg 1986: 27–37; Blau & Scott 1963: 183.)

In addition, today we talk about information overload more than the challenges of gathering information for coordination purposes. This communication overload especially concerns the hierarchical structure because, as mentioned, all communication is assumed to move via the higher levels. Therefore, to coordinate effectively means that each level should prioritize what information is sent upward and what will be used by that level. The criteria for prioritization are derived from the formal goals and procedures. (Scott 1967: 303; Åberg 1986.) This requires that the goals and acknowledged procedures are communicated to all levels and each level is committed to them.

A formal determination of communication relations may cause inflexibility. Research by Simon (1997: 211) and Blau and Scott (1963: 122, 134) imposes that formal definitions may place obstacles in the free flow of communication, or limit situations in which communication takes place. In the case of upward communication, individuals at higher levels of the organization may appear relatively inaccessible to all, except their immediate subordinates. Conversely, in the case of downward communication, troubles in transmitting and interpreting communication might occur. Blau and Scott (1963: 183–184) observe that work-related contacts happens on the same level, not with superiors, and the purpose of these contacts is to coordinate the operations of independent, specialized tasks. However, failures in the formally defined ways of communication may increase the informal ways of communicating (Simon 1997; Myers & Myers 1982). Some theorists (Gruber 1987; Scott 1967; Mintzberg 1979) have argued that communication on the basis of formally determined relations tends to be too simplified, even in the contexts of the ideal-model hierarchy. Thereby, communication that flows downward through the formal channels and the

communication that flows upward through these same channels are only a small part of the total communication in any organization (Simon 1997: 208–209).

Failures might occur at both organizational and individual levels. The former concerns the organization of communication: for example, the formally determined communication relations do not meet the needs of communication; the formally defined channels of communication are not flexible enough to cope with changing requirements; and, communication does not include all necessary or essential partners. The latter refers to issues such as the individual's unwillingness to communicate or even the individual's restricted capabilities to communicate or even the conscious or purposeful misinterpretation or use of communication (filtering). (Simon 1997.) However, there is again quite a tight connection with the 'machine-like' interpretation of organization where communication is understood purely as a transmission of information for purposes to achieve the formally agreed upon goal, while any other ends are not included.

Failures in Processing and Using Information

Processing of information as well as the efficient transmission has been traditionally seen as a precondition for both effective decision-making and goal attainment (cf. Barnard 1938; Weber 1968). The current discussion about communication has been merely turned upside down in the context of public administration. For example, Simon (1997: 223) comments "*we should not be too hasty to conclude that 'the medium is the message'*". Simon (1997: 226) continues: "*the limit is not information but our capacity to attend to it*". Thus, the key questions are how well or effectively we are able to process, decline, and apply information for the purposes of a particular decision about coordination. On that basis, it might be more useful to focus on the contents and the use of messages instead of the medium or the information gathering or the transmission. Alongside with new communication technologies (email, www, intranet based solutions) the issue is not so much failures in transmission; respectively, the focus lies on the interpretation and the use of communication and processing it, and in developing the communicative value of communication.

When trying to examine what kinds of information are transmitted, it is important to recognize some factors that affect (to a greater or lesser degree) the content of communication. Communication is never a transmission of purely neutral, objective or value-free information. The interests, goals and values of different stakeholders evidently affect the content of communication and the transmission capability of communication.

A particular case in organizational communication is the manipulation of communication. Scott (1967: 304) uses the term 'filtering' to refer to a certain kind of manipulation. This is also connected to Follett's (1949) notion about communication and the transmission of information in an organization in which information is interpreted at all levels of the organizational hierarchy. According to Scott, filtering is the most common in vertical communication (communication between subordinate and supervisor), which is usually related to the hierarchical structure, because all decision-making and control in an organization performed by managers is based on information communicated to supervisors. Here, filtering refers to a situation where subordinates constantly observe, hear and analyze the qualifications, personality and information needs of managers. And, quite often the subordinates tend to tell their superiors what the latter is interested in, not to disclose what he/she does not want to hear, and to cover up problems and mistakes which may reflect adversely on the subordinate, all of which reflect the mentality of *'let the boss hear only the good news'*.

Centralized Construction of Meanings

There is an apparent presumption that the responsibility for coordinative efforts is concentrated on particular organizations or individuals. Authority derives from its position in the hierarchical structure and, according to Barnard (1938: 177), the formal determination of the line of communication fosters the authority related to a particular position. It follows that this particular, authorized actor defines the content of communication required (e.g. what kinds of communication are needed and what kind of communication is appropriate in a particular situation) and also determines the use of communication.

However, the formal line of authority and concentrated construction of symbolism in com-
munication may prevent open communication and transmission of information (Simon,
Smithburgh & Thompson 1950: 229–248). Arguably, a tight commitment to position and
separation of higher and lower levels may prevent the use of communication as an error-
correcting mechanism because the lower level does not have the possibility or willingness
to criticize the decisions of a higher level (Blau & Scott 1963: 122). Beetham (1991: 134)
argues that a hierarchical structure with a tendency towards centralization may emphasize
the transmission of information from top downwards too much, while an effective
organization also requires communication upwards from the 'grass roots' of the or-
ganization. The threat here is that the top of a hierarchy may construct separate institu-
tional arrangements for monitoring performance outside the normal policy execution
structure and this might turn out to be wasteful duplication, and in any case those who
know most about the adequacy of a policy are responsible for actually administering it.
Also, the organization may hold on to the formal ways of communication, especially with
top down communication, even if it is shown to be inefficient.

Despite the criticism, centralized design, stability, and continuity can all be used to pro-
mote the creation of common meanings and symbols in communication. This might also
increase the efficiency and value of communication in terms of exchanging and processing
information. These two factors also promote the development of communication relations
and the coordinative actions taken. On the contrary, the negative side here is that an or-
ganization's capability is usually restricted in terms of creating totally new ways or chan-
nels of communication and suspending unnecessary communication relations.

Hierarchy May Facilitate the Creation of Long Lines of Communication

There is a classic assumption, derived from the theory, that the line of communication
must be as direct and short as possible (Barnard 1938: 176; see also Fayol 1949). How-
ever, the more complex an organization is, the more hierarchical levels there tend to be.
Usually, the information that is relevant to decisions about coordinative actions originates
at the operating level. Increasing the levels of hierarchy tends to extend the line of com-
munication and this might cause the separation of a decision from an operation. This obvi-

ously increases the time and manpower costs of making and transmitting coordinative decisions. (Simon 1997: 210.)

A traditional solution to better coordinate has been to add an additional level to the hierarchical structure. Another conventional solution has been to increase the authority of a certain organization or individual at a particular level of hierarchy. (Vasu 1990; Mintzberg 1979.) Sometimes these solutions have appeared insufficient, primarily because they do not address the question of why the communication does not work or the reasons for malfunction. The solutions mentioned may create new troubles, for example, to add levels in the hierarchy makes the formal line of communication an even longer one and increases the number of participants. Respectively the solution to increase the authority of a particular actor may actually foster the problems already existing in communication. This is especially true if the malfunction of communication is derived from a lack of authority of lower level actors within a hierarchy.

2.3.2. Communication within a Network Structure

The combination of communication and network structure evokes several questions in terms of coordination: on what basis and what preferences will communication be structured; does the network structure permit flexibility in communicating patterns; what consequences does the perpetual change of the network create for coordination with communication? It might be useful to summarize the essential features examined for a network again. Legitimacy for the structure comes from attempts to obtain cooperative action and efficiency surges from perpetual change and diversity in the organizational structure. Also, the decentralized authority pattern, which is based on the possession of resources and common agreement, and an open method of participation is preferred. On that basis, coordination with communication takes place under the following prerequisites (cf. Follett 1949: 78; Marsh & Rhodes 1992; Peters 1998: 300):

- Without communication (interaction and reciprocation) coordinative efforts do not exist

- The ways of communication and communication relations tend to change all the time depending on the current activity and context

- Formal norms or definitions could not set a base for communication
- Communication does not follow any formal line of authority
- Participation is determined on the basis of interests and resources instead of formal definitions

Coordination Emphasizes the Attainment of a Mutual Base for Communication

The structure is under perpetual change and the organization design changes when the activity changes (e.g. the common goal has been completed or a certain commonly determined part of the overall goal has been attained). Thereby, communication relations and patterns change all the time and are highly dependent on the activity and context, but communication always involves at least the organizations engaged in the implementation process. However, because of the above mentioned elements, communication may become fragmented and occasional. There might be a lack of common meanings and symbols. On that basis the need for coordination is to create a common value basis (to create shared symbols and expectations) for communication and to lead the involved organizations on that basis in cooperative relations (cf. Schneider & Angelmar 1993: 354). The evident challenge in coordinating is to prevent failures in communicating which derive from failures to understand, deliberate misrepresentation, or lack of acceptance.

In the context of network structure, the open method of participation is preferred, and thereby, the network structure does not consist of formal lines of authority or formally agreed upon patterns of communication. Therefore, theoretically, communication relations or patterns are not determined in advance. This is, of course, reflected in coordination. Without openness, the network loses its dynamic nature: if it loses this, communication relations turn towards standardized patterns and then obviously the appearance of new ways of communication occur more sparsely. We might argue that the open method of participation may encourage participants to promote a more 'free' or detached communication than in a hierarchical structure.

Mintzberg (1979: 207) argues that the open method of participation in terms of communication tends to facilitate coordination especially in the planning phase: that is important because new and innovative ideas are required, especially in that phase. Peters (1998) also concludes that network based communication facilitates negotiations and bargains about prioritization and value allocation and also resolves rhetorical and symbolic issues. However, an essential question to ask here is to whom preferences are really emphasized in coordination and bargaining?

Resources Determine Communication Relations

The resources determine engagement: the organization is expected to take part in the implementation and the network structure when it has an interest in the issue, to gain financial or other benefits, or to guard its own interests. This is in relation to the continuous optimization of communication relations and patterns. When the organization has no interest to play in the implementing process, it usually loses its interest to communicate and to participate in coordinative actions.

There are also aspects of parity involved. Basically, in a network structure, no 'final authority' exists. Thus, none of the involved organizations has supreme authority to control the formation of communication relations or the content of communication carried out. Thereby, an authority for communication is formed through a process where an organization or person who receives a communication recognizes that the content of the communication is in line with his/her respects (a shared value basis). Respectively, the authorization always depends on the context and activity: in a different context or environment or activity, a different organization may possess the authority. (Scott 1967: 310.)

Of course, any organizational system is not entirely equal. Thus, despite the fact that in a network structure, the formal determinations of communication relations are not preferred, there are certain features involved. Therefore, in networks, channels and the content of communication are created and re-created depending on the allocation or dependencies of resources between the involved organizations. Barnard (1938: 177–180) develops the concept of 'communication centers' which translate and mediate communication between

organizations. The role of these communication concentrations in a network structure could be explained in terms of resources. These centers, organizations, possess resources which establish them as authorities to take coordinative actions over the communication and communication relations. They may also regulate, channel, and determine others' access to communication.

2.4. Summary of Theoretical Assumptions of Coordination

This chapter has explored the conditions in which coordination takes place in theory. In the beginning, it was argued that coordination is the process of interrelating organizational functions, structures, and, resources. Moreover, to get a comprehensive and better understanding of coordination, three organizational and two organizational structures were stipulated and the current discussion affiliated them. On that basis, six ideal-type explanations of coordination and coordination challenges can be constructed. However, because they are ideal-type constructions, it plausible to assume that they do not exist in reality in the same form. Thus, it is more conceivable that they are present in a mixed form. To get a comprehensive understanding of the essence of coordination in theory, it is worth repeating the setting briefly and of course, summarizing the main theoretical results.

In brief, the setting is as follows. Each of functions is disclosed by using certain dichotomies. The discussion indicated that there are basically two strategies to divide tasks: to specialize or to aggregate. In control, which is actual or potential, we elaborated the juxtaposition between procedural and substantive control. The third function, communication, produced two options: constructing meanings and exchanging symbols. In addition to the functions, two organizational structures which are argued to be essential for understanding coordination and the backgrounds for the challenges faced: hierarchical and network structure. They add points of view on design, authority, and participation to the theoretical discussion. Essentially, the discussion revealed that the content of coordination shows a discrepancy depending on the structure and function considered. Despite that, three alternative explanations are evident.

First, when coordination is considered within the division tasks under a hierarchical structure, it typically emphasizes activities which focus on ensuring that all specialized and standardized tasks are in line with the formal goals, and dismantling overlaps of specialized tasks. On the contrary, under a network-based division of tasks, coordination refers to the creation of a mutual value-basis for dividing tasks and affiliation of independent activities, as well as finding cooperative settings.

Secondly, when coordination is explained in terms of control within a hierarchic structure, it typically actualizes in terms of using the procedural and actual forms of control. Coordination is also used to ensure extensiveness and unity of control efforts, but also to confirm the accordance with formal span control. Again, the network-based control forms an opposing condition: coordination in this situation refers to ensuring the attainment of an agreed upon goal through the use of substantial and potential control, and the process of creating mutual understanding of control requirements and authority to carry out the control in a particular system.

Thirdly, to ensure upward and downward flows of communication and accordance with the formal lines of communication are the core questions considering communication in coordination within a hierarchical structure. Conversely, communication within a network structure indicates that coordination focuses on ensuring the existence of common meanings and values, and to prevent failures that derive from the diversity of the organizations involved in that particular network at the time.

In addition, at the start it was argued that to understand coordination better, the challenges in coordination should be identified. These were briefly anticipated in Table 1 in the Introduction, but the theory provided thorough and explicit arguments of the challenges regarded in each construction of coordination. Table 3 gathers together the challenges under a theoretical construction.

Table 3. Coordination Challenges Summarized

	Hierarchy	Network
Division of tasks	The overall goal is replaced by subgoals	Bargaining hinders the achievement of mutual interest on arrangements
	Arrangements do not meet the actual needs	Independency and lack of cooperative actions and trust leads to several, parallel goals
	Task-specialization increases number of layers	
	Standardization causes inflexibility in determining and redefining the responsibilities	Constant changes occur in responsibilities and arrangements
Control	Formal rules and norms do not constitute a solid base to assess goal attainment	Control relations are under constant redefinition which decreases predictability and continuity, and clear definition of responsibilities
	A number of controlled units decreases the intensity of control	
	Unity in procedures causes rigidity	Operationalized principles for controlling procedures cannot be mutually agreed upon
Communication	The length of communication lines increases the possibility of breaks	Occasional contacts are preferred
	Top managers are overloaded due to a huge mass of information	Despite openness, communication concerns stakeholders only
	Low acceptance of formal channels	Inadequately shared meanings decreases the rationality and validity of messages
	Top-down construction of meanings causes too restricted content for the information used	

Before entering the analysis of coordination in the context of selected country cases, a few notes about the way to proceed should be made. The argumentation is based on the empirical material which consists of formal documents (a list of literature at the end of the study) and the material gathered by using the focused interviews. All three chapters begin with a brief descriptive analysis of prevailing arrangements (how tasks are divided, what the control procedures are, and what the formal communication arrangements are). Then, the discussion focuses on coordination and coordination challenges. All the chapters will enclose the developmental needs and a summary.

3. DIVISION OF TASKS

In the beginning, it was asked in what ways coordination can be understood in specific context – i.e. the EU structural policy – and what kinds of coordination challenges can be recognized in exploring the coordinative actions carried out by the MAs in the selected countries (Finland, Ireland, and Sweden). The essence of the study, the coordination of EU structural Funds, was presented in the introduction and embeded in a particular frame of reference, and the previous chapter produced the theoretical framework for exploring and comparing similarities and differences in coordination practices.

This chapter handles the first function, the division of tasks. It is divided analytically into two theoretical parts – specialization and aggregation – and then affiliated with two ideal organizational structures, hierarchy and network. This created six ideal-type assumptions on the challenges that could be faced in coordinating (Table 3). Additionally, the formal division of tasks in Structural Funds in the three countries was presented in the introduction (Table 2). In the following section, we will explore what kinds of challenges and opportunities are created by the division of tasks in the coordination that Managing Authorities (MA) carry out in a comparative setting, The citations from interviews are supplied in *italics* and marked with quotations marks in the empirical analysis in Chapters 3 to 5.

3.1. Organizational Arrangements

To understand the differences and similarities in the country cases, the following analysis proceeds analytically on two levels. First an analysis of the inter-organizational arrangements, which take in the whole implementation system of EU Structural Funds and the division of tasks between the MAs in each country case, will be undertaken. Secondly, the analysis concerns the intra-organizational level which deals with the coordination arrangements and challenges inside a single MA.

Inter-Organizational Arrangements

As noted earlier (Table 2), there is a great variety of organizations, depending on their status and country. Despite the particular differences, the organization of the MAs mostly follows the current branches of government in the selected countries. Therefore, the division of tasks is based on an idea that the national operations of the organization which is designated as the MA are in line or closely related to the particular Structural Fund measures. For example, Objective 3 consists of employment measures. These are primarily carried out by the Ministry of Labour in the Finnish case; in Ireland, the Department of Enterprise, Trade and Employment administrates the employment measures; and, in the Swedish case, the special ESF-Council, a state agency, governs employment issues because in terms of formal government administrative structure, it works under the Ministry of Industry, Employment and Communication. On a more general level, one might ask does if this means that the features related to hierarchy dominates in the division of tasks, because in most European countries, the organization of public administration is based on hierarchical principles.

To get a more precise, but also more comprehensive, understanding of the current division of tasks and background for coordination, Table 4 (below) places the MAs into the framework of the public administration organizations in each country. The table basically divides public administration into two levels, national and subnational. The subnational level consists of two separate parts: regional state administration and self-government.

When the facts presented in Table 4 and the subjective interpretations on the basis of interviews and the documents are put together, the Finnish and Irish cases seem to emphasize hierarchical rather than network-based fashion in dividing tasks and responsibilities[17]. In these cases, the designation of MA responsibilities clearly follows the prevailing division of tasks between branches of government. In other words, this means that the existing division of tasks between the Departments (ministries) is preserved and continued. Also,

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[17] To review, hierarchy- and network- based solutions are theoretical characterizations. Both are used in terms to understand better the coordination of EU Structural Funds. Thus, there is no intention to evaluate or judge either fashions as better or inferior.

the solution advocates stability and continuity. Structural Fund operations have not led to any remarkable changes in government hierarchy. Additionally, both Finnish and Irish interviewees frequently used the term 'cascade structure' to illustrate the current task division. Basically, this connotes the idea that the responsibilities of each administrative level have to be clearly defined. Also, efficient arrangements require a clearly defined division of tasks between the MAs.

Table 4. MAs in the Framework of Public Administration in the Three Countries

	Finland Total / of which act as an MA	Ireland Total / of which act as an MA	Sweden Total / of which act as an MA
NATIONAL LEVEL			
Departments	13 / 3	15 / 4	11 / 0
State Agencies	144 / 0	120 / 0	302 / 4
SUBNATIONAL LEVEL			
State: Regional Counties	5 / 0	8 / 2	21 / 6
Self-government: Regional Councils	19 / 3	26 / 0	23 / 0
Self-government: Municipalities and Cities	446 / 0	88 / 0	288 / 0

Another point is that in dividing tasks between MAs, the role of national level organizations, especially the Departments, are emphasized in the Finnish and Irish cases, while the role of the subnational level and independent state agencies are emphasized in the Swedish case, at least in terms of the number of MAs[18].

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[18] There is no single authoritative definition for a state agency. As an organization, they do not constitute a coherent group of public authorities, and their status may be mainly a public organization, a mixed model (public and private owned organization), or a private corporation. A common feature is that they have some degree of legal and operational independence from the central administration and they all have a 'sponsor' minister who is ultimately responsible for it. (Chubb 1992: 245–249; Salminen & Viinamäki 2000: 20–21, 27–29.)

In the Finnish case, the three Ministries are formally determined to be in charge of the three most resource-consuming programmes, Objectives 1, 2, and, 3: about 94 percent of EU Structural funding is allocated to these programmes while about six percent is allocated to Community Initiatives. Secondly, their responsibility to allocate Structural Fund monies to the other branches of government emphasizes their role. There is also a much deeper issue involved. Traditionally, the Finnish Ministries have been the leading organizations in their branch of government and decision-making is largely concentrated in the ministries[19].

It is a similar situation in the Irish case; four departments are strongly involved in coordination. However, a slight difference to the Finnish case, and especially to the Swedish case, comes from the leading role of the Department of Finance in Structural Fund actions. It has the overall responsibility for the management of programmes despite the fact that there is an MA designated for each individual OP who actually supervises the delivery of those programmes (cf. Table 2). The leading coordinative role is also formally acknowledged and agreed upon with the other MAs (see documents e.g. Procedures Manual 2000; Circular ESF/PA/1–2001; the EU Compendium of Spatial Planning Systems and Policies Ireland 1999; and the research e.g. Hooghe 1996b; Coyle 1997; Adshead & Quinn 1998).

The central role of the Department of Finance in Ireland can be described in several ways. The department has led the negotiations in Structural Fund programmes with Brussels in every programme period. For these negotiations, it coordinated the preparation of the overall framework for the individual programmes and it drafted the CSF for Ireland in consultation with other government departments. Secondly, most communication with Brussels goes through the Department. Of course, other MAs do have direct contact with several DGs; but, especially when more troublesome issues are to be solved, the likely communication is organized through the Department of Finance. Thirdly, the Department

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[19] In 1918, the administrative departments of the Grand Duchy of Russia were converted into ministries, although there were some changes in the functions. Between the World Wars, the ministries acquired extra powers of independent decision-making and new responsibilities for managing their respective administrative sectors. After the Second World War, Finland's government took on a different course from the other Nordic Countries. Sweden retained a system of central administrative boards, while Denmark and Norway both operate under a ministerial system. The Finnish system could be described as a mixed model, containing features of both models. (Numminen 1999: 73; Savolainen 1999:126–127; Temmes 1991: 110–112.)

coordinates across programmes in terms of an overall responsibility. To realize this requires that each MA reports on the progress of the OPs to the Department of Finance. Fourthly, the single program structure (i.e. Objective 1) emphasizes the key role of the Department of Finance: it chairs the Monitoring Committees for all Structural Funds. However, in the actual implementation, the role of the Department is relatively insignificant, since it concentrates more on general level issues.

Also, one of the Departments/Ministries concerned is formally designated as the overall leading organization in both the Finnish and Irish cases; in Finland, it is the Ministry of Interior, and in Ireland, the Department of Finance. In Sweden, none of the MAs are formally determined as the leading organization in the administrative framework of Structural Fund operations.

As a complete opposite to the Finnish and Irish cases, no Swedish ministry acts as MA (Table 4 above). In administrative terms, Structural Fund actions take place in three branches of government, but the ministries have a very minimal role in actual implementation[20]. This partially derives from the organization of Swedish public administration. Especially the central administration is organized quite differently from other European governments, with the possible exception of Finland[21]. The typical large European ministerial organization is nearly missing; instead, there are relatively autonomous state agencies and municipalities with large self-government. A wider point of view here is that while many states have recently started to introduce agencies as a way of modernizing their public administrations, Sweden has built its bureaucracy on autonomous agencies for almost 200

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[20] In this frame of reference, the Ministry of Industry, Employment and Communications has responsibility for coordinating, control, and developing several state agencies; the Ministry of Agriculture, Food and Fisheries coordinates two agencies (Swedish Board of Agriculture and National Board of Fisheries); the Ministry of Finance (the County Administrative Division) is responsible for County Administrative Boards.

[21] Thus, compared to other European countries, Swedish ministries are small units typically comprising some 150 people. They have delegated their tasks and responsibilities and the enforcement of government decisions to the state agencies in their branch of government. The importance of agencies can be understood in the number of employees; it totals somewhat more than 250 000. The division of the central state administration into ministries and agencies is the result of the 1809 Instrument of Government. The organization was part of a broader power-sharing arrangement between the Parliament and the king. Two points of view could be represented. In the late 19th century, the authors of the new Constitution partly pronounced the diminishing of the monarch – although, in the Constitution of 1809, it was clearly stated that the civil service was expected to obey the monarch. Those who feared the development towards parliamentarism realized the unattached position of the agencies in relation to government.

years (Pollitt 1991: 165–168; 1997: 171; Larsson 2001: 133–134; Hjalmarsson 2001: 152–164; Hemming 2001: 8–11). Moreover, one might ask if this is the reason the subsidiarity plays a greater role in the Swedish case than in the others?

Contradictory to the Finnish and Irish cases, the Swedish case seems to emphasize more network-based arrangements. This derives mainly from the delegation of MA actions and thereby involves the independent state agencies and Country Administrative Boards as subnational actors in MA operations. Also, continuing cooperation with the possibility of redefining tasks and responsibilities was strongly emphasized in the interviews, instead of precise hierarchical order and clear determination of responsibilities. The work of state agencies can be understood in terms of aggregation, especially aggregating tasks in more comprehensive units on the basis of the agencies' knowledge and technical expertise in their respective fields. Yet, the agencies in the Swedish case often work closely with the ministry concerned, supplying information and participating in policy formulation. In brief, their duties are to implement the decisions that the Parliament and Government make, and of course, this concerns Structural Fund measures (How the country is run 2002).

The organization of ESF operations in Sweden is unique compared to the two other country cases. There is an independent state agency, specialized and established only for ESF operations, named the ESF Council. The Ministry of Industry, Employment, and Communications has designated it as the body with overall responsibility for the administration of the ESF in Sweden. The expectation is that on the basis of its expertise and know-how it coordinates, monitors, follows up, and evaluates the overall every day functioning of Objective 3 and Equal at the national level. It also collects the necessary data for these functions and reports to the Commission. (See also SFS 1999: 1424; SFS 2000: 1212; Samlat Programdokument för Mål 3 2000.)

On the other hand, the agencies' autonomous role and concentration of technical expertise have become more problematic. In Sweden, the ministries are generally acknowledged to be too small with insufficient expertise to participate in decision-making or to work as an expert organization to provide basic information. Moreover, because the expertise is situ-

ated in agencies, it has reinforced the role of the agencies in decision-making and preparation work. The reinforcement of the agencies' significance has also raised questions about their political accountability. (For further details see e.g. Mazey 2001: 261.) Also, Larsson (2001: 134) argues that several agencies have, in reality, played an important role as policy makers in many welfare areas. One should also notice that the degree of operational independence is restricted by at least two factors: 1) the nature of the function performed; and 2) the financial position of the organization, especially its sources of funding (Chubb 1992: 264).

In addition, all three countries share a trend of regionalization, or delegation, in MA operations. In practice, this means that subnational organizations are designated as MAs (Tables 2 and 4). Especially the Swedish case highlights this: there are a total of ten organizations acting as MAs and six of them are subnational bodies, County Administrative Boards (länstyrelse), which represent the government at the regional level. In Ireland, tasks are given to two Regional Assemblies. In terms of delegation, the Finnish case makes an interesting exception: the responsibility is delegated to three Regional councils (maakuntien liitot) in Interreg III. They are joint organizations for municipalities in the region, and the councils operate according to the principles of local self-government with an extensive autonomy, safeguarded in the Finnish constitution. This is interesting because the delegation breaks the line of authority in state administration. This arrangement, along with questions concerned with the division of task, also affects steering and control relations.

Intra-organizational Arrangements

In this section, the similarities and differences in intra-organizational matters are explored. Previously, it was concluded that almost all MAs are designated among prevailing state or self-government organizations. Because of that, MA operations are additional to national responsibilities. The main exception here are the organizations that are explicitly founded for the purposes of the implementation of EU Structural Funds and determined to be responsible only for Structural Fund actions. This is the case with the ESF-Council in Swe-

den and two Regional Assemblies in Ireland. Thereby, it is plausible to ask if the intra-organizational arrangements in these organizations differ.

In Table 5 (below), intra-organizational arrangements in the country cases are placed next to each other. In the Finnish and Irish cases, MA operations have their own unit. In other words, this basically implies that all the tasks related to EU Structural Funds are gathered into one unit inside the MA organization. In the Swedish case, the mixed units refer to the issue that officials have duties in both the EU Structural Funds and national policies.

Table 5. The Organization of Structural Fund Activities Inside the MAs

	Finland	Ireland	Sweden
Arranged into	Own Structural Fund units	Own Structural Fund units	Mainly own Structural Fund units, also some Mixed units
Units are responsible for	Structural Funds	Structural Funds	Structural Funds, in Mixed units some national tasks are included
Employees in unit	5–35	10–28	2–15

In general, it is quite difficult to measure exactly the total number of people engaged in Structural Fund management in the MAs (Table 5). In most cases, it depends on what programme is concerned and how many programs the particular unit manages. In all country cases, the management of the resource-consuming Objectives 1, 2, and, 3 requires more officials than the Community Initiatives.

In assessing the number of personnel, three explanations are evident for all country cases. First, there is a great variety in organizational arrangements, particularly in the practical division of tasks in the implementation. In some cases, the Structural Fund operations are totally carried out by MAs, while in other cases these actions are delegated to other organizations, for example, down in the cascade structure, to the Implementing Bodies or even to specialized bodies under the MAs. Thus, the delegation of tasks limits the number

of personnel in the MA. Good examples in the Swedish case are the National Board of Forestry and the National Rural Development Agency, both of which have very limited staff involved in MA operations. They have delegated the actual management of the program and the decision-making about the actual projects to their local bodies (e.g. Local Action Groups (LAG) in Leader+). Only the coordinative actions at the national level are suspended in the agencies, in other words, in the MA. Secondly, personnel are engaged in Structural Fund activities only part time in some cases: these tasks are only one part of their responsibilities and tasks. For example, 10% of their workload is formally allocated to conducting Structural Fund activities. Thirdly, most of the officials have a fixed-term contract. Thus, the precise and actual differences or similarities between countries in terms of number of officials cannot be evaluated in an exact manner. Therefore, it is more reliable to end up with some trends, not exact interpretations.

In the theory, several particular features which help to categorize variety in the actual division of tasks were determined (see Section 2.1). Units devoted to Structural Fund operations create quite an interesting possibility to apply both hierarchy and network-based solutions as a basis for understanding the division of tasks. To generalize, intra-organizational arrangements in most units seem to emphasize the hierarchy-based division of tasks – arrangement is based on the idea to rank in order, despite the use of different forms of teamwork. A striving towards specialization with clearly defined responsibilities in relation to specified tasks exists. Also, the existence of lines of authority is evident inside the particular units.

However, on the basis of the interviews, the officials working with Structural Fund issues can be characterized as more professional-like in each country case, in general. For example, the officials themselves on the basis of their expertise decide on an actual and precise division of tasks inside their own unit, and therefore, coordination at the unit level emphasizes the affiliation of (more or less) separated activities. Secondly, every official seems to have quite an extensive responsibility and accountability over his/her activities. Thirdly, most of the actions require special knowledge and expertise in a certain area, an extensive education (university degrees), and routines or standardization can be applied in a very limited fashion. (Similar findings in theory e.g. Barnard 1938: 128–129; Mintzberg 1979:

70; Freidson 1994: 49–50.) All the above-mentioned themes, of course, affect coordination at the intra-organizational level.

Here the size of organization, the Structural Fund unit, seems to be most essential factor. The theoretical literature also confirms this (e.g. Morgan 1989: 34 and Mintzberg 1979: 305–306; Perrow 1972: 6). The features related to professionalism are strongly highlighted, especially in smaller units. This means that officials should be experts in their branch of activities, and have a wide range knowledge of both EU and national policies, instead highly specialized and task-related knowledge. The main reason for this is quite nicely presented in the following citation: *"You need everybody to know much as possible what everybody else is doing because you have small organization... somebody takes holidays, somebody has to do somebody's else job because you cannot really double-staffed people in"*. However, on the basis of the empirical material, the smaller the unit is, the more loosely individual official tasks tend to be defined, and visa versa. Thereby, fashions related to the hierarchical based division of tasks, especially with task-specification and job codification tends to grow when the organization grows in terms of the number of officials. Secondly, the smaller the unit is, the more national tasks are included. This refers to the so-called mixed units in Table 5. Also, some of the biggest units seem to function quite independently.

3.2. Challenges for Coordination

The discussion about challenges that division of tasks may cause for coordination is opened in theory and the notions are summarized in Table 3. Furthermore, in the previous section the practical organizational arrangements were elaborated on in the selected countries on both the inter-organizational and intra-organizational levels. However, the discussion remained quite descriptive, containing more facts than actual analysis of coordination or the challenges faced. In the following, the analysis comprehends first challenges regarded in inter-organizational issues and then in Section 3.2.2 intra-organizational issues will be analyzed.

3.2.1. Inter-organizational Challenges

Specified and Diverse Procedures of Each Fund: A Challenge for Unity of Actions?

Common for all the country cases is that a multi-fund structure with diverse priorities tends to increase the probability for difficulties in coordination. Basically, the complexity derives from the fact that each Fund has a slightly different regulative basis, despite the unifying element created by Regulation 1260/1999. The fact is that the three main components, ESF, ERDF, and EAGGF Guidance were established separately and were only brought together by the 1988 reform[22] (Levy 2000: 97). This diversity leads to divergent modes of action. For example, the following issues vary, depending on the Fund concerned: the kinds of actions to be emphasized and funded, the eligible costs, and the share of public match funding. The problems tend to actualize in cases where a single programme receives funding from several Funds. For example, in Objective 3 projects can be funded by ESF, ERDF, and EAGGF.

To ensure coordination between the Funds and actions, the solution has been that a certain organization is determined to be responsible for a certain Fund. These questions are in close relation with the Paying Authorities' (PA) actions whose primary function is to manage the payment of Funds. Thus, in order to see the similarities and differences in the country cases, and to understand better the actions of the MAs, some notions about the PAs should be made. The organizations designated as PAs in the selected countries are illustrated in Table 6 (below). The Fund for which the PA is responsible is in parentheses. In general, the division of tasks follows quite the same logic as the organization of the MAs.

An attention-grabbing point is how the responsibilities are shared in terms of Funds. There is a single organization responsible for a certain Fund in Finland and Ireland. In Sweden,

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[22] Both the ESF and the EAGGF Guidance were specifically provided for in the Treaty of Rome (Articles 3 (i), 123–128 for the ESF and 40 for EAGGF Guidance). They were activated at different times (the ESF in 1957 and the EAGGF Guidance in 1962). The ERDF was established in 1975 by the Council Regulation 724/75 auspices of Article 235. (Levy 2000: 97.) Therefore, there was an urgent need for the Coordination Regulation (Council Regulation 2052/88) launched in the 1988 reform. (See also Guide to the Reform of the Communities Structural Funds 1989)

six County administrative Boards share the responsibility for the ERDF. Furthermore, in Finland, the organizations are the same three Ministries that are designated as the MAs. In Ireland and Sweden, some organizations which are designated as PAs are not MAs. For example, in Ireland, the Department of Communications, Marine & Natural Resources has the status of a PA on the FIFG, while the MAs for the FIFG operations are the Regional Assemblies. In same manner in Sweden, the Swedish National Labour Market Board acts as PA while the MA for these actions is primarily the ESF Council. Despite the fact that MA and PA functions must be functionally separated, one can ask what kinds of advantages could be reached in terms of coordination by designating the PA functions totally outside the core implementation framework. In what ways do these arrangements affect the coordination towards a common goal? A self-evident fact is that this increases the amount of organizations involved, and therefore, increases the number of affected organizational policies and procedures.

Table 6. Paying Authorities and Funds in the Three Countries

Finland	Ireland	Sweden
Ministry of the Interior (ERDF)	Department of Finance (ERDF and Cohesion Fund)	County Administrative Board of Gävleborg (ERDF)
Ministry of Labour (ESF)		
	Department of Enterprise, Trade and Employment (ESF)	County Administrative Board of Jämtland (ERDF)
Ministry of Agriculture and Forestry (EAGGF Guidance and FIFG)		
	Department of Agriculture, Food and Rural Development (EAGGF Guidance)	County Administrative Board of Jönköping (ERDF)
		County Administrative Board of Norrbotten (ERDF)
	Department of Marine and Natural Resources (FIFG)	
		County Administrative Board of Västerbotten (ERDF)
		County Administrative Board of Örebro (ERDF)
		Swedish Board of Agriculture (EAGGF Guidance)
		National Board of Fisheries (FIFG)
		Swedish National Labour Market Board (ESF)

To overcome the negative features that derive from the current multi-fund based system two issues are evident: to integrate the common regulative base of the Funds further and to standardize the procedures because it decreases the variety of actions. However, at the implementation level, several EU-funded projects have achieved greater effectiveness when receiving funding from two or three Funds at the same time, because a greater variety of eligible measures can be realized in a single project. Of course, multi-funding is not a decisive solution for all projects.

A Long Chain of Implementation

One of the themes is that the dominance of a hierarchy-based organization typically leads to an increase in the levels of implementation. This was noted especially in the Finnish and Irish cases. The following quotations enlighten the analysis:

- *"What makes coordination a little bit difficult here is... it is not the amount of MAs... it is the number of Implementing Bodies under the MAs. There is a long chain of those organizations... and the biggest problem I think is the long chain of implementation that you have".*

- *"We have six or seven different government departments and a number of agencies and local authorities under them, and we have four funds, which are extremely complex... we have a few MAs with many Implementing Bodies"*

- *"Actually the amount of organizations does not directly affect the implementation but it has made the role of MA more complex, because you have so many to oversee".*

The number of MAs varies depending on the Member State, as previously illustrated in Table 2. However, the number of MAs is only one part of the organizations involved in the implementation of Structural Funds. As mentioned earlier, MAs have the overall responsibility for the implementation of their Objective or OP, or a certain part of it. In all cases, the other government organizations without the status of MA (Departments/Ministries, state agencies, regional and local authorities) – hereafter called Implementing Bodies – take an active role in Structural Fund operations by implementing programs in their branch of government. Thus, in a typical arrangement, the MAs coordinate

a whole range of actions, but they do not actually handle the funding, or spend any money on the programmes themselves. Generally, the Implementing Bodies deliver and manage services in the particular area covered by the measure and make decisions and select projects to receive funding.

The long chain of organizations, which has been established for the management and use of EU resources, can be illustrated and simplified in terms of levels of expenditure request. In other words, how the funds flow from the Commission to the final beneficiaries. Figure 4 (below) illustrates the above-mentioned cascade structure in management. Quite typically, the implementation of Structural Funds is seen as a hierarchy: above all others, the Commission; under it the MAs; under them are several Implementing Bodies; and the final beneficiaries (the projects which are funded) constitute the fourth level within the cascade. Also, in connection to the cascade structure, a clear-cut division of tasks between involved organizations and levels is quite often emphasized.

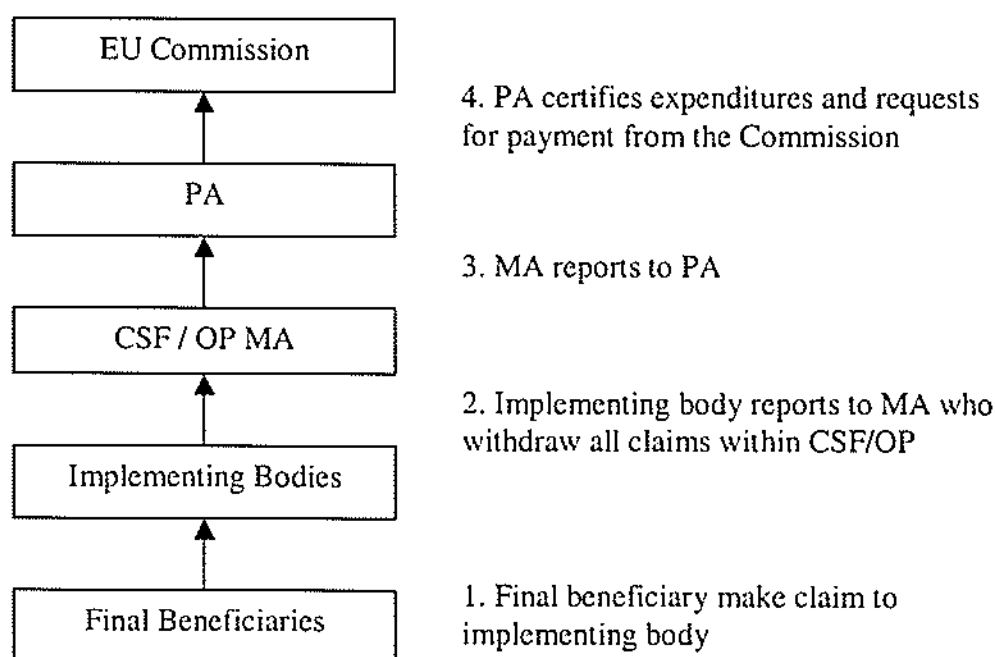| EU Commission | 4. PA certifies expenditures and requests for payment from the Commission |
PA	3. MA reports to PA
CSF / OP MA	2. Implementing body reports to MA who withdraw all claims within CSF/OP
Implementing Bodies	
Final Beneficiaries	1. Final beneficiary make claim to implementing body

Figure 4. Illustration of the Levels of Expenditure Request

A long chain of organizations in the implementation requires that coordinative efforts take place at several levels. As pointed out in the introduction, the coordination of EU Structural Funds is conducted mainly at three levels: the EU-level (the Commission), the national central administration, and the subnational level. This means that coordinative efforts take place in numerous coordination groups which of course require time-consuming meetings.

At the EU level, there is a coordination group for each Fund (e.g. European Social Fund Committee), at the national level, there are Monitoring Committees[23] for each program and the secretariats for each monitoring committee, and the Regional Management Committees. The logic here is obvious: an increase in the number of programs results in more groups. An example from Finland illuminates the amount of coordinative groups. There are six Objectives, which means that there are six Monitoring Committees that usually have two meetings annually. Furthermore, there are 20 Regional Councils, or 20 Regional Management Committees, all of which have several meetings during the year. The officials from the MAs are sometimes obliged to take part in the meetings of the Regional Management Committees and of course, some of the regional actors are represented in certain Monitoring Committees for each program. Naturally, planning the meetings and preparing material for each meeting takes time. It is a similar situation in the other country cases.

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[23] The tasks defined for a Monitoring Committee is to supervise and oversee the implementation of CSFs and OPs. It approves the criteria for selecting the financed operations and the adjustments needed (Sound Management of the Structural Funds 2001: 11) According to partnership, the Committees have representatives from national, regional, and local authorities, and economic and social partners, and the Commission. (Evans 1999: 280; Rantahalvari 1995: 23.) Laffan (1996: 335) argues that the presence of Commission officials on the Committees and the regional review committees has greatly strengthened their presence in the policy network and has given them access to a wide range of official and non-actors. Also, the Commission has more time and resources to discuss the strategies underpinning structural funds, and to evaluate the use of financing.

The Monitoring Committee arrangements in the selected cases differ from each other slightly. In Finland and Sweden, there is a Monitoring Committee for each Objective and so there are a total of seven Committees. In Ireland, there is only one Monitoring Committee for all Structural Fund operations. The difference is explained by the structure of programming and community assistance: Objective 1 in Ireland covers most of the Objective 2 and Objective 3 measures. However, the total amount of Committees is the same because Objective 1 in Ireland comprises six OP related Committees. A particularity in comparison with the other two countries is that in the Irish system, all the MAs are represented on every Monitoring Committee.

In addition, there are a number of different coordination groups with a lower-status than the Monitoring Committees. Most of them are concentrated into a single specific issue. Some of them are permanent, but some are more or less ad hoc groups. This could be understood in terms of networking: it creates a basis for a good relationship, especially to get familiar with all the key persons in all the MAs. This leads to the question if all coordinative efforts, decisions, and solutions are affiliated between the different levels and coordinative groups?

The outcomes of several levels in coordination might be described as two-fold: on the one hand, it may enhance common goal attainment; on the other hand, it may make the system too heavily organized and inflexible. The latter refers here to the idea that, for example, most issues should be managed and decided upon in a certain coordination group. The involvement of several levels of government hierarchy evitable increases complexity in coordination relations. Thereby, the main challenge would be coordination between several levels.

In all country cases, the problems derived from the long chain of organizations have been tackled through the delegation of tasks. This is also in accordance to the prediction made in the theory as a way towards better coordination. In the three country cases, to gain accordance with the subsidiarity principle has been the essential motivator to change organizational arrangements. Actually, most of the reorganizations in the country cases can be understood in terms of delegation which concretizes in a continuing trend of transferring tasks to sub-national organizations. The pressure for reorganization has come from the Commission and internal issues (see also Levy 2000: 6–7; Hooghe 1996b: 116–121; and practice-oriented clarifications e.g. HE 140/1999; SOU 1999: 24). The Structural Fund regulations provide for the possibility of a national or regional authority transferring management of a programme or sub-programme to an intermediary body. This could be a regional development body, a local authority, or a non-governmental organization. (Sound Management of Structural Funds 2001: 5.) In the country cases, the forms of delegation vary, but they can be reduced to two simplified forms: in some cases, delegation has led to the establishment of new organizations, while in some other cases only some of tasks have been delegated to the prevailing organizations.

Perhaps the most extensive change has occurred in the Irish case. The Irish government set up a regional structure to allow for the approach of regionalisation to Structural Fund measures, and two new organizations were established in 1999: the Border Midlands and Western Regional Assembly and the Southern and Eastern Region Regional Assembly[24]. Regionalisation was already fostered in 1994 when the Ministry for the Environment and Local Government established eight Regional Authorities. These two Regional Assemblies consist of nominees from the eight Regional Authorities. Before these reforms, the Irish model was criticized for its centralized structure: there was no existing regional government structure and therefore no specific regional functions[25]. Actually, according to Chubb (1992: 263) and Adshead & Quinn (1998: 210–211), the Irish Republic was merely seen as a 'single region'.

Compared to the Irish case, in the Finnish case, reorganizations are quite significant in terms of deconcentration of administrative operations, but less extensive in proportion to funding and the overall responsibilities in Structural Fund management. The MA operations concerning the Interreg III programme were delegated to three Regional councils at the beginning of the programme period 2000–2006. This could be interpreted as a change in philosophy of the division of tasks, because it broke the dominant role of the Ministries (during the previous program period, all the MA operations were located at national level organizations, in three ministries), but the significance has been decreased because of quite a marginal proportion of funding which has been allocated to Interreg III.

The Swedish case is similar to the Finnish, but the reform is truly remarkable. Six County Administrative Boards were designated as MAs in Objective 1 at the beginning of the programme period 2000–2006. The importance of the reform derives from the resources involved in Objective 1: some 33 percent of the EU funding is allocated to Objective 1 in

[24] The main roles of the Regional Assemblies are to: 1) manage the Regional Operational Programme under the NDP; 2) monitor the general impact of all EU programmes under the NDP in their region; 3) promote the coordination of the provision of public services in the region. (Border Midland and Western Regional Assembly 2001; Southern and Eastern Regional Operational Programme 2001).

[25] The status of local government differs profoundly in the Finnish and Swedish cases. A major difference is that the local government in Ireland has no constitutional basis. E.g. Coyle (1997: 77) argues that the establishment of eight statutory 'Regional Authorities' in 1994 marked a watershed in the development of regional government in Ireland. For the first time in almost a century, a new set of statutory representative institutions, based wholly within the local government system, had been created. See also the Local Government Act (2001).

Sweden, while in the Finnish case, Interreg III uses only six percent. The reform should be interpreted in proportion to Swedish administrative culture. One of the striking features of Swedish state administration has been the delegation of administrative operations to subnational authorities and independent state agencies, and even to self-government organizations.

In Sweden, the far-reaching decentralization in terms of the involvement of the subnational level (designation of the County Administrative Boards as MAs), has in certain ways reduced the layers in implementation. In practice, this means that central government organizations are absent in the governance of the ERDF. Accordingly, some of the County Administrative Boards are also designated as PAs which reduces layers in implementation (cf. Figure 4). After all, a great number of Implementing Bodies sets up great requirements for a fluent management system and coordination practices (see similar findings in the Finnish context Temmes 2003: 235–236; Temmes & Kiviniemi 1997: 77–82).

All interviewees stated that in certain ways delegation, in particular delegation to regional authorities, has facilitated implementation and coordination. One of the obvious positive outcomes is that reform has enabled a comprehensive determination of responsibility. It has fostered taking responsibility for decisions and coordinative efforts, more than in the previous round. It has also increased commitment, especially in those who work at the regional level. It is assumed that these are the positive effects of expertise because the MAs are located in the area, and so they are aware of local needs and problems.

However, the introduction of new organizations has not been unproblematic. As a part of a long tradition of centralized government in Ireland, the Regional Assemblies have had some difficulties in dealing with the government departments that act as MAs. Secondly, in the government hierarchy, both the BMW and S&E Assemblies are situated under the Department of Environment and the Local Government. It has been assumed that the difficulties have arisen mainly because the departments have worked as MAs for several program periods and therefore they have some problems to change their attitude and deal with new organizations which are regional bodies. Again, as one interviewee commented: *"Some departments, MAs, have been more slow to realize the change in the new round...*

so the departments perhaps did not take into account the role of the Regional Assemblies as a MA initially. And so it takes time for them to learn that Assemblies are a significant player". Because of this, the Irish Department of Finance has put pressure on other government departments to ensure that they fulfill their obligations to the Regional Assemblies (cf. also Border Midland and Western Regional Assembly 2001). Moreover, the leading coordinative role of the Department of Finance is used also by other MAs to put their issues forward. As one interviewee put it: *"in practice we have to make sure that we have a very good relationship with the Department of Finance because they will have weight over the other Departments".* More internally, of course, the balance between MAs should be in balance to ensure effectiveness and positive outcomes. In simplified terms, if balance is not gained, there is the possibility for organizational frustration and inefficiency.

The trend of delegation could also be interpreted in the organization of PA operations (Table 6) which is closely linked to the coordination which MAs carry out. This especially concerns the Swedish case. In the previous round, PA operations were concerned with only national level organizations (FS 1999: 1424; SFS 2000: 1212; Samlat Programdokument för Mål 3 2000):

- NUTEK in ERDF
- AMS in ESF
- The National Board of Agriculture in EAGGF Guidance
- The National Board of Fisheries in FIFG

In the current round, PA actions in ERDF are delegated to six subnational organizations, the County Administrative Boards, that also act as the MA in their region in Objective 1. The delegation is remarkable in terms of coordination because it breaks the formal government hierarchy: individual County Administrative Boards receive funding directly from the EU without any interference from national or central government authorities.

The Swedish interviewees assured that delegation has improved coordination, especially in the case of County Administrative Boards. Currently, most of the County Administrative Boards have their own, but organizationally separated, unit for PA operations. This has fostered coordination, because it has made cooperative actions between MAs and PAs

easier as they are located in the same place. Reorganization has also increased efficiency in financial management because of increased cooperation. Due to the delegation of PA functions at the regional level, they now know the projects more individually, and of course, the amount of projects per PA has decreased. However, diverse opinions have also emerged. In the case of EAGGF, the Country Administrative Boards sends the claims to the NBA which deals with operations centrally. An interviewee commented: "*of course they have responsibility over the projects, but when it comes to the payments ... we have to correct the information ... and they trust in us ... 'just send it to the NBA, they will make the corrections' ... so, we have to say stop ... we don't have time or resources to do all that checking*".

In the end, we should ask if the delegation, especially in terms of regionalization, could lead to less coordinated efforts at the national level. Is there a possibility that it would complicate organizational arrangements and thereby coordinative efforts? For example, in the Swedish case, the delegation of PA operations has increased the number of involved authorities. Thus, due to this increase in number of organizations, should network-based arrangements be favored over hierarchical in coordination?

A Rigid Task-Specification Challenges the Adequate Allocation of Funding

Most disputes between MAs and other related organizations are related to the allocation or reallocations of Structural funding in one way or an other. Fundamentally, what challenges coordination, especially in the Finnish and Irish cases and also to some extent in the Swedish case, is the domination of a hierarchical division of tasks with a long chain of organizations. A direct consequence is that the funding tends to be allocated into too small parts. As well, the long chain of involved organizations leads to a great variety of organizations that manage EU-funding.

The following example from the Finnish case clarifies the issue. As mentioned before, the management of Structural Fund funding concerns eight branches of government, three of which are MAs. At the first stage, EU-funding is allocated to eight branches of government by MAs. Then, each Ministry allocates the funding to their regional bodies, which

makes approximately 50 regional state offices. In addition, the three ministries acting as MAs assign EU-funding to the twenty Regional Councils which are joint organizations for Finnish municipalities and have the responsibility for regional development and Structural Funds.

The situation is similar in Ireland. In total there are 15 Departments and 12 of them are involved in the management of Structural Funds. These departments have delegated the first-line management and execution to state-sponsored authorities working in their branch of government, or to regional or local authorities, or in some cases even to private organizations. Even in Sweden, despite the intense delegation or regionalization of MA operations into the County Administrative Boards, money allocation tends to suffer unnecessary break ups in some cases. This raises the question if regionalization has promoted break ups in allocation.

Another point of view on this matter is produced by resource allocation, especially in terms of additionality. Because of this, the national budget process affects Structural Funds. In simplified terms, assistance from the Commission to final beneficiaries follows this procedure in all member states (Figure 5 below).

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┌────────────────────┐      ┌────────────────────┐
│     EU budget      │      │   National Budget  │
│     EU funding     │      │ National match funding │
└────────────────────┘      └────────────────────┘
           │                           │
           ▼                           ▼
       ┌───────────────────────────────────┐
       │       Managing Authorities        │
       └───────────────────────────────────┘
                        │
                        ▼
       ┌───────────────────────────────────┐
       │       Implementing Bodies         │
       └───────────────────────────────────┘
                        │
                        ▼
       ┌───────────────────────────────────┐
       │   Final Beneficiaries / Projects  │
       └───────────────────────────────────┘
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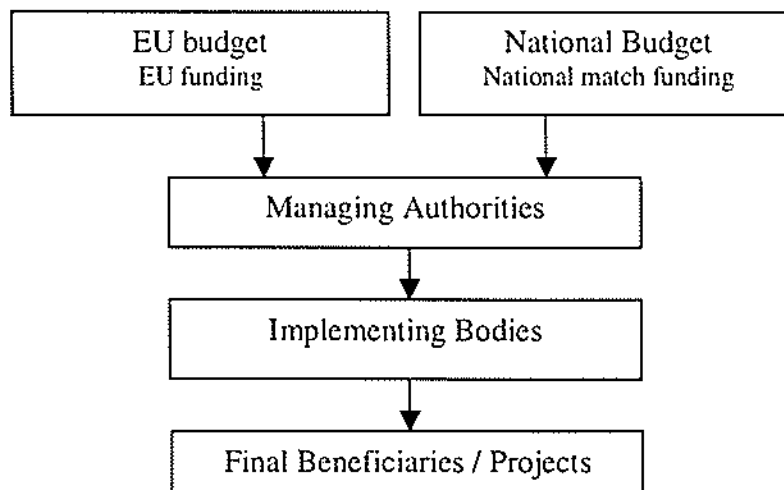
Figure 5. Money Flow System

The Commission makes a transaction to move EU assistance of the Fund to the government department responsible for the particular Fund. All the funding is allocated through programmes (Table 2). All the programmes includes national match funding, because the Funds can only meet a portion of the costs[26]. This is allocated to the relevant MA through the national budget. Then, the MA allocates the financial resources agreed upon in the SPDs or OPs to various Implementing Bodies. The Implementing Bodies then make the decisions about the projects that will be funded. (Procedures Manual 2000; cf. also Rantahalvari 1995: 61.)

On that basis, changes in the government budget may enhance or hinder Structural Fund activities, especially because of the involvement of public match funding. The procedure in which the national budget process is linked to the allocation of Structural Funds varies in the three countries. The information provided is heavily centralized in Ireland (see also Laffan 1996: 326–327). Again, the key actor is the Department of Finance. It provides all the relevant information and makes recommendations on both the EU Structural Funds and government expenditures. In the cases of Finland and Sweden, the role of the Ministry of Finance (in both cases) in Structural Fund issues is different: the Ministry is the key actor in the government budget process and has an overall responsibility for it, but with Structural Funds, its role is limited. In these countries, individual MAs inform the government and also the Ministry of Finance about changes and adjustments made in resource allocations of the Structural Funds. They also ensure that necessary funding (EU funding and public match funding) is reserved to implement the measures.

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[26] Additionality means that the Union's assistance forms a net addition to Member States' public expenditures. Funds can only meet a part of eligible costs and the balance has to be found from other sources. This is known as match funding which may come from the public sector – public match funding – or the private sector – private match funding. There is also a more deeply rooted issue involved. The role of EC's structural policy was contentious especially in the 1970s to 1980s. As Hooghe (1996: 3) and Nahuis (2001) argue, the task of each Fund was originally confined 'to writing cheques' for nationally determined projects. In particular cases, EC assistance, was used as an excuse by national governments to cut back national regional funding. Also, the level of funding had increased so much that this threatened and interfered with the implementation of free markets and allowed the use of certain forbidden competition policies. This Member State centered nature of EU's structural policy gave the Commission little scope to influence policy. (Archer & Butler 1996: 132; Wishlade 1996: 32; Ekestam 1993: 105; Mäkinen 1994: 22–24; 1999: 49–51; Armstrong et al. 1994: 178.) Furthermore, as Mäkinen (1994: 32) continues, because of additionality, the EU structural policy cannot be as independent as the national regional policies and it always consists of the mixed interests of European and national policies (also Nahuis 2001).

There have been troubles in continuity in terms of the commitment to money allocation. An adequate balance between EU and public match funding is required, and the Commission requires that Member States confirm the level of match funding. However, there have been experiences that match funding allocation and sources of public match funding tend to change during the program period. Thereby, in all three country cases, suggestions emerged that the Member State covering the all branches of government involved should really commit themselves to decisions regarding funding for the whole programming period. Again, the large number of authorities which make the decisions on the funded projects and the enormous number of projects both challenge the coordinative efforts: imbalances usually tend to cumulate at the national level. In the most drastic case, the EU-funding is left unspent because some authorities do not pose enough public match funding, and, as the interviewees mentioned, if you have reserved and committed enough match funding for the whole programming period it would make things much easier.

The reallocation of resources creates challenges for coordination. In each country case, the reallocation of monies between measures or Objectives is sometimes linked to the government budget process (Figure 5 above) because of public match funding. An interesting point here is that the government budget process tends, in some way, to slow down re-allocation. However, the re-allocations are seldom taken as part of the government budget process; usually they are just handled by a particular Monitoring Committee. The reason why some of the re-allocations end up as a part of the government budgetary process is that they could not be resolved in the Monitoring Committees or the changes are significant.

Sometimes the procedures related to public match funding differs from EU funding procedures. For example, in Finland, it became apparent that in some cases, EU funding allows for a wider range of activities than national public match funding. Interviewees recommended that perhaps there should be more flexible arrangements on what basis the public match funding is defined and budgeted into the Structural Fund activities.

The changes in allocation, especially with public match funding, but also with EU funding, are more likely to occur when changes in the composition of Parliament takes (or will

take) place, just before and after an election, or when Ministers change their positions in government, or when new ministers come along. Then, there are usually pressures to reallocate resources in certain ways, or to put more resources on newly defined purposes. The problematic point here is that government expenditure is not growing in any of the three countries. Thus, the resources for reallocations must be found from prevailing allocations and of course, resources allocated to the Structural Funds are one of the possibilities. However, the principle of additionality makes the adjustments and reallocations complicated.

Standardization Is Not Enough: Network Based Arrangements Are Required

Previously, the selected countries were characterized in terms of the dominance of hierarchical and/or network-based division of tasks. Despite the ideal-type models of coordination presented in the theoretical framework, the administrative systems of Structural Funds present an interesting mixture of hierarchical and network based arrangements. However, on the basis of the interviews, it can be concluded that in every country case, there is a need for expanding the features related to a network-based division of tasks and coordination.

First of all, a necessity is realized in terms of the frequent need for cooperation in all the country cases. There are emerging opinions that the applicability of formally agreed upon procedures or a hierarchy-based formal division of tasks with detailed task specification and standardization are not enough or adequate in every situation. Therefore, a need for a more flexible way to arrange tasks emerges, and that is commonly understood as a network-based solution, especially cooperation. The necessity stems from the nature of the activities: they are highly cross-sectorial and different policy areas are involved.

However, in terms of coordination, cooperation is understood primarily as a way to create a common value-basis and commonly shared understanding and thereby to attain a common goal and greater efficiency. Furthermore, the interviewees in all country cases concluded that cooperation can bring some new points of view and approaches to decision-

making and cooperation can also be applied in aggregating the diversified work procedures so that the overall goal can be attained in a more efficient way.

Some interviewees felt that cooperation is too often taken for granted. Therefore, it is quite enlightening to be reminded of the limitations of cooperation as one Irish expert put it: *"In terms of getting full cooperation ... you'll never get a full cooperation for all people all the time ... human nature is not like that."*. Another reason for this is that cooperation between agencies, and between the Commission and Member States' authorities are emphasized in the implementation of Structural Funds programmes all the time. Thus, cooperation may turn a phrase without any real or operationalized meaning in practice. Moreover, in all country cases, it was revealed that cooperation and coordination throughout is an ongoing learning process: *"Cooperation has been a learning process and that has really been realized in implementing Structural Fund programmes because before the Structural Fund programmes and before EU membership we always talked about the need for closer sectorial work ... that all government sectors should be involved in regional development ... but most of this was just talk ... but now it has been really implemented ... in Structural Fund programmes at least we try to implement it – closer sectorial cooperation! And perhaps the EU has obligated us to co-operate more and more."*

All interviewees emphasized that taking part in cooperative activities is important in terms of coordination. They have realized that cooperation and even participation itself may increase an organization's abilities to influence the content of decisions and strategies (about similar findings in different contexts, see e.g. Pemberton 2000: 773 and Rhodes 1991: 204–205). Therefore, an MA's active participation in Regional Management Committee meetings for example, facilitates coordination: they can represent their points of view in meetings, discuss them with regional partners, get comments, and increase trust between partners, because the issue could be presented and discussed with stakeholders before the issue is decided. It can also be emphasized that cooperation may facilitate coordination because it promotes trust between organizations: *"before we discussed that we need cooperation and put more effort into gaining common goals... the first reaction usually was that... hey ... you are taking away my competence and power to make decisions over their money..."*.

For really effective cooperation and coordination, a common goal is required. The common goal, of course, requires that strategies and the points of view of different partners are determined in the same way and every partner approves of them and is engaged in implementing them as agreed upon. Otherwise, the cooperation tends to be just an official statement not containing any really content or modes of action. However, against the assumptions made in theory in terms of network-based division of tasks, the interviewees frequently commented that to increase efficiency, it is important that an organization's role is clearly defined in cooperating and coordinating. Interviewees in each country mentioned that the absence of all formal definitions sooner or later leads to quarrels between organizations – somebody always feels that they have done more than they should to achieve their common goal.

Lack of Adjustment to National Policies Leads to Parallel Goals

Structural Fund operations are only one portion of public administration and their importance varies between Member States. Ireland has been one of the winners and the financial transfers from the EU have provided a major stimulus to the Irish economy and the society (Hooghe 1996b; Coyle 1997). The adjustment between Structural Fund operations and national policies is essential. It should be recognized that the implementation of Structural Funds is carried out by the prevailing organizations and thus EU operations are only a part of their activities. So, changes or reorganization in the national division of tasks directly affects the organization and implementation of EU policies.

The number of programmes (Objectives and Community Initiatives) have decreased in comparison to the previous program period. A common opinion of the interviewed experts is that the renewal was welcomed. It simplified the management of programs by creating more comprehensive and coherent entities, and therefore enhanced coordination towards the common goal, cohesion. However, the reform did not erase all the problems. While the number of programs has decreased, the number of national developmental programmes has increased in all countries.

Structural Fund programmes are closely connected, at least at the planning stage, to other nation-wide policies and development strategies[27]. In drafting the national CSFs, coordination between national policies and EU policies must be taken into account. Before entering CSF or SPD 'a huge amount of paper work has been done', as many interviewees commented. In all cases, first a Regional Development Programme is drafted, which covers both national and EU-related development actions in a particular area. After that, usually the MAs draft a SPD based on the Regional Development Programmes which cover a particular area (Objective 1 and 2) or the whole country (Objective 3).

Basically, assimilation is needed for two reasons. First, an effective development necessitates a clear division of responsibilities between EU affairs and national actions because overlaps often tend to lead to an insufficient use of sparse resources. Secondly, the EU-funded operations should be innovative, with new kinds of solution seeking in their nature; the EU-funds cannot be confined as 'writing cheques' for nationally determined projects, as Hooghe (1996a: 3) notes.

Here, Ireland presents an engrossing case. The NDP in Ireland is extremely broad and comprehensive[28]. For that reason, the NDP can be used effectively as a nationwide tool in organizing and managing both national and EU programmes. As one interviewee described: "In Ireland the Funds are basically managed under the umbrella of this NDP which is broken down into a number of OPs". Most experiences are positive. The nature of the NDP and its planning processes are very comprehensive especially because the Social Partners are widely involved in planning, and nearly all government sectors are included.

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[27] A few examples of current national programs that the MAs execute in Finland along, more or less independently, with Structural Fund programmes could be mentioned. For example the Ministry of Interior is responsible for The Centre of Expertise Programme, Regional Centre Development, Programme, subregional cooperation, Urban Policy programme, Rural Policy programme and Program for the development of the island areas; the Ministry of Labour is responsible for the National program on Ageing Workers, Wellbeing at Work Programme, National Workplace Development Programme, National Productivity Programme, Government Action Programme 'Towards ethnic equality and diversity'; and the Ministry of Agriculture is charge of the Horizontal Rural Development Programme, Regional Rural Development Programmes, the Rural Programme for Local Initiative, the National Forest Programme, and the National Development programme for Recreational Fishery. Of course, the situation is the same in Ireland and Sweden

[28] The NDP lays the foundation for Ireland's continuing economic and social development, consisting of some 150 measures. It is a quantified multi-annual investment commitment of the areas of infrastructural development, education and training, the productive sector and research, and agricultural schemes, and the promotion of social inclusion. The CSF and OPs are based substantially on NDP priorities and the NDP was used to draw up the CSF. (National Development Plan 2000; Procedures Manual 2000: 31)

On the other hand, it leads to the situation that the organizations delivering the programmes are very diverse at the local level which challenges coordinative efforts.

There are always malfunctions in coordinating the national policies and EU funded programmes. A very simple example is the Rural Development program in the Swedish case. It is, in simplified terms, a programme for developing sparsely populated areas. The programme will end in 2004, while the related Structural Fund actions will last until the end of 2006. The challenges are realized in terms of funding. A part of national funding for the related Structural Fund activities comes from the Rural Development programme, and of course, these activities could not be implemented if there would not be any public match funding.

Changes in Environment Puts Pressure on Current Arrangements

As concluded previously, organizations are affected by changes in the environment. Correspondingly, when an organization is required to respond to changes, usually by adjusting its internal design, coordination should also be taken into consideration. In theory, the differences, depending on the preference for hierarchical or network based division of tasks, in adapting to changes were discussed in Chapter 2.

Basically the program document, the CSF or OP, creates a formally agreed upon basis for the division of tasks and coordination. However, it is evident that the economic and social environments and targets change; it should be restateed that the program period lasts seven years. Almost every interviewee emphasized that the overall goal (which the program document sets) and programs itself should be flexible and adjustable enough that changes in the environment could be discerned. One interviewee commented: "*The program needs to be ... have a certain level of flexibility ... not everything will be perfectly on target all the time. If the world economy improves or everything improves ... if the world economy goes down and everything goes down with it ... so you can not carry out your program planning in isolation from all of those things happening externally ... or in isolation of prevailing political situation ... in terms of a change of government, for example, would change the prioritization of things*". Actually, some interviewees stated that the CSF or

SPD is just a starting point for regional development and a tool for coordination towards a common goal. So, if the programmes are seen as unchangeable or targets are very awkward to redefine, or targets and procedures are too detailed, they might narrow the range of actions. Furthermore, all these mentioned issues narrow the range of coordination at the same time because most actions in coordination are derived from the goals set.

The following two examples concretize the effects of changes in the environment and what kinds of actions are required in coordination. There were great demands for reallocations and reprioritization of funding and targeting in the Productive sector OP in the Irish case because of the suppressing element that affected economical development overall, and especially the problems related to the IT-sector in 2001. Therefore, the funding could not be spent on the activities that had been planned in 1998–1999. Another example is from the agricultural measure. The problematic situation was caused by foot-and-mouth disease in Northern Ireland, and this has had a dramatic affect on the markets and export because both the UK and Ireland closed their borders. As a consequence, the agricultural measure could not be fully implemented. Moreover, sometimes overall goals might be discordant somehow. The following example from Sweden illustrates this: "*Currently we have to cut down fishing because of the new regulations and lot of our money is engaged to develop and to broader the fishing industry ... but in reality we should do vice versa ...*"

On the other hand, programmes and programming are understood positively in terms of coordination, especially in obtaining long-range goals and stimulating long-range strategic planning capabilities at different levels. It should be noticed that programming actually facilitates the continuity of coordination efforts. All interviewees concluded that programming has tightened the relationships between the different partners because the relationships, activities and responsibilities of each partner are formally defined in program documents. Also, cooperation between the involved parties, MAs, different government agencies, and social partners has increased.

It could be useful to theorize the effects felt between environment, the program document, and organizational arrangements. In theory, it was anticipated that a challenge for coordination is that the current arrangements do not meet the actual needs. Basically, in practice,

the primary goal of the implementation of a program document is to achieve an intended change in the environment. However, a change in environment may lead to changes in both organizational arrangements and in the content of the CSF. Also, a change in the program document may cause an adjustment in organizational arrangements, or vise versa. We might also assume that changes in organizational design might have effects on the environment, but the effects – positive or negative in comparison to the intended goals – are usually gained by more effective implementation or by better coordination. Thus, the relation between organizational arrangements, coordination, and the environment turned out to be more complicated than assumed in theory.

An interesting point here is that some interviewees in each country case concluded that the division of tasks is sometimes more easily adjusted than the program documents. Why are program documents so difficult to change? First of all, it takes time to make changes in a program, namely to the program complement. Every single change has to be approved and agreed upon in the particular Monitoring Committee concerned; Monitoring Committee meetings are usually organized twice in year. However, interviewees assumed that the current organization could be adjusted in quite a simple manner after the changes in program content. However, promptness or willingness to change organizational arrangements is not a comprehensive one. This means that the organizational arrangements under a certain MA, or the Implementing Bodies, are quite easily adjustable, not the prevailing organizational arrangements between the MAs. Also, a few interviewees mentioned that in the past, some changes have become problematic because of unnecessary politicization. In other words, a purely administrative issue has turned into a politically sensitive one.

A slightly different focus for the division of tasks and contingency with the environment can be gained by program planning. As concluded earlier, the goals must be concrete enough to enhance the efficient implementation and coordination towards the agreed upon goal. During the previous programme period, there was criticism of the program goals, especially in the Finnish and Swedish cases. In some priorities, goals were criticized to be too broad and in some extreme cases without any connections to reality. One explanation is the way in which the programming was organized. Generalizing, it can be assumed that the more parties there are involved in planning, the more complicated and challenging the

coordination of planning tends to be. Secondly, it could be asked if the increase in the number of involved partners facilitates the probability of consensual decisions, and thereby, these consensual decisions decrease the concretization of programme goals.

In Sweden, the responsibility for programme formulation is mainly on the representatives of the regions encompassing a great number of municipalities and in most cases several County Administrative Boards. First of all, this means a great diversity of interests. Secondly, this leads to the situation where various types of local and regional interests have to be weighed against each other in political negotiations. Thus, in terms of coordination this fosters at least the interpretation that coordination is the creation of trust and cooperative actions between various partners, and the exclusion of parallel goals. On the other hand, in Finland and Ireland, the central government maintains a much more stronger grip on the programming work and planning which seems to have facilitated a greater degree of concretization and operationalization of the strategic goals. However, because the subnational actors are less involved in the latter two country cases, the subnational actors have sometimes felt that top-down procedure in setting goals has decreased their role in developing their area. See also similar findings in the Swedish case Lindström & Nilsson (1996: 17–19) and Monnesland (1997:31–32, 60–62), and in the Finnish case Kettunen (1998: 9–14) and Lindström (1996: 43–45).

Elections May Change the Division of Tasks

In addition to what has been said above, an interesting feature in terms of the division of tasks is how an election affects organizational arrangements in the Irish case. The following citation illustrates this: "*In Ireland the Departments get created and recreated when a new government comes in. So, at the moment we don't know so far for our measures who are now the Implementing Bodies exactly because we just had an election and the new government came in and several departments have been shuffled around... so ... we don't actually know who is the correct, responsible department for our two measures. In one of the cases, we know the department but we don't know where the department will be located because they move them all around.*" On the contrary, in Finland and Sweden, administrative arrangements are quite stable. Therefore, elections do not directly change the

structure of the public administration, central government and subnational authorities. Again, this is weighted in terms of coordination: does the continuing nature of Swedish and Finnish administration facilitate coordination or does it hinder the introduction of new ways of coordinating because the division of tasks is nearly unchangeable?

3.2.2. Intra-organizational Challenges

Changes in Personnel

A common feature for all the country cases is that people move all the time. It is challenging to maintain the professional-like work: when officials change their position, they carry their experience along with them. It breaks the continuum in coordination and expertise: each official in a particular job has substantial knowledge and experience, how to manage certain issues, what kinds of solutions are needed, and what the historical background is for each decision. Accordingly, an individual official is quite often chosen to particular groups and teams because of his/her capabilities and special knowledge. In some cases, a solution towards better coordination has been to determine one person in the unit responsible for a certain measure or priority within the program; however, this makes the unit very vulnerable if unexpected changes occur.

In simplified terms, in the literature, a great turnover of personnel is connected to dissatisfaction with work conditions: salary, workloads, commissions, etc. (Argyris 1990; Schein 1992; Mintzberg 1979). However, interviewees evaluated that generally, people who work with Structural Funds are satisfied with their work: the tasks are challenging enough, the work is generally rewarding, they can apply their capabilities variously and in a broad manner, and ongoing learning is required. In most cases, the great turnover in personnel is related to terms of service. Fixed-terms contracts are widely used in all three countries and there are only a few permanent positions in Structural Fund units. Also, the commissions are usually made for one-year terms. Thus, there are more extreme cases, like one interviewee commented: "... *she has been here for five years and has had twelve contracts*". One reason for the one-year term procedure is that functions are organized in projects and

salaries are covered by technical assistance within the programmes, and it is only allocated on a yearly basis.

In the Irish case, technical assistance and fixed term contracts are applied, especially in the Contract Units. However, they usually offer personnel two or three year contracts instead of one year. The main reason for this can be found in the people's commitment to the organization. As one interviewee put it: *"we used to once have a problem when we are offered one year contracts; people are not committed to their jobs"*. This was also found in the other cases. On the other hand, the use of fixed terms is seen in terms of increased flexibility: *"of course you can get rid of people after one year"*. In the Irish case, organization as contract units enables more flexible personnel policy, especially in terms of salaries. *"The pay is not so much locked into grades and ... you can really pay along to market ... of course there would be limits..."*.

Another point is that people get promoted. One reason why promotions create challenges is that the organization or unit might lose the core people and probably do not get any substitute workers. And, as one interviewee pointed out: *"especially the best people usually get promoted"*. Of course there are differences in how the 'good' or 'best' people are determined and in this case it should recognized that the interviewees are working in executive positions. Thus, at a general level, there is a kind of correlation between personal outcomes in terms of conducting work effectively rather than connotations only by individual personal relationships between executives and officers or the contract person.

In the Irish system, public officials are obligated to take part in the job rotation system. The system is based on the principle that each person changes his/her position after five years; of course, some exceptions could be made. The system could be described as quite comprehensive: rotation covers positions inside the particular organization and also rotation between organizations. Most government departments and different state agencies are included in the job rotation system.

The effects of the system are two-fold. On the one hand, job rotation is one of the ways of developing an organization and personal management. It enhances personal knowledge

and capacity building, and makes the rotation in terms of hierarchical positions possible: people get more experience by being in different positions in different organizations. These factors are also emphasized in the literature (see Thompson 1967; Simon 1997; Petit 1975: 283). Conversely, the possible negative effects of the rotation system are culminated in the interviews – commitment and the sustaining of the 'best' and 'fittest' peoples in the organization. Another point is how the job rotation system is in line with the programming. As mentioned, the programme period is for 2000–2006 in Structural Funds. If the personnel change dramatically during the period, some problems can be anticipated.

Bringing the discussion back to the theory, some conclusions can be made. The more the organizational arrangements and coordination are based on network-based organization, the more risky and harmful the changes in personnel might be. This derives from the thought that personal qualifications (expertise, know-how) are emphasized in the division of tasks. Therefore, for example, if the division of tasks comprises many different kinds of cooperative manners to reach coordination, these might be in danger when and if the persons change. Conversely, a hierarchy-based division of tasks includes the assumption of the possibility of high replacement which derives from specialization, standardization and routinezation of each single task. Thus, presumably changes in personnel are not so harmful for organizational arrangements and coordination.

Special Expertise Required

To hire new persons or to get a complementary position in an MA, and overall in other EU issues, is challenging. The main issue here is, as one interviewee in Ireland put it: "*EU regulations and other related EU issues are not so familiar to all civil servants... EU related jobs, like Structural Funds, are not so popular among civil servants*". All the interviewees emphasized that the EU regulations, implementing processes and related activities, will take a longer time to get familiar with than more traditional national government activities. "*I think that very often people have limited knowledge when they are coming in. Of course they may have experience but the experience might be on a very narrow sector. So, there are quite extensive knowledge base requirements for staff to do their job efficiently.*"

In the interviews, questions were presented relating to qualifications and skills required for a single official. The primary task was to find out what kinds of skills and qualifications are relevant to officials to conduct their Structural Fund related actions in the most efficient fashion. The following issues rose above all others:

- Substantive knowledge is emphasized, especially the capability to understand the whole Structural Fund system and manage it as a totality.
- To understand and to be briefed on the relevant regulations
- To cope with the principles of financial management and control
- To understand the evaluation requirements
- To deal with general reporting requirements (annual reporting to the Monitoring Committees and to the Commission) and the ability to condense information into an understandable form

Common for all countries is that currently, financial issues are emphasized. It was revealed in the interviews that there is a more or less urgent lack of people specialized in accounting and budgeting in Structural Funds. An obvious indicator for the greater importance of financial management skills is the growth in number of personnel. In all countries, most persons recruited into the MAs have been specialists in economics, accounting or budgeting. In a few cases, the number of officials working with financial issues has doubled. One of the main reasons is the five percent checks, and on a more general level, tighter financial control and monitoring introduced by the Commission and also by the Member States themselves. However, the importance of financial skills should not be over-emphasized. One Swedish expert concluded this quite nicely: *"I think that it is very important that you have not only a sense for numbers – like in the economic sense – but you must also have a sense of words, more in a qualitative manner."*

The selected countries differ from each other in terms of overall experience with Structural Fund issues, which has obvious connotations to personnel and developing expertise. In comparison with Finland and Sweden, Irish officials have quite a long experience, since 1973. It is generally agreed that membership in the EU has brought a lot of skill and educational requirements for pubic officials in both the Swedish and Finnish cases. The lack of precise skills and knowledge was revealed quite dramatically with both cases in 1995.

The membership was realized in both countries in quite a short time period, which is why there was a short period to adjust skills and knowledge to satisfy EU requirements.

Another interesting case is that the units assimilated purchase-models to obtain excellence and knowledge in certain areas in all country cases. Evaluation activities are the most commonly purchased branch of activity. In brief, the conducting of evaluations is out-sourced because the other organizations specialized in evaluations can produce high expertise and skills. I will return to the management of evaluations and special questions about evaluation more precisely later on.

The Irish case is a slight exception. There are four contract units, organizationally sepa-rated from other MAs, functioning under the Departments. In certain ways, this can be interpreted in terms of the aggregation of tasks because each unit is responsible for a cer-tain activity:
- the NPD/CSF Evaluation Unit is responsible for coordination evaluations, conduct evaluations and also commission outside evaluations
- the NDP/CSF Information Unit is responsible in general for Public relations – in-formation about Programmes and activities, and promoting findings of evaluations
- the NDP/CSF IT Unit is responsible for the functioning of a computerized IT-based monitoring system and the availability of monitoring information over all the Funds
- separate Financial Control Units are responsible for financial audits and audit checks, test expenditures (ex-post checks) and audit trails, and for the examination of financial management, control and system procedures at all levels in the cascade

The difference here is that the contract units are permanent in terms of producing expertise for the whole programme period, while in the two other country cases, purchase-models are applied in contracts with fixed tasks and terms. In addition, in the Finnish and Swedish cases, these functions are included in the MAs or the PAs.

Despite the more or less independent roles of these organizations in the Irish case, they create organizational unities that enhance the coordinated activities, mainly because knowledge and skills to conduct specified tasks and actions are gathered together within

the same organizational entity. Furthermore, because they do have the required knowledge and skills, their capabilities to coordinate their actions seem to be quite adequate. For example, auditing and checks over expenditures requires quite specific knowledge, and these skills are also required in the other areas like evaluation or IT-based monitoring. Secondly, the concentration of tasks under one organization seems to promote coordination across branches of government. For example, the Evaluation Unit is aware of the proceeding of different evaluations and their findings, what kinds of methods or approaches are applied in evaluations, and in what ways the evaluation findings could be generalized to other programmes or even to national activities. Furthermore, the more the orderers (the commissioners) of evaluations are aware of the substance of evaluation practices, the more exact instructions and requirements can be given to evaluators, concerning the substance and extensiveness of evaluations (see similar findings in Finnish case etc. Uusikylä & Virtanen 1998; Kettunen 1999: 63–66).

On the other hand, concentration may cause the opposite effect. Because the actions are organizationally separated from the MAs, the obvious challenge is how to bring the substantial and specialized knowledge together and how to ensure the coordinated actions between the MAs. For example, in evaluation activities, the separate evaluation unit may have a high competence in conducting evaluations through technical means (methods and approaches) but how can the substance of activities be noticed if the people do not actually work within the employment or regional development activities, for example. In the Irish case, where the evaluation functions are separated from MA operations, substantial knowledge is promoted by using small Steering Committees to set the terms of reference for individual evaluations.

Inadequately Focused Workloads

A lack of time appears to be common to all. *"We always find that so much of our resources are taken up with writing reports and not actually making the decisions and issuing the payments, but all those reports should be written to the Commission and the progress that you have ... there are so many reports and evaluations, protocols, and all sort*

of ... that takes a lot of our time.". From time to time, they feel that they do not have enough time to conduct their work properly.

In evaluating what might hinder the coordination of individual workloads, one issue arose above all the others. There are certain finishing procedures related to the previous program period. MAs have the responsibility for closing the programmes. As one Irish interviewee commented: *"while we should be focusing entirely on the new round a lot of our time and efforts are directed to the closing of the older round ... as by now it takes a huge amount of resources in terms of time and personnel"*.

During the year, there are usually peaks in the workload: deadlines for applications or in reporting to Monitoring Committees, Departments, or the Commission. The smaller the unit the more skills and expertise are required. People must be flexible as there are demands to change tasks and do different things. The intra-organizational arrangements are also defined in terms of how much people are willing to take on new tasks and challenges.

Inexact Definitions of Roles and Responsibilities

For effective coordination, a clear determination of responsibilities is emphasized. In theory this was related to the hierarchical division of tasks. In each MA, this appears at two levels: the unit level and the individual level. As was concluded in theory, a clear division of tasks and specification by task are standardized through formal procedures in the hierarchical division of tasks. Empirically, this is typically realized in an organization's procedure manuals or working orders which lay down the formal division of tasks for an organization's sub-units, and thereby guides coordination. The following citation highlights the importance of procedures manuals in terms of coordination in general: *"Basically within our procedures manual which we have just completed each person's role has to be set out, at each level, and in terms of the grade ... so if that person is transferred or sick, so someone else can pick up the procedures manual and see what should be done."*

A clear-cut definition of responsibilities in procedures manuals or working orders concerns the whole organization whether it is a department, agency, or County organization.

In only a few cases, there are procedure manuals that concern only the Structural Fund unit. There is a great variety in the form and particularity of the manuals: some are very detailed, but most remain at a very general level. In some cases, the job descriptions in a particular process manual are consciously left broad, basically to leave the possibility to include new tasks or responsibilities. In some cases it is argued that the process manuals or job descriptions are not detailed enough. However, it is demanding to find a solution to fit all cases. A few interviewees commented that one possible reason why the procedures manuals remain at too a general level is that the substantive knowledge about Structural Funds are not taken into account in a sufficient manner during the preparation of these manuals.

In most cases, network-based organizing occurs in different kinds of working groups or teams, founded for a certain purpose, and basically striving towards better expertise through aggregation. These teams and groups are formed between MAs and inside a single unit. From the point of view of network-based division of tasks and principles regarded to aggregation in theory, it is quite interesting to note that interviewees end up with the following conclusion which is quite the opposite: to make teamwork effective, the responsibilities inside the team should be defined exactly, and the responsibilities of each team should also be defined precisely.

At the individual level, a specification of tasks is requested in terms of coordination in every case. The majority of personnel feels that responsibilities belonging to an individual task should be defined as precisely as possible. Also, precise job codification is emphasized. An impression from the basis of the interviews is that the Irish are most keen to codify an individual officer's duties in a precise manner. They are codified in the unit's own procedure manual or some working orders.

In general, the environment of Structural Fund operations could not be described as stable. Different and unexpected problems tend to arise constantly. Then, standardized and routinized patterns of action do not fit in every single situation. For this reason, interviewees remarked that persons working with Structural Funds have to occasionally possess a risk-taking mentality. This means that they have to find solutions to problems without any rela-

tion to previous decisions or modes of actions. As one interviewee mentioned, to act in the role of the MA means that you have to instantly give the final decision; for example, how the program is managed in the current situation, or what are the eligible costs and measures, etc. Although everybody is not willing to make decisions, especially in cases where enormous amounts of money are involved, or in cases which might set a precedent for future decisions. At a more general level, the overall climate in each organization is significant in terms of coordinative decisions. It should be such as it encourages making tough decisions. Also, the responsibility for decisions should be more often carried out collectively, not only by one individual.

Insufficient Assimilation with National Activities

The organization of MA operations into their own units or independent activities, more or less apart from national actions, may increase the probability of the creation of unique cultures and practices. In theory, it was assumed that it would even lead to situations where the formal goal is replaced by the unit's own subgoals. This might be the case only at the level of a single Structural Fund unit, but even in individual MAs within a total framework of the Structural Fund organization.

To avoid the negative consequences, interviewees emphasized close connections and relations to their own organization (department or subnational organization) and national activities which it is implementing and coordinating as one of the key factors that promotes more effective coordination of EU-related activities. Several experts made it clear that familiarity with the substance and strategies of national policy is a precondition for coordination: how can you coordinate if you don't know the substance or the overall context in which the implementation occurs? However, interviewees commented that despite well-functioning cooperation and coordination, sometimes small-scale troubles in integrating Structural Fund unit actions to national policies or with operations of the other Structural Fund units exist. This could lead to more or less unconstructive outcomes in terms of coordination and cooperation.

The Rapid Change of Requirements

An item that makes coordination difficult in practice is the rapid change of requirements. In the case of rapid change, how can a common value-basis for educational requirements and further education for officials be created, or is there any possibility to unify or standardize educational requirements and procedures? Common for all country cases is that all interviewees strongly emphasized continuous learning. Therefore, the nature of learning is more ongoing education: going deeper and building excellence in some particular issue, not by any means changing to a totally different area. Secondly, interviewees emphasized that the key actor in the determination of criteria and content for further education is the official him/herself. Thus, the focus is more on self-oriented learning and in applying 'hand-made' or 'tailored' courses.

There are several ways to organize learning, educating and training. Quite often, the MA or PA organizes a training session around some particular issue. Currently, these events are concerned with closing the previous period programmes and financial management issues and eligible costs. In general, in each country there is a particular organization that organizes training or educational events: in the Irish case, the Department of Finance; in the Finnish case, the Ministry of the Interior; and, in the Swedish case, NUTEK. In all cases, interviewees concluded that officials working with these issues have good possibilities to take part in courses and training sessions organized by some outside body, private consulting firms, or government training organizations; only the time available restricts participation.

Interviewees were also asked what the essential requirements will be in the future. The responses delivered quite similar opinions about education and required skills: all the interviewees emphasized economics and law studies. However, most of the interviewees actually commented that the Structural Fund activities are too specialized to be included in some structured training or education program. Instead of organized schooling and further education, they emphasized continuous learning by doing.

3.3. Developmental Needs

In this section, the purpose is to sum up what kinds of developmental requirements are related to coordination when the division of tasks is concerned.

To Increase Cooperative Actions and To Reduce the Number of Layers

Despite the fact that the MAs have regular and ad hoc –based meetings for coordination purposes, more interaction between them is required. Interaction is important in terms of creating and increasing a common understanding about arrangements.

A similarity for all country cases is that the suggestion that even more responsibility could be delegated from MAs to Implementing Bodies emerged. Another point is that the MA operations could be delegated down in the government hierarchy. These are both seen as a way to reduce the number of layers in the implementation and thereby to achieve better coordination, especially on the operational level (i.e. the subnational level). Thus, it is generally assumed that the further delegation of responsibility may lead to a situation where the Implementing Bodies would have a more comprehensive accountability for co-ordination over their OP or measures. One of the reasons to cut down the number of layers – if possible – is that it makes it easier to keep the whole system in line, because it clari-fies the determination of responsibilities of each organization and tasks could be aggre-gated on more adequate and comprehensive entities.

Closer Connection between National and Structural Fund Operations

Even though the primary aspiration has been to integrate national and Structural Fund ac-tions, in any case, interviewees emphasized that a closer cooperation between national and Structural Fund actions is needed. As pointed out earlier, basically two issues cause prob-lems. First, the responsibility for Structural Fund measures is organized in quite separate units from national activities. Secondly, the goals and strategies to achieve these goals are organized in the form of particular programs, Objectives, and Community initiatives. So

obviously, there is the possibility that links between national and EU programs are disconnected.

How can the current practices be developed? In intra-organizational arrangements, it is important to link Structural Fund units more closely to the national activities of each organization, and this can be achieved by increasing job rotation, by developing substantial knowledge both on Structural Fund and national policy issues, and by increasing the publicity of Structural Fund activities. At the inter-organizational level, above all others, the goal is to decrease the tight sectorial division of tasks between branches of government.

A More Simplified Composition for Monitoring Committees?

Some notions about the Monitoring Committees should be discussed because they are in an extremely important position in developing and managing the programmes. In relation to developing inter-organizational arrangements, the interviewees questioned the current composition of Monitoring Committees in all country cases. A pivotal point is if the people involved are too diverse in terms of their organizational backgrounds and their interests for achieving adequate coordinative decisions. Furthermore, does the diversity of interests make reaching a common goal impossible, and thereby, hinder coordinative efforts? The following citation clarifies this: *"I would like to see that people in the Monitoring Committees would change their attitudes ... that they don't just guard their interest ... the interest of the organization which they come from ... they are mostly concerned that their own interest have been guarded in the program ... they should work for the program, not against it ... because that's what the Monitoring Committee is for ... my colleagues in other Managing Committees also find that the other representatives don't say anything unless it concerns their community or their organizations' interests. And, I don't find that as really partnership. I rather find that as lobby."* On the other hand, interviewees emphasize that Monitoring Committee meetings are needed. Also these Committees are important in terms of bringing a wider point of view to managing the programmes and creating a forum for debate. However, above all, they are organs that define the priorities and goals for the programmes.

In the Finnish and Swedish cases, a few Monitoring Committees are criticized for perhaps involving too many people, which is negative in terms of decision-making. Making co-ordinative decisions in the Monitoring Committees in the previous round (1995–99), was found to be extremely difficult because there were requirements for mutual agreement: each member should agree about every decision. A striving for consensual decisions became easier within the current round because the decision can be made after voting, but of course, mutual agreement is emphasized. In addition, the proposition emerged that there would be a core group engaged in making decisions while others would only have a consultative role. Putting it shortly, each programme should be evaluated thoroughly to see what kind of composition is needed for each Monitoring Committee.

In the Finnish and Swedish cases, the first round of Structural Fund programmes (1995–1999) was also a learning process for the Monitoring Committees. This change is quite nicely illustrated in the change of the nature of the meetings: "*Previously the Monitoring Committee meetings were very technical ... financial and monitoring issues ... numbers mainly ... the biggest difference is that the people in Committees ... they know more about the program and they are familiar with the activities concerned and they are more involved... and that's an advantage.*"

3.4. Summary

The Finnish and Irish cases share a desire to emphasize the importance of central government organizations in coordination, in fact. In both cases, this derives from the tradition of public administration and this is also reflected clearly in the division of tasks of Structural Fund activities. Secondly, in these country cases, the division of tasks in EU-related tasks is highly dependent on the prevailing branches of government, and therefore, changes or significant reorganizations have been remained low. In this frame of reference, Sweden forms an opposite example. A constant delegation of government functions to subnational (regional) authorities and independently acting state agencies, and of course, low involvement of the Swedish departments, are reflected in arranging tasks and responsibilities in the context of EU Structural Funds. The similarity of the Finnish and Irish cases is quite

surprising, because one would expect that Finland and Sweden would be more alike because of their common heritage in the overall administrative and legalistic tradition and the emphasis given to comprehensive public sector and its central role in providing welfare, but also from the position that they joined to the EU at the same time.

Despite that some of challenges are case-related and unique in nature, Table 7 (below) includes a subjective assessment of the quality of challenges in each country case. The assessment is based on the qualitative interpretation and subjective impressions that the interviews, document material, and theoretical approach generated together: what issues are emphasized and most or least discussed. Partially, this means that the table catches primarily the issues which has the relevance in both the theory and empirical study. Thus, the observations are not based on any exact measures. Still, the challenging issues are assessed in terms of their high or low significance. In addition, straightforward analogies (i.e. direct conclusions) to be applied to other EU member states on the basis of three country cases should be regarded with some discretion.

Table 7. Coordination Challenges in Division of Tasks

Challenging topics	Finland	Ireland	Sweden
The overall goal is replaced with subgoals	**	**	**
Arrangements do not meet the actual needs	**	**	*
Task-specialization increases the number of layers	***	***	*
Independence of organizations and inadequate aggregation hinders the achievement of mutual interest in arrangements	*	*	**
Lack of cooperative actions and trust leads to several parallel goals	**	**	*

Assessed significance: *** High ** Moderate * Low

Some of problems faced in coordination are alike in all three countries. First of all, a huge number of involved organizations tend explain most of the difficulties. It evidently in-

creases the possibility of unnecessary overlaps, despite what strategy was preferred in the division of tasks (hierarchical or network-based arrangements). It also increases the possibility of losing the overall goal (cohesion) due to the number of competing goals. These are the organizations' own goal or the goal set in the national developmental programmes. Thirdly, it supplements the diversity in work procedures and organization cultures which seems to impede coordinative actions concerning the division of tasks.

The domination of hierarchical features in the Finnish and Irish cases explains the challenges in coordination and on what issues the coordination focuses on when the division of tasks is concerned. Essentially, the following points are emphasized: to prevent overlaps and to affiliate specified tasks. The Swedish case implicated that delegation of MA status to subnational authorities has created the opportunity to apply flexible administrative solutions, and has decreased the number of involved organizations, and thereby, has simplified the coordination relations and determination of responsibilities. However, the delegation has challenged coordination at the national level; in other words, who is charge of the programmes as a whole? Secondly, the Swedish case implicated a greater aggregation of knowledge and expertise, and the autonomy of organizations than the other two cases. However, in terms of coordination this requires actions that ensure the achievement of mutual agreement on how aggregated activities are shared between organizations.

In addition to the above-mentioned issues, the intra-organizational challenges in coordination produces some complementary points of view. Personnel related questions, like constant changes and high expertise required in conducting tasks evidently seems to challenge coordination. For example, changes in personnel leads to losses in the experience which means that coordinative efforts cannot be proportioned to previous practices. Additionally, peaks in workload, rapid change of requirements, and inadequate distribution of responsibilities causes challenges in coordination. However, it is interesting to see that solutions in coordination focus mainly on features elaborated within the hierarchical order: to achieve more precise job codifications and to standardize the work procedures. To simplify, the aggregation of tasks is used to gain better expertise.

To coordinate better, a solution has been to specify and clarify the responsibilities of a particular organization in more detail, not to add an additional level or organization in the implementation as e.g. Mintzberg (1979: 79) supposes in theory, especially within a hierarchical structure. This has meant the standardization of the prevailing procedures in an even more precise manner. Another solution has been to delegate the responsibility for certain actions, especially to regional organizations. It is evident that when network-based organization fashions are preferred, troubles in determining a common goal for the organization tend to occur because of the fixed preferences of the involved organizations. Basically this derives from the fact that there is an absence of a leading coordinative organization which is determined to be a guardian of the common goal. The main solution has been to encourage organizations to act towards cooperative actions.

4. CONTROL

In the following chapter, the theoretical discussion will be applied to an analysis of coordination in terms of control in the context of EU Structural Funds. The method to proceed is similar to the previous chapter. First, I will undertake a brief outline of the current control practices. Then, the focus will shift to an analysis of the challenges confronted in coordination in the context of control. The third issue to be dealt with is an examination of areas of development. Finally, the main issues will be summarized and discussed in terms of coordination.

4.1. Control Practices

In general, control issues have arisen as one of the essential issues within EU activities. There is a simple logic involved: an increase is resources used, means that the requirements for efficient and coordinated control tend to rise. In simplified terms, the question of control can be seen as a combination of two questions: in what ways and how effectively are the common resources used, and how well do they meet their original purpose? (Cf. Vademecum for Structural Funds Plans and Programming Documents 2000; Common Guide to Monitoring and Interim Evaluation 1995; MEANS Handbook No3 1995; MEANS Handbook No4 1997.) In reference to the theoretical framework, the analysis primarily deals with procedural and substantive control.

It was concluded in Chapter 2 that control is an extremely complex concept in the context of administrative theory. Thus, it derives partially from theory, but mostly from the nature of the empirical focus – EU Structural Funds – that some simplifications about the prevailing control procedures must be made; this simplification is necessary to capture the essence of control. Otherwise, if control practices cannot be explicitly identified, the control-related issues cannot be used to clarify coordination or the challenges regarded. Therefore, the explanation becomes too fragmented and incoherent in terms of getting an extensive and better understanding of coordination. Thereby, instead of classifying control practices purely on the basis of theory, a simplification is made merely on the basis of the practice.

To specify, the control arrangements to be analyzed are derived from practical and formally agreed upon control procedures. They are comprised on the basis of Regulations (1260/1999) and other related material (Sound Management of the Structural Funds 2001; Vademecum for Structural Funds Plans and Programming Documents 2000; Common Guide for Monitoring and Interim Evaluation 1995). Table 8 (below) presents the ideal framework for the empirical analysis and links the theoretical points of view to questions of the empirical information.

Table 8. Control Practices and Constraints of Control

Practices Constraints	Steering	Monitoring	Evaluation	Audit
Procedural	How are the guidelines, Regulations, norms and circulars used to steer the implementation?	Does monitoring information confirm that procedures are on the right track?	How can one ensure that activities are in accordance with the agreed upon guidelines?	Are all actions in line with the agreed upon principles?
Substantive	How do the applied guidelines, Regulations, norms and circulars guarantee the intended ends?	How does the monitoring information indicate that the goals are reached?	Are the results in accordance with the stated goals?	Do the results match the goals?

In addition to the table presented above, the implications of actual and potential control in relation to two constraints (outlined above in table 8) are discussed. Despite the more or less technical nature of the analysis of the four mentioned control practices, interest is keenly placed on the questions of how these practices can be interpreted in the context of coordination; how they endorse coordination; and what kinds of problems are related to coordination of these practices. We will begin with a brief presentation of the selected control practices in the context of EU Structural Funds, and then, the analysis focuses on understanding the challenges in terms of coordination.

Regulations, Circulars, Guidelines, Instructions, and Procedures Manuals

As was noted in the introduction, structural policy is a policy field which integrates national legislation, norms and practices, and Community legislation (e.g. Regulations and Directives) (Archer & Butler 1996; Evans 1999). Perhaps the most evident tool or method for both procedural and substantive control is steering, through the use of different kinds of legislation and related norms. Of course, the MAs do not make regulations or legislation; it the responsibility of the supranational organizations and national parliaments.

The MAs steer actions by making appropriate and necessary interpretations of the related legislation. In other words, they present decent modes of action. Practically, this means that MAs are responsible for giving guidance. MAs send circulars and guidelines and also certain kinds of recommendations to instruct various Implementing Bodies[29]. All the interviewees mentioned that the Implementing Bodies are especially the ones who require formal instructions and interpretations and practical examples on how to proceed in individual cases. The commonly used formal documents in steering, actually and potentially, are:

- CSF and OP programme documents
- National and Regional Development Strategies and Programmes
- Formal descriptions about monitoring systems
- Guidelines for financial management
- Guidelines concerning audits requirements

In addition to the above-mentioned items, to attain an appropriate control environment, the interviewees emphasized the role of different kinds of procedures manuals in all three country cases. The purpose of a procedures manual is to give detailed descriptions of responsibilities, tasks and procedures for organizations and for the personnel involved in the

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[29] A distinction should be made between circulars and guidelines, and recommendations. MAs are obligated to release them both. Basically, the distinction is the engagement. A total engagement is not required in the case of recommendation, and on the other end, the nature of circulars and guidelines is highly engaging. In principle, in the case of circulars, the way of implementing is strictly ordered and there are basically no options, while a recommendation only creates a strategic option and discretion is left to the implementer. Of course, from the point of view of the implementer, the distinction should be clear and detailed: they have to apply these in individual cases, like what kinds of projects are funded, what are the eligible costs, and how interpretations are made concerning VAT.

implementation of EU co-financed activities, and thereby to coordinate and steer actions towards the preferred ends. Quite a common practice is that there is a procedures manual which concerns an individual Fund: for example, a procedures manual for ESF operations. On the other hand, some MAs have created procedures manuals for their branch of government which contains guidelines on all the Funds concerned. Ireland differs in comparison to Finland and Sweden: they have put a lot of emphasis on the preparation of formal procedures manuals for Structural Fund activities. The obligation to prepare manuals has even been coded in the Circulars[30]. Every MA has its own procedures manual and the PAs have their own manual in Ireland. There is also a common procedures manual covering all Structural Fund activities[31]. Moreover, the procedures manuals are understood to be very important in terms of steering because they create a mutually and formally agreed upon basis for actions. The occurrence of the manuals also fosters acceptability, continuity, and anticipation of coordinative efforts.

Monitoring Arrangements: IT Based Monitoring Systems and Reporting

To simplify, there are two kinds of monitoring involved in Structural Funds. First, there is monitoring that is based on computerized monitoring systems and the application of indicators. Secondly, there is monitoring that is based on regular reporting. Again, these two monitoring arrangements are taken into further analysis because they support our interpretation of coordination and issues when control is concerned. Also, the interviews support this: in every single interview the discussion turned to a concern for database- based monitoring and different kinds of reporting requirements. In addition, no position was taken in the theoretical section about what the practical control and monitoring activities might be. Thereby, empirical material is applied to operationalize and reinforce the theoretical notions. This also fosters the use of the qualitative method because the concrete content has

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[30] Paragraph 11 of Circular ESF/PA/1-2001 requires that in order to overcome any weakness in the area of financial management and control of the Funds, detailed Procedures Manuals should be prepared and reviewed regularly by the MAs.

[31] A few of these procedures manual are also on the Internet. Personally, I found it very helpful because it made it possible to understand and get familiar with the administrative arrangements before entering interviews. From a broader perspective, this could be also seen as serving the publicity and openness of public administration activities.

been structured on the basis of interviews, not given or determined beforehand in the theory.

For monitoring the progress of programs and their sub-measures and initiatives, the Member States have developed particular IT-based monitoring systems in cooperation with the European Commission [32]. The monitoring systems mainly include quantitative information, more or less under two items: funding related indicators and physical indicators. The computerized systems are designed to support programming and financial and indicator based monitoring, to make and monitor the progress of spending (payments), and to support data transmission from the Implementing Bodies to the MAs (cf. Figure 4). The systems facilitate the collection of financial information on a monthly basis and physical monitoring indicators on a quarterly basis. Practically, an authority who makes decisions about funding is assigned to a single project to input the data into the system. Therefore, the responsibility to input data is shared between the Implementing Bodies and the MAs. As illustrated in Table 9 (below) there is a great variety on how database based monitoring is organized in each particular country case.

Despite the fact that the table illustrates the databases in an equal manner there are obvious differences in their use. The Finnish case differs from the others because of the organization of monitoring systems on the basis of Funds. This means that each Fund has its own database. In Sweden, only the monitoring of the ESF-functions is organized in the same manner. Additionally, there are differences in what each database contains. Basically there are two options: a database may concern only Structural Fund information, or a database could contain monitoring information about both Structural Funds and national policies. In the Finnish and Swedish cases, the databases concern only Structural Fund related information. In the Irish case, a computerized system is being developed in the Department of Finance to monitor all NDP and Structural Fund expenditure and associated indicators. The single and common database provides information for the needs of the

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[32] The Council regulations on Structural Funds for the period 2000-2006 request that Member States develop and maintain Information systems specific to the management of the Structural Fund assistance. In detail, Article 18 of Council Regulation 1260/99 requires that each programme contain a description of the arrangements agreed upon between the Commission and the Member State for the computerized exchange, where possible, of data. (Vademecum for Structural Funds Plans and Programming Documents 2000; Working group meeting of computerized monitoring systems and electronic data exchange 2000).

NDP, and every single organization engaged in the implementation of NDP initiatives – co-funded or non-co-funded – has to be put into the database.

Table 9. Computer Based Monitoring Arrangements

	Finland	**Ireland**	**Sweden**
Database	Four individual	One common	Two individual

System
- maintenance and
  management
	Fimos (ERDF, all Funds)
	- Ministry of the Interior
	
	SEURA (ESF)
	- Ministry of Labour
	
	Hanke 2000 (EAGGF)
	- Ministry of Forestry
	  and Agriculture
	
	Database for FIFG
	- Ministry of Forestry
	  and Agriculture
		Computerized Database
		(all Funds)
		- Department of Finance
			STINS (all Funds)
			- NUTEK
			
			VM3 (ESF)
			- ESF Council

Despite the fact that several individual databases exist in a country, there is always one database 'above' the others. This means that usually one of the databases is applied to gather all monitoring information in a single place:

- Fimos is a summarizing system in the Finnish case
- The common database is a summarizing system in the Irish case
- STINS is a summarizing system in the Swedish case

The Commission requires the maintenance of a summarizing system: the reimbursements should be transferred electronically by using a particular system, which is introduced by the Commission.

Access to databases differs between the country cases. In the Irish case, all the government departments involved to the implementation of Structural Funds and the Regional Assemblies have access to the central database. Also, in the Finnish and Swedish cases, all the

MAs have access to the summarizing systems in principle. However, the nature of the other systems is more closed: access to a particular system requires that MAs and Implementing Bodies are involved in managing particular Fund, otherwise they do not have access to the system.

In addition to IT-based monitoring arrangements, two kinds of reports can be distinguished. First, there is requirement that each funded project presents a Closure Report to the MA. The Report should include an analysis of how the project was delivered and what the major outcomes were. Also, a General Statement of Expenditure and a Final Audit Certificate are often required (if the costs approved for a certain project exceed the total sum, then external audit certificates are needed). In the previous round (1994–1999), the report was to be returned a few months after the project ended. The procedure was changed because of insufficient returns of closure reports. Currently, after the MA has received and checked the project Closure Report, the PA will make the final payment due for the project. In other words, there is an incentive for project reports to be returned on time. However, there is another viewpoint involved. In the past, there was more time to really evaluate what the actual achievements of the project were. In the current system, apparent achievements are reported but some achievements might be realized after the project has ended or several months later.

As part of its management responsibilities, one of the duties of the MA is to prepare an annual implementation report about the progress of the programme(s) that they manage. The report must be approved by the Monitoring Committee before it is sent to the Commission (see also Article 37 of the General Funds Regulation 1260/1999.) Analyses are based on project Closure Reports and information from the IT-based monitoring systems. In general, reports are one of the main tools for the Commission to coordinate the progress and outcomes of programmes in the different Member States. On the basis of an individual report, the Commission can make observations or request certain changes to a particular programme. (Sound Management of the Structural Funds 2001: 5.) The implementation reports must set out:

- The financial implementation of assistance
- An evaluation of the progress in the implementation of priorities

- Indications of any change in the general conditions which may be of relevance to the implementation of the assistance (socio-economic trends, etc.)
- The actions taken to ensure the effectiveness of implementation
- How the compatibility with community policies are ensured

In all cases, reports are also related to the government budget process (cf. Figure 5). Particularly, in the preparation of the government budget, each MA has to inform the government as part of their own annual report: what has been achieved by the use of these monies; what are the main results; and what will be the priorities for next year?

Evaluation Arrangements

Evaluations are a fundamental way to ensure the effective coordination towards a common goal, greater efficiency, and an overall sound management of assistance. Evaluation takes place throughout the programming: there are ex-ante, mid-term-, and ex-post evaluations. In addition to these, there are particular 'thematic' evaluations focusing on specific issues and they can take place at mid-term and at the end of the programming period. (Sound Management of the Structural Funds 2001: 6.) Table 10 (below) comprises the organization of evaluation activities in the country cases. The location of the evaluation unit can make a difference in whether the study has sufficient latitude to be useful, as Weiss (1972: 10) has remarked, for example.

Table 10. Organization of Evaluations in the Three Countries

	Finland	Ireland	Sweden
Evaluations are commissioned by	Several organizations: - Six MAs	Single organization: - NDP/CSF Evaluation Unit	Several organizations: - Ten MAs - NUTEK - Board of Fisheries - LAG-groups in Leader+
Evaluations are conducted by	Independent organizations: - Universities and Research Institutes - Private consulting Firms	Independent organizations: - NDP/CSF Evaluation Unit - Universities and Research Institutes	Independent organizations: - Universities and Research Institutes - Private consulting Firms

Ireland, in general, differs because the commissioning of evaluations is highly concentrated: a single organization, the NDP/CSF Evaluation unit, commissions the evaluations. In the Finnish and Swedish cases, the commissioning of evaluations appears to be decentralized. The argument is the same in both country cases: to ensure the required expertise in a specialized field of actions. In the Swedish case, there are also special expert groups (LAG-groups) involved in the Leader+. Quite an interesting point is that NUTEK has a partial role in Interreg III and Objective 1 in commissioning evaluations – in the other two country cases, the MAs have the responsibility for commissioning and NUTEK does not have this status. In addition, in Sweden, the National Board of Fisheries also conducts some thematic evaluations in their branch of government. The reason why these two state agencies are in charge of evaluations is the same as in the Irish case: they try to enhance the best knowledge for commissioning evaluations, to improve the comparability of evaluation findings in different programmes, and to achieve better dissemination of evaluation results. This might be emphasized especially in the case of Interreg III because the structure of different Interreg III subprogrammes is very incoherent.

The country cases have similarities in the way in which evaluations are conducted. The most common way is to apply the purchase-model; after a period of competitive bidding, outside bodies are used to conduct the evaluations. The NDP/CSF Evaluation Unit conducts some evaluations itself only in the Irish case.

Auditing

The fourth implication of control practices in the context of Structural Funds is auditing. A principle introduced in Commission Regulation 438/2001 increased auditing activities: there are detailed checks required on 5% of the expenditure of a programme (Articles 10, 11, 12, and 14 of Commission Regulation (EC) No. 438/2001). Internal audit departments or external auditors can carry out these checks. The Commission also carries out on-the-spot checks. The Member State can carry out these checks in collaboration with the Member State or on request. (Sound Management of the Structural Funds 2001.) The organization of Auditing is manifold in the context of Structural Funds. There are several organizations involved in auditing:

- At the supranational level: DG Financial Control, European Anti-fraud Office (OLAF)[33], and the Court of Auditors
- At the national level: the internal audit units within the PAs and the external auditors

They all produce audit reports on individual projects and also program level auditing reports. The auditing arrangements at the Member State level are presented in Table 11.

Table 11. Audit Arrangements

	Finland	Ireland	Sweden
Organization of audit is based on	Fund; Concerns several MAs	Fund; Concerns several MAs	MA; Concerns several Funds
Location	Within the ministries that act as MA	Independent contract units	Within the involved State Agencies and within County Administrative Boards that act as MAs

In the Finnish and Irish cases, auditing is based on a certain Fund which means that auditing concerns the operations of a certain Fund. In Sweden, however, each MA has its own unit for auditing functions which consists of several Funds. The objective nature of auditing is highlighted in the Irish case. Auditing operations are designated into four independent contract units (each Fund has own unit) which acts under the Department of Finance. They are organized functionally independent from MAs and Departments in order to ensure and demonstrate transparency and objectivity in the unit's work The Department responsible for each Fund agrees on the general principles for the Units[34]. Each Unit reports directly to the Department, and the other MAs, and also to the Commission. (Procedure

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[33] European Anti-fraud Office (OLAF, Office Européen de Lutte Anti-Fraude) The mission of OLAF is to protect the interests of the European Union, to fight fraud, corruption and any other irregular activity, including misconduct within European Institutions. OLAF conducts internal and external investigations within its independence. It also organizes close and regular cooperation between the competent authorities of the Member States in order to co-ordinate their activities. OLAF supplies Member States with the necessary support and technical know-how to help them in their anti-fraud activities. (The Mission of OLAF 2002.)

[34] To ensure coordinated actions as part of its functions, the Unit formulates and negotiates an annual national audit plan with the Commission and the European Court of auditors. The Unit also coordinates the annual report to the Commission on financial control of the Structural Funds. (Procedures Manual 2000: 81–82.)

Manual 2000; ERDF Financial Control Unit 2002). Also, the interviewees find the independent role of the Units important because they create a certain kind of counterpart to the actions and interpretations of the PAs.

4.2. Challenges for Coordination

4.2.1. Steering

Is There a Need for Proactive Steering?

Different kinds of formal documents produced by MAs are the most typical way to steer the system. They are used at least in terms of making coordinative efforts more formal and perhaps to unify patterns of action:

- *"Formal instructions are a manner to coordinate and maintain the common goal... That's why we have circulars and guidelines"*
- *"Common work procedures are really important because we want that people in different areas would be treated with the same rules and in a equal way ... we have different rules and regulations to obey ... and to have a common base to work with them ... so ... and that's why it is very important that we coordinate our work."*

Moreover, all the interviewees commented that the nature of their daily work is so that situations and issues which require new instructions and strategic guidelines appear frequently. In practice, this means that the MAs must emphasize even more carefully and precisely the interpretation of EU regulations and related requirements. It is also emphasized that MAs should instantly communicate and brief the Implementing Bodies and final beneficiaries on the requirements by giving strategic guidelines or detailed circulars in all relevant areas.

Accordingly, they commented that even more efforts can be more proactive, or ex-ante kinds of control. In other words, the essential goal here is to prevent mistakes in implementation. It should be recognized that to be proactive is not only an MA issue. All or-

ganizations involved could be more proactive from the European level to right down to the local level. An audit as an ex-post control procedure, as with most of the evaluations, is quite a good example of the need for more proactive ways of steering. There are open issues in managing the programmes and they subsequently tend to lead to negative audit comments. If a mistake or wrong procedures are revealed in the audit, the mistakes have already happened. If adequate guidance and steering to do things properly is not provided by the MAs, there is the possibility that it causes unnecessary frustration and someone's good reputation might be damaged, when it is possible to work it out right in the first place.

The Absence of Complete Cascade Structure

A common impression in three country cases is that there is a reliance on the hierarchical order of steering relations. For example, providing guidelines and circulars is clearly determined as the responsibility of MAs, which are understood to act above the Implementing Bodies and final beneficiaries (some interviewees referred to the cascade structure). In other words, a final authority and a formal line of authority in control always emerges. Secondly, there is a strong reliance on and commitment to the formal documents (especially the Regulations, circulars, and, CSFs) as tools for control. The documents are seen as the factor that creates a common basis for control and coordination efforts towards a common goal.

It was assumed with hierarchy-based arrangements that the formal position of the organization in the governmental system defines its power to steer and to give instructions to the other organizations to a great extent. The formal position is significant because it is related to credibility and authority, and furthermore the compliance of other organizations. (See also similar point of views in the literature e.g. Follett 1949: 43–44; Simon 1997: 128; Burns & Stalker 1966: 5.) In what ways is the formal position created in practice? Above all others, formal definitions are emphasized, like those included in CSFs or other formal guidelines or circulars. This is concretized most obviously in MA operations. Along with their formal defined status, they possess a formal authority over the Implementing Bodies that manage the funds.

The absence of clearly determined hierarchical steering relations might challenge the comprehensiveness of control efforts, and thereby, decrease the intensity of control. There is a lack of precisely defined responsibilities (who controls who); which issues the control is focused on and how it is done. In the absence of formal definitions it could also follow that the MAs do not have ultimate authority over the Implementing Bodies or other MAs. Thus, interviewees mentioned one the lessons from the previous round has been that before any new instructions are given about the new emergent issues, the MA makes it clear if they have responsibility or if it belongs to some other MA. In other words, do they have authority over that particular case? Some interviewees mentioned that if there are the slightest suspicions about the authority, it might affect the implementation of the instructions. On the other hand, the MAs do not have any particular authority to order or to get involved in other organization's work procedures, if they meet the financial management, and control and monitoring requirements that the EU regulations set up.

The difference in organizational status is the key issue which causes breaks in the line of command and thus complicates steering relations[35]. The following two cases enlighten this. In the Finnish case, the Ministry of the Interior is responsible for ERDF, and therefore is also responsible for steering and control concerning it. However, it does not have any regional or local bodies. In its branch of administration, the regional and local administration is organized by Regional Councils that are joint organizations founded by municipalities. And, as mentioned earlier, municipalities in Finland have a very large functional autonomy, based on legislation. So, the Ministry of the Interior does not have the direct authority and thus the capability to steer regional actors who are partly responsible for the implementation of Objective 1 and 2 programmes or the three MAs with ERDF actions.

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[35] By the word 'status' I refer here in the same way as Norton (1991: 26) does, to standing in law within the constitutional system. Thus, the differences in constitutional status, of course, has impacts on the status of organizations both at central and regional levels. The constitutional differences could also be illustrated, perhaps in the most evident way, in terms of local government. In most European countries, local authorities have a constitutional status and a general competence. In other words, they may undertake any activity not forbidden by law or assigned to another authority. In Ireland, following the British tradition, local authorities have no constitutional status and possess no inherent powers. So, they may do only what the law assigns to them. (Chubb 1992: 267–268)

In two cases, Finland and Sweden, most of the governmental and local authorities (municipalities and regional assemblies) have a position and a guarantee in the national constitutions. They have quite similar systems in terms of constitutional arrangements, mainly because they share a common history and cultural factors. On the contrary, interpretations of Ireland's 'unwritten constitution' used to give national authorities or local authorities no special protection in law or tradition.

Another example is the case of NUTEK in Sweden. Its status differs because it is not designated as an MA, and therefore it has no formal authority or authority over the Implementing Bodies or the other MAs based on government hierarchy (most of them are independent state agencies). In other words, there is an absence of hierarchical structure and so there is an absence of a direct line of command. Despite this, its key role in coordination and steering comes from formal determination of the central public authority for enterprise development and regional development in Sweden, a reliance on its expertise and know-how in that particular branch, as well as a comprehensive, national level approach towards developmental issues. Tradition is also partially concerned: NUTEK had the key role in giving interpretations of the EU Regulations in the previous programme period. These cases differ from the Irish case where the Department of Finance is formally the leading department in Structural Fund issues and therefore has a certain formal authority over the other MAs.

The former case could be also understood in terms of network structure. As previously concluded, in a network structure, the possession of some kinds of resources legitimizes authority, and therefore creates a basis for coordinative efforts. Furthermore, authority creates the ability to steer and to regulate. The autonomy that the Regional Councils have in the Finnish case, for example, is by no means total. The Ministry of the Interior has the overall responsibility for resource allocation and in that way it could exercise steering and control in quite an extensive manner. A partly fictional example is that if any of the Regional Councils are continuously disobeying or denying instructions or strategic guidance given by the Ministry of the Interior, it may affect the yearly Structural Funds allocation among Regional Councils.

A Long Span of Control

A challenge from the point of view of control and management deals with the Implementing Bodies. The long chain of organizations, or the long span of control, creates a challenge for how the MAs could get people in these organizations, at the bottom of the system, convinced that their work is really important and it should be taken seriously (see similar findings in theory e.g. Morgan 1989: 35 and Argyris 1990: 60–66). As one of the

interviewees mentioned: *"sometimes the Implementing Bodies seem to be too far from the MAs... getting everybody to stand behind the regulations, it is not that easy"*. In general, interviewees mentioned that it is appropriate to ask in what ways the other organizations' behavior can be controlled, how to ensure that they will complete the goals, how substantial control could be achieved, as well as how to ensure that the management in every single body is really handled in the most efficient way and every final beneficiary in treated equally. Taking this all together – in what ways are the procedural control issues ensured?

Difficulties in Interpretations

MAs have a key role in interpreting the EU Regulations and the related national legislation. Therefore, one of the main roles of the MAs is to ensure that all the Implementing Bodies are well briefed, particularly on their responsibilities and obligations. The challenge here derives from the fact that Structural Fund related national and supranational legislation is understood to be quite complicated. Therefore, if some problems or deficiencies appear, the MAs are required to produce appropriate instructions, guidelines or circulars.

In the interviews, one issue in relation to coordination, especially in achieving a common goal, rose above all others. The essential point here is that all the Implementing Bodies, and also the MAs themselves, should interpret and apply the relevant Regulations in the same fashion. However, the number of MAs and other involved organizations tends to increase the diversity of interpretations for relevant Regulations. This might also be interpreted in connection to coordination within a hierarchical structure: coordination is applied to promote the unity of control (especially in steering) within a certain organizational system.

Better coordination of interpretations can be achieved through various methods. In the Irish and Swedish cases, most of the EU Regulations and the related legislation are interpreted by a single organization: in the Irish case, the Department of Finance is the key actor, and NUTEK has the key role in the Swedish case. Thus, if there is an imprecise interpretation or if indistinct applications tend to occur, the other MAs will contact these

organizations. In the Finnish case, the responsibility for precise interpretations and implementation instructions are, in general, decentralized to all the MAs and so there is no single leading organization. Basically, the responsibility follows the Fund (e.g. the Ministry of Labour makes interpretation concerning the ESF, etc.). Thus, there is the aspiration that specialization makes the interpretations more appropriate.

The long chain of organizations might also affect the interpretation and implementation with more or less indirect consequences. Some research points out that every organization has its own culture which is realized in terms of management and work procedures, and in control and guidance (see Schein 1992; Morgan 1989; Argyris 1990). It is obvious that each MA, as well as the Implementing Bodies, has its particular administrative culture and historical background. Therefore, it can be argued that there is a quite simple presumption involved: an increase in the number of involved organizations increases the diversity of organizational cultures and procedures. It follows then that the differentiation in administrative cultures and organizations might increase the probability of both misinterpretations of relevant guidelines (strategies, CSFs, OPs, regulations) and the diversity of steering and coordination procedures. On that basis, as was argued in theory, particularly with coordination within network structure, coordination should be considered more as a tool to ensure a commonly agreed upon goal, instead of a tool for unifying work procedures, especially with strategic issues.

It follows then that, from time to time, requirements to unify activities tend to arise. For example, in the Finnish case, the State Audit Office has constantly required that the MAs should produce more formal guidelines to gain a greater unity of actions and that different Implementing Bodies could make decisions on the same basis (cf. State Audit Office 2002; 1997). These requirements create an interesting contradiction. There are several branches of government involved. They are supposed to act within their specialized activities in an independent manner. Despite this, aspirations that steering should share a common basis are frequent. A good example of this are the procedures manuals. As discussed, the number of involved organizations and organizational layers creates a complex organizational arrangement, and the manuals are first of all used to ensure similar procedures at every level (unity of control). Secondly, there might be aspirations towards a more hierar-

chical order of steering relations, at least in terms of clearly defined responsibilities over the whole Structural Fund system in a certain Member State.

A Tight Regulation Might Restrict Coordination

Despite the fact that legislation, national or supranational, is understood to be one of the important ways to conduct steering, it might become restrictive. Different branches of government have to take into account different kinds of legislative points. Traditionally, agriculture has been very firmly regulated in legislation, in both national and EU-level legislation[36]. Also, legislation concerning the agricultural (CAP included) measures could be described much more precisely and detailed in content than other policies within the EU. In Structural Fund operations, the EAGGF is quite closely related to the CAP measures and they have the same legislative basis. Compared to the other Structural Funds, one interviewee commented: *"they are living their own life"*. The labor market and employment activities are another tricky issue. Especially in the Swedish and Finnish cases, government labour policy is very tightly bound with the labour market partners and unions because they have a very extensive role in society.

The expectation that legislation should be precise and detailed reflects implementation, especially in terms of slowing down reforms. In the Finnish case, a representative of the Ministry of Agriculture mentioned: *'that's why we have always been the last one in certain reforms'*. On the other hand, the MAs in all country cases are satisfied that EU Regulations usually remain at a general level, except EAGGF and CAP related measures. Instead of very detailed regulations, the interviewees underlined that the current regulations provide more opportunities for taking national particularities into consideration in terms of control and guidance.

The Finnish and Swedish cases demonstrate a change with growth through experience. In the previous program period, the Implementing Bodies required more concrete and practi-

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[36] It has been evaluated that nearly 35 percent (totally nearly 30 000 legislative actions) of EU-legislation concerns CAP and other agricultural related issues. Other policy areas that should be mentioned are (approx.): External actions (15%), Customs (10%) and internal markets (5%). (Frösen 1999: 25)

cal instructions to coordinate their work. In simplified terms, a basic reason was the lack of experience and excellence because they were dealing with new issues and procedures. Today, the MAs and Implementing Bodies have a lot more experience. Therefore, the current situation is the reverse: there is a need for more general instructions and strategic guidelines instead of precise steering. On that basis, it can be assumed that coordination has moved towards substantial control; to ensure the attainment of a common goal instead of ensuring unified procedures in every single case.

4.2.2. Monitoring

In monitoring, the challenges related to control, and thus challenges for coordination, are manifold. These challenges create an interesting mixture of hierarchical and network based control. If one would compress them, they could be divided into the following categories. First, challenges in coordination are related to the functioning of sophisticated computerized monitoring systems. Secondly, challenges are related to the monitoring indicators to which are applied to the monitoring systems. The third area is the monitoring requirements.

The Functioning of Monitoring Systems

In all cases, the MAs have spent several years constructing sophisticated computer based monitoring systems. Success has varied (see Table 12). One interviewee quite ironically described the construction of the computerized monitoring system: "*as like all large, ambiguous IT-projects, it has taken twice as long, cost twice as much and it does half of what was promised*". Also, diverse opinions about how well the computerization actually facilitates control and coordinating exist: "*We have done the job, we spend the money, why do we have to put it into a computer?*". Despite this frustration, almost every interviewee emphasized that there is no real substitute for computerized monitoring systems in controlling and coordinating the overall progress of the programmes. The huge number of funded projects necessitates the use of advanced systems.

The main problems in using monitoring systems for the purposes of coordination and control are related to the following issues:

- Systems do not communicate perfectly with each other
- Continued development and changes of systems
- Cooperation and compatibility to other national based systems

Table 12. Evaluative Interpretations of the Monitoring Systems

Criteria	Finland	Ireland	Sweden
Comprehensiveness	Fully	Not fully	Not fully
Perceptions of functioning	Positive	Positive	Negative
The most problematic issue	Incompatibility	Incomplete covering	Incomplete covering

In the Irish and Swedish cases, the computerized systems were not fully populated, which decreases the validity of control efforts because they cannot be based on inclusive and precise control information. In other words, there are some particular program measures that are not included in the system, or data is still waiting to be inputted into the system. Several factors have caused this. The most common explanation in all country cases is that the programmes differ from each other, and so the monitoring indicators and monitoring information varies between programmes. Therefore, the monitoring system has to be coupled with the diverse monitoring demands. Sometimes the technical boundaries have restrained the gathering and inputting of monitoring information. In general, one could claim that in terms of sound management of the programmes, the targets and expectations of IT based systems are set at an ambiguous level, especially in terms of comprehensiveness and reporting capabilities.

The compatibility to other national systems should be discussed in detail. Basically, the interviewees emphasized that in terms of effective control and coordination, the informa-

tion in Structural Fund monitoring systems should be compatible to other national data-bases, mainly the information produced by different accounting systems. The Finnish MAs have tackled the incompatibility of monitoring systems. Of course, there are always problems when new systems are launched, and the Finnish case is no exception. On the other hand, Finland presents the most advanced case in terms of using computerized systems (see also similar findings in different contexts e.g. OECD eGovernment Studies 2003; OECD 2001; Kuopus 2000; Korhonen 2003; Tiihonen 2003), and thus, it could be asked in what way a long tradition of registering and creating national databases explains these efforts. Basically, there are at least two reasons that explain the failings. First, compared with the other two cases, quite aspiring goals have been set for monitoring systems and reporting capabilities in Finland. Secondly, there have been intense efforts to achieve total comprehensiveness. Thirdly, there have been serious aspirations to automatize all the data transfers (i.e. a direct transfer of information between the accounting and monitoring systems) between the different systems which attempts to reduce manual data transferring states, and the automatization has not succeeded in all cases.

The insufficient functioning of computerized monitoring systems has lead to more or less negative outcomes in all countries. In a few cases, insufficient functioning has meant that MAs should have an additional system alongside the formal monitoring system. For example, in the Swedish case, failings in the functioning of the STINS-system have meant that each MA has its own system for day-to-day control and monitoring, along with the STINS-system. There is a great variety of systems used: Access, Excel, etc. When the variety of systems increases, troubles occur in comparing the monitoring information. Malfunctions have more or less doubled the workload and led to troubles to produce updated information. It has evidently caused inefficiency because the ongoing correction of mistakes requires resources. The interviewees complained that perhaps too many officials are engaged in checking the accuracy. On that basis, it should always be asked, if the time could be used to solve these problems, or be used in other ways – for example, by putting more effort into the actual managing and developing of programs.

On the other hand, some experts in the three country cases described the building of a computerized monitoring system as quite a good learning process, at least in two ways.

First, all the involved organizations have gained experience in building a comprehensive IT-based system. Theoretically, these experiences could be applied and disseminated to several national monitoring projects. Also, the lessons learned during the last round facilitated the planning and implementing of the current IT-based monitoring systems. However, the matter has been mostly the application of the so-called 'learning by doing' method: to learn from the mistakes which have been made and from problems that have been confronted.

Secondly, there has been a learning process especially in terms of governing and coordinating the total Structural Fund system. A basic reason for this is that the MAs have to model the managing processes of the programs together. Very detailed descriptions are required: which organizations are responsible for what, how the money flow is organized, and who reports to whom, etc. All these are needed to create a basic structure for a computerized monitoring system[37]. Still, despite a successful learning process, there have been difficulties in modeling the administrative system for the purposes of the computerized systems. The difficulties are related, once again, to the amount of organizations involved and the complicated span of control. Because of this, the modeling has been a highly complex task. The following aspects which have to be taken into consideration in modeling are:

- The different missions and goals of the organizations
- Their diverse activities and work procedures
- Diversity in organizational structures (the central bodies and regional subunits)

In the Finnish and Swedish cases, all the problems mentioned are somehow related to the pressing start of the previous program period. Overall, the knowledge of Structural Funds, their substance, and the related work procedures were all insufficient. So as one interviewee commented, it was nearly impossible to find people who have experience in both Structural Fund issues and who are highly specialized with IT-systems and their construc-

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[37] Careful documentation and modeling requires a lot of time. For example, in the Finnish case, in the Ministry of Agriculture, people working with monitoring systems had performed technical documentation nearly two years before the new IT-based monitoring system was released.

tion. Also, the amount of people working with Structural Funds in general, especially with monitoring issues, was too sparse.

Lack of Updated Information

The fact that the information in the monitoring systems is not always updated is a common feature in every case. That causes obvious problems in monitoring and coordinating: if the MAs do not have adequate and real-time information about the progress of programs, on what basis can they coordinate the implementation? Some of the interviewees, in all the country cases, assumed that some Implementing Bodies do no always prioritize the supply of information. In the interviews, some experts commented: *"you know who will report on time and deliver report on time ... you know that they are responsible for different agencies and ... someone takes the deadlines more seriously"*. Secondly, as one interviewee mentioned that *"it takes time to get people to prioritize to put information in the system"*.

Diverse Interpretations of Monitoring Information and Indicators

There have been some difficulties in defining the content of particular indicators for each country and each program: what is actually measured, what restrictions should be regarded, and what kinds of actions could be made on the basis of that information. One interviewee commented: *"There are difficulties with these indicators because they are compromised to suit all the Member States. And ... some of them are totally irrelevant for us."* A second essential point is that there have been differences in the definitions applied by the central government organizations and local authorities, with the same indicators. In other words, the unity of control in terms of coordination is highlighted. For these reasons, some of the indicator-related issues should be revised more precisely.

Actually, in the Irish case, diverse monitoring procedures and monitoring systems were the essential reason why the separate systems maintained by other departments were abolished and monitoring functions were concentrated in one single computerized system as presented earlier in Table 9. Great demands emerged that the monitoring information over Structural activities should be gathered using the same principles and manners, and the

information should be comparable. The unity in design was expected to increase the transparency of achievements and increase capabilities to follow the actual flow of EU funding. However, the introduction of a centralized database has not entirely abolished the departments' individual databases. They still operate data gathering for their own purposes.

The requirements for indicators are really challenging. For the purposes of control and monitoring, the indicators must be comprehensive and measurable, and at the same time they have to be understandable to all interest parties, especially for the final beneficiaries. As one interviewee pointed out: "*you don't have to be an expert on measurement based on indicators or evaluation, or regional development, to work with these projects*". The interviewees emphasized that the information produced using the indicators must be interpreted and it has to be done in cooperation with the Implementing Bodies because they are responsible for producing the information. Secondly, the Implementing Bodies do have first hand information on why certain changes in priority occur or what causes these changes, for example.

There are always problems related to the quality of monitoring information: the information is not correct, it is gathered on the wrong basis, put into the system using various methods, or it is just caused by a typing error. To correct these failures is time-consuming. Interviewees emphasized that preventative actions are the most effective way to be sure of the quality of monitoring information and to promote effective control. Thus, the substantive requirements for staff are emphasized: persons who have substantive knowledge could revise and evaluate and then correct the information instantly so the logical mistakes could be filtered out (e.g. too large amounts of commitments or payments, or in physical indicators, the amount of people taking part in employment training or educational activities).

In addition to that said above, the Member State has the opportunity to make monitoring more comprehensive, if needed. In proportion to the theory, it is argued that hierarchy-based control emphasizes the importance of extensiveness: it is understood as a precondition for efficient coordination. In general, monitoring and monitoring indicators were concluded to be comprehensive enough. Only in the Finnish case, the Ministry of Agriculture

has created some additional monitoring indicators. This is mostly articulated with differences in the area covered by a particular Objective: some areas belong to Objective 1 and some to Objective 2, and there are differences between the indicators applied in a particular Objective. Also, in some specific regions where only a part of the region is included in a program, the same kind of activities are conducted within national rural development or agricultural measures. So, to make control and coordination easier, the Ministry of Agriculture has decided to integrate some indicators in both national and Structural Fund activities[38]. No other MA has chosen the same solution in the other country cases. Of course, for making decisions, they use national statistics and monitoring information as an additional information source.

Impacts or Outcomes?

One of the key problems mentioned in the interviews is the nature of the indicators: what things they actually measure, and how the information should be interpreted and applied. Criticism against the indicators was heard, and mainly they are criticized to be too concerned on impacts rather than actual outcomes. So, for control purposes, the indicators produce quite up-to-date information about the progress of programs and measures but the outcomes are taken into account to a lesser degree. One interviewee commented that: "*I'm not that worried about the comprehensiveness... I am more worried about getting information on the indicators themselves... there are a number of indicators that we have to look at ... but we feel that these indicators are not really proper indicators... to measure up the effectiveness.*"

Especially the Swedish interviewees criticized the indicators for concentrating too much on impacts. For example, how many jobs are created, how many people are educated, how many miles of road are restored, etc. In the most simplified terms, even the formulation of questions in the monitoring leaflets somehow underline the impacts. Perhaps, the easiest way to illustrate this is that most of the questions in the monitoring leaflets actually start

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[38] For example, there are questions involved such as: changes in the number of farms; what kinds of farms are created; the profitability of farms (special ratio of profitability). Previously these were applied to and included in national monitoring, but they have been included in Structural Fund monitoring activities since 2000.

with the words 'how many'. But why is this concentration on impacts dangerous? One of the interviewees put it quite nicely: "the Leader+ is not just for creating new jobs, but it is also for processes to the way of creating new jobs". In other words, if you are only or primarily interested on impacts (the relation between input and output) you might forget the importance of the process and the overall outcomes: what procedures were crucial in terms of goal achievement, and what factors actually facilitated the creation of jobs, etc. To understand the nature of the process and outcomes is crucial in terms of spreading out the 'best practices'.

One way to improve the current indicators is to put their relevance under evaluation. For example, in the Irish case, the relevance of indicators and the capacity to measure the defined issues is tested alongside with the program evaluation.

Quantification Produces Only a Partial Picture

Basically, the need for quantified information is created by the large number of funded projects. Quantification facilitates a way to get an overview of the progress of the programmes. However, it has been also argued in the theoretical literature (Simon 1997; Vedung 1997; Vartiainen 1994) and also in some practical research findings (Bauer 2000; Viinamäki 2000b) that quantified measurement does not totally meet the needs of the information required for implementation or decision-making in every single case. This was also commented on in several interviews:

- "The OP has to be developed more on qualitative information provided, so the information cannot be produced only by the indicators ... we can't say that here are the indicators, that's it."

- "The indicators are really difficult ... you must have indicators that you can use the data-system ... the more indicators you have ... less quality ... it is vitally to have good quality with the figures that you working with... "

- "You can't expect precise measurements in programmes because the projects and the measures are so diverse"

Usually when using indicators and quantitative measurements, people expect exact measurements, and that may become problematic in some cases. Also achieving the goals tends turn 'black and white': you reach the goals or you do not. Furthermore, the interpretation is usually simple: if the indicator implies that you have not reached the goal, you have failed. In many cases, this is, of course, only a partial truth. You may have achieved very remarkable outcomes but the indicators do not measure them. A few interviewees mentioned that they have confronted problems with the media because sometimes they are very keen to see things only in 'black and white'. Another group is auditors. Some criticism against auditors emerged – that they are too engaged in official goals and outcomes, and see procedures as 'right and wrong'. Quite a typical case is that problems tend to arise because the individual project has not achieved its quantified goals, but during the project, many exceptional and very precious experiences have been gained. And, these experiences could be applied to other measures. So, in some cases, the qualitative goals and qualitative evaluations of the activities might appear much more relevant.

However, the interviewees commented that the adequacy of quantitative information is highly dependent on the measure. Despite the criticism, the interviewees are convinced that a lot of things can be made quantifiable. Of course, when creating a standard for measurement, everybody has to be aware of statistical principles and what the information actually indicates. In general, the more production-geared or technical the measure tends to be, the easier the quantification tends to be. A good example is infrastructure measures, where measurement consists of, for example, targets for kilometers of road built or kilometers of restored road. More difficulties tend to arise when issuing development or welfare measures. For example, how does one reliably measure the reduction of poverty or social inclusion? Or, how does one measure the precise benefits or achievements of educational actions where the effects will be realized only after several years?

One of the ways to overcome problems related to the partial nature of quantified monitoring information could be illustrated in light of the Swedish case: the MAs interview the project implementers and other leading persons involved in the implementation of each project. It is emphasized that these interviews and discussions tend to be quite informative: what really happened during the project, what was achieved, what kinds of measures

failed and what things caused failures, and what procedures might be generalized as 'the best practices' and applied to other projects? Probably the main reason for this procedure is that the closure report is more a list of what they have done within the project, not an actual evaluation of what they have achieved and how. Secondly, because the questions in the closure report leaflet are standardized, it might undermine the differences and particular features of each project. In the individual interview, these issues will be taken up and discussed in more detail.

Not all the reporting procedures happen afterwards. One of the Swedish MAs has developed a procedure where the project applicant should write a report about the expectations of what will be achieved. The report contains self-evaluations of both the indicator side and other qualitative issues. The project applicant and the MA discuss how realistic the particular goals are and, if necessary, the goals will be adjusted qualitatively and quantitatively. And, after that, the application for funding will be released.

In reporting, the amount of projects is a fundamental factor in deciding what method is used. The quality of the programs can be introduced by case and descriptive studies. As mentioned above, more qualitative methods are emphasized, but their applicability is narrowed when the number of projects increases. In simplified terms, if you have thousands of projects in a program and you have to somehow manage them, you cannot conduct very detailed interviews in every project. So, if there is a large number of projects involved, you must have some other evaluation methods, for example, surveys.

Lack of Continuity

The content of the indicators change every program period. So, there is a certain lack of continuity, especially in terms of comparisons between program periods, and thus, the possibilities to do straightforward comparisons between different program periods does not exist.

Furthermore, the goals and strategies in programmes also tend to change. These requirements for change have arisen mainly for two reasons: changes in environment and from

the outcome of administrative developmental activities. As a result of changes in pro-
grammes, the content of monitoring indicators also has to change. The continuity has also
decreased because of the constant development of IT based monitoring systems. New
functions are included in the system all the time, and they place new requirements on
monitoring.

4.2.3. Evaluation

More Systematization Needed

Arguments that coordination requires systematic evaluation procedures were frequent in
the interviews. There are external and internal pressures to make evaluation more system-
atic. On the other hand, both the Commission and the Monitoring Committees for each
program have demanded that evaluations should be conducted at different stages of the
program process. For that purposes, the Commission has published a particular MEANS
Handbooks for evaluation related to Structural Funds. They consists guidelines for con-
ducting evaluations in different Programmes and contexts. Thus, the systematic approach
in this context focuses on conducting ex-ante, intermediate, and, ex-post evaluations. To
make sure that evaluations are conducted at different stages, the Commission has set cer-
tain prerequisites for Member States. Perhaps a simplified example might be that to get
funding, a Member State has to carry out an ex-ante evaluation. Internal pressures are re-
lated more to the planning and focusing of programs measures, also to the reallocation of
resources on the basis of the evaluation findings.

Both Sweden and Finland have a long tradition of regional policy and they both have
spent a lot of resources on balancing regional development. In general terms, control has
emphasized ex-ante control. This is done, for example, by emphasizing the allocation of
resources and by giving an essential role to the determination of eligible measures, as op-
posed to evaluating the actual outcomes. It might even be argued that until the end of
1990's, the evaluation culture and practices within public administration remained frag-
mentary, unsystematic and desultory in the Finnish and Swedish cases (Bouckaert et al
2000; Segerholm 2003; Ahonen 1998; Hyyryläinen 1999). From this point of view, some

research (Uusikylä & Virtanen 1998; Haapalainen 1999; Viinamäki 2001b) argues that Structural Fund activities have played a partial role in introducing systematic evaluation approaches and ex-post control in the regional development in these countries.

In a larger context, the lack of a systematic approach is depended on the evaluation capacity existing in each country. For example, an evident challenge during the previous program period was the lack of trained evaluators to conduct evaluations in the Finnish and Swedish cases. In Finland, almost 100 evaluators were needed to conduct 35 evaluations and the organizations which tried to conduct evaluations had problems in recruiting skillful employees (Viinamäki 2001b).

Low Application of Evaluation Findings in Developmental Work

Patton (1997: 20) argues that evaluations should be judged by their utility and actual use. Overall, assessments on utilization and the use of evaluation findings varied between the country cases and also between the program measures. Interviewees were satisfied with the use of evaluation findings in the preparation and planning of the current program period, especially in the Irish case. One of the factors for positive outcomes in the Irish case can be found in the actions of the centralized Evaluation Unit. It was engaged in the preparation of each programme and also made observations on the draft of programme complements. Secondly, different agencies, including MAs, seemed to be aware of the outcomes of previous evaluations in an extensive manner.

In all cases, there are efforts to promote the spreading of evaluation findings. For example, the evaluation information and evaluation reports are available on the Internet and most of them can be downloaded or delivered by email. In all cases, there were plenty of recommendations for the program period 2000–2006, produced by several ex ante evaluations concerning 2000–2006 and the previous round ex-post evaluations. However, all the evaluation recommendations were not taken into account in the planning processes of programmes. Hence, there were good reasons for this course of action: above all others, the overall context was changed.

The literature offers many ways of how evaluation findings can be used (see e.g. Patton 1997: 17–18, Rossi et al. 1999: 436; and also some evaluation guides and standards e.g. Evaluating EU Expenditure Programmes 1997: 22–27 and American Evaluation Association 2003). First of all, evaluations are found to be a tool to clarify programme goals and priorities. This particular purpose is emphasized especially in the Finnish and Swedish cases because the goals of the previous period programmes have been criticized to be fairly unrealistic in certain measures. During the programme period, interviewees emphasized the use of evaluation findings to concretize goal setting and to make it possible to characterize what the priorities should be and how realistic it is to achieve the goals by using the defined measures. In other words, evaluations are used as an active tool for control all the time, not only in the beginning and at the end of the programme period.

Also, the application of evaluation findings can be described as a learning process. Evaluations provide an extensive range of possibilities to produce information about the progress of the programmes and the achievement of intended goals. However, the interviewees call for much versatile use of evaluation findings – in most cases they are applied in quite mechanical and non-innovative fashion. Another point is, as several interviewees emphasized that evaluations are one way to back up the monitoring information produced by IT-systems and gathered by using certain physical indicators; as mentioned above, indicators-based systems mainly produce quantitative information about progress.

A challenge for all cases is that the evaluation findings tend to be published too late. For example, mid-term evaluations began in 2002 or 2003, depending on the Objective, and these evaluations will be published in 2005. However, the preparation of legislation for the new program period is already in progress, it began in 2002 – and the regulations concerning the new program period should be finished during 2006. During that process, in 2004, the preliminary content of the related regulations should be formed. In 2005, different work groups and committees in Brussels comment on the content of the regulations and until the end of 2005, political consensus over the content of the regulations should be achieved. Thus, the late release of evaluations findings causes problems to apply the findings in the most efficient ways to prioritize the goals of the new program period and to learn from mistakes made in the current period.

Despite this, the extensive use of evaluation as a tool for control and developing the programmes has been a learning process at least for three parties involved. First of all, for the core administrative apparatus: MAs, PAs, Implementing Bodies, all the Monitoring Committees, and the Commission. How are evaluations and evaluation findings used to coordinate measures and priorities on that basis? What are the requirements for ordering and commissioning evaluations? Secondly, the evaluators themselves: how to evaluate; what kinds of approaches and methods are the most appropriate in different contexts; and what kinds of findings and developmental propositions are needed? Thirdly, it is a learning process for single funded projects and individual project managers: how to learn from program evaluations; how to use findings from other projects; and how disseminate the best practices?

Exact Measurements Cannot Be Reached

Another point is how to make sure that changes in the environment and in regional development are actually achieved by implementing Structural Fund programmes. What changes are caused by general economic conditions and development? Do the changes occur because of EU funding or national funding? It is emphasized in all cases that both more or less sophisticated monitoring systems or the evaluations could not produce an objective, definitive truth. One interviewee concluded that: "*You can always say the EU monies contribute but you can't have any specific or exact measurements of that.*"

The interviewees have a critical overview about findings produced by evaluation and monitoring. Basically there are so-called 'classical' questions: what really are the effects gained by the program and what changes occur because of the environment, or the change in economical and socio-cultural situations? Several interviewees stated that the situation is quite the same in all regional policy issues: there are no exceptions between national measures and EU Structural Funds. In the same manner, the effects and outcomes of national policies are only speculative; you cannot measure them exactly.

4.2.4. Audit

Towards Better Coordination on the European Level

As mentioned, the organization of Auditing is manifold in the context of Structural Funds. There are several organizations involved in auditing and they all produce audit reports on individual projects and also on program level auditing reports. That is why the Commission has paid attention to coordinating the work of various Structural Fund audit organizations (see e.g. Middlehoek, Ahlenius, Lelong, Tizzano & van Gerven 1999 for further details).

To make coordinative efforts possible, the Commission has set up a computerized scoreboard of audits planned and carried out. The scoreboard is used regularly to inform and to spread the experiences of the results of inspections to the Member States regularly. Its purpose is also to encourage the Member States to identify common problems and uniform solutions and move towards standard inspection procedures. Also, to achieve more effective coordination, the Member States are encouraged to draw up their audit programmes before the beginning of the next calendar year and submit them to the Commission by the end of November to allow for the Commission's coordinative efforts. This is done to avoid duplication and overlap audits, and to identify where joint missions can give added value. (Ministerial Meeting on 7 October 2002: 17–19; Annual Management Plan 2002: 5)

The Commission has paid attention to coordinative efforts mainly because there have been complaints that certain Member States are "over-audited" and that the same programme can be subjected to audits by different Commission services and the Court in the same year (see also Levy 2000: 196). There were also perceptions that some of the Member States receive a higher level of auditing by Community services than other Member States. But, of course, equality of treatment does not mean the same number of audits in each Member State. They are merely determined by taking into account the amount of total expenditure, the number of programmes, the number of organizations involved in the management and control, the level of risk or fraud, etc. The importance of coordinative efforts is highlighted in situations where the Commission relies on the audit carried out by

the national bodies. Then the coordinative efforts are concentrated on the unity of control in order to put emphasis on the systematic and commonly approved quality standards and methods for auditing. For this purpose, the Commission has set out the Structural Funds Audit Manual, and has prepared reports in an agreed upon standard format. (Ministerial Meeting on 7 October 2002: 17.)

Diversity in Recommendations Given

As discussed earlier, there are several organizations that conduct auditing and produce audit reports on individual projects and also on program level auditing reports. They all have an important role in raising problematic cases and issues. After they have completed their audit, they each publish an individual report of their findings.

In view of the fact that there are several organizations involved in auditing might cause problems. Some interviewees criticized that different auditors may come to different conclusions within the same issue. The role of the MAs is to coordinate audit findings. It also includes the responsibility to make decisions which are necessary to correct the deficiencies in implementation. However, a thing that has impeded coordinative actions is that in some minor cases, the recommendations of audit organizations have been more or less desultory and imprecise. Also, occasionally different points of view and interpretations have emerged, depending on the organization that has conducted the auditing.

Is Auditing Too Independent?

Overall, from the point of view of efficient control, a close cooperation between MAs and audit units, especially with the internal audit, is emphasized in financial management and control. The Swedish case is an exception because not every MA has an internal audit unit. The Swedish interviewees concluded that the current system is functioning well. However, it could be speculated that with a total of ten MAs in Sweden acting in different kinds of programmes and diverse areas, the confronted problems in financial issues are expected to be too diverse for an internal audit unit which does not have direct contact with the implementing MA.

4.3. Development of Control and Monitoring

"It is a gradual process."

Moving from Controller to Enabler

"I think that we have moved to a much more active supporter role as MA as the program has rolled out... we don't watch each other or all the people." But the change is not an easy one because of quite tight financial control procedures. They do not allow the MAs to be really supportive actors even if they want to. But there are no clear answers if more positive outcomes would be achieved if the MA will act as an enabler rather than a controller. By any means, a balance between those two roles must be found.

Importance of the Human Factor within Computerized Systems

There have been problems in the functioning of the computerized monitoring system itself. Beside this, there are also related organizational problems. One example is as one interviewee put it: *"people get old and they are not used to using computers and so on "*. One interviewee brought up an essential question: How do you get people who work with the monitoring issues to think that their work is essential in terms of control and managing the programmes? In fact, the people who are responsible for inputting data into systems are in a key role: if they input the incorrect monitoring information, the whole system will be useless. Thus, their importance cannot be emphasized too much. The ways to improve the use of different possibilities of IT-systems are not new: to increase personal capabilities to use computers, to decrease resistance against computers themselves, and to show encouraging examples that computerization really makes things easier.

However, there are great demands in terms of deadlines. Thus, there is a lack of time to make all the necessary checks and clarifications that the monitoring information is correct and true, and in most of the cases, the MAs have to trust in the information that the final beneficiaries produce. In a few cases, there are cautionary examples. For example, under great pressures, only partially checked monitoring information was inputted into the system. Later, it was realized that the information was incorrect. In a further investigation, it

turned out that this particular incorrect information over a single project distorted the whole measure by showing a huge amount of created jobs in a particular area.

Following of Measures for a Longer Period

It was emphasized in interviews that some measures and particular individual projects should be followed for a longer period of time. There are at least two separate points of view involved. The basic reason for this is that some of the key effects will be seen after the actions end. For example, educational efforts are realized when a person becomes employed and usually this happens after the project. Again the EAGGF and the FIFG are exceptions in comparison to the other two Funds. Both include measures where beneficiaries can receive loans for investments, and quite usually for a longer period of time (e.g. ten years). In the case of investment loans, the authorities are obligated primarily to ensure that the purpose of the particular investment does not change.

Simplification

According to the above, it follows that some kind of simplification is required. However, as Levy (2000: 122) states, it is no accident that the EU institutions, especially the Commission and the Court has adopted a new 'mantra of simplification' over the last few years. To overcome unnecessary abstractness some notions should be specified in terms of simplification.

The complexities in monitoring functions are related to the complexities in the organization: implementation is the responsibility of several branches of government and thus the responsibility for monitoring actions is decentralized in all the country cases. Although the MAs have the main responsibility for control, they have to trust in the control information produced by the other bodies. The main questions here are: what is the quality of the information produced; are the other organizations able to deliver monitoring information to the MAs in proper time; and are the prevailing control procedures extensive enough?

More detailed definitions about indicators are still needed. There is a wide range of indicators. Some of them are quite simple to define, their adaptability for different actions and context is quite good, and they produce information which is easy to interpret. On the other hand, there are indicators that have been developed just to measure some particular activity, and so their generalization is impossible. Furthermore, when more critically viewed, there are certain indicators that are still functioning just because they have been included since the beginning of the program period, but they do not produce any remarkable information. Thus, there should only be indicators where the content and capability to measure right things are generally accepted. And secondly, all the other information needed would be produced by evaluations. As one interviewee put it "*it's easy to develop new indicators, but the constant data gathering by using them and evaluating the information gained are much more infrequent*".

Making Better Possibilities to Compare Data between Different Systems

How can national activities and Structural Fund activities be combined better in terms of control? Would that facilitate coordination better? Currently, it is possible in certain systems to make comparisons of the information that different IT-systems contain. For example, in the agricultural sector in the Finnish case, the Ministry of Agriculture could make comparisons between its own Structural Fund database with the IACS, and with dairy system, and with the Agricultural Farm Register (ACR). Also, crosschecks between the monitoring system and information from individual banks are possible with investment loans.

The Linking Control and Development Work

The challenge is to link evaluation and program operations and decision-making more closely together in order to support each other. One of the key points emphasized in the interviews is how to foster the use of monitoring information and evaluation findings in selecting the projects that will receive funding from Structural Funds. Also, the use of evaluation results to develop substantial matters of program operations should be developed. We could claim that the usefulness of evaluations is defined by the use of evaluation results; thus evaluation may be described as needless if the results are not used to develop

program operations and decision-making processes. Without these aspects, there is the danger that evaluations are made just to justify regulations and formal procedures. In short, these organizations are obliged to evaluate.

A More Decentralized Model for Evaluation?

In terms of control, some Swedish interviewees questioned the prevailing organization of evaluations. Especially some of the representatives of the County Boards ask if the organization of evaluations should be more decentralized, especially in the regional programmes, Objective 1 and 2. Simply, they wonder if this could foster the regional approach in evaluations. Currently the evaluators work mainly in Stockholm, not within the regions. Of course this arrangement emphasizes the objective nature of evaluation. However, are the evaluators really familiar with the particularities of a certain region, and how are these particular features be taken into consideration in evaluations?

4.4. Summary

In the beginning of the Chapter, four control practices in the context of EU Structural Funds were determined. They are steering, monitoring, evaluation, and auditing. In general, it was clearly revealed that the key point in coordination with control issues is how well the control information is applied. All the control procedures produce quite a vast amount of information about the proceeding of programmes and measures delivered. However, they are (more or less) worthless and ineffective if the information is not applied in the management or coordination of programmes.

In all cases, one of the tasks of coordination is to increase and ensure the extensiveness of control. Typically this refers to the intensity of control – control is conducted in the same way with the same specificity in all units. A common way to achieve this is to expand the unity of procedures. The unity concerns implementation and delivering measures, giving guidelines and instructions, and creating a common basis for data gathering and the appli-

cation of it. However, the strategy towards a greater extensiveness and intensity in control has led to inflexibility in some cases in particular.

The interviews revealed that there is a need for an increase in substantial control. In other words, it is necessary to control the outcomes more than the appropriateness of procedures. However, this was revealed to be an intention rather than actual end. In most cases, MAs have defined the control procedures in a very detailed manner; control through monitoring indicators is a good example. Only the Swedish case is an obvious difference. Substantial control is emphasized in terms of fulfilling monitoring requirements by allowing the projects to report in various ways to present the essential achievements rather than force them to report in a unified manner.

The key challenges in the country cases are summarized in Table 13 (below). As previously noted in the Table 7, the notions provided are based on subjective assessment and the topics are chosen based on their relevance to both the theory and empirical discussion. Again, although the similarities and differences are indicated with a scale of high to low significance, they are not based on any exact measures.

Table 13. Coordination Challenges in Control

Challenging topics	Finland	Ireland	Sweden
Rules and norms do not constitute a solid basis for assessing the goal attainment	**	*	***
The number of controlled units decreases the intensity of control	***	**	***
Unity in procedures causes rigidity	***	**	*
Control relations are under constant redefinition which decreases predictability and continuity, and a clear definition of responsibility	*	*	**
Operationalized principles for controlling cannot be mutually agreed	*	*	***

Assessed significance: *** High ** Moderate * Low

The long chain of organizations, i.e. here the ideal span of control, evidently challenges coordination in all country cases. First of all, this increases the amount of control activities and reporting to various levels and organizations. This has led to pressures for the simplification of control requirements. Steering especially necessitates authority which is in this case based on the formal position in the hierarchy and partially on the resources that the organization possesses. Secondly, it creates very complicated authority situations. This especially concerns the Finnish and Irish cases, and again, derives from the dominance of hierarchical features. Thus, coordination is carried out to ensure that control procedures are similar in all situations. It follows that control emphasizes more procedural issues – the adequateness of the procedures – rather than outcomes. Slightly controversially, the Swedish case emphasizes coordinative efforts which ensure the compatibility of the context-related control practices.

In addition, countries have invested quite a lot of resources to develop computerized monitoring systems. However, if the information in the systems does not fully cover or is not updated, the coordinative efforts on the basis of this information tend to be inadequate. Secondly, the recommendations, instructions, and interpretations given by the MAs should be coordinated, regardless of the amount of organizations or branches of government involved, or the diversity of actions to be fulfilled.

5. COMMUNICATION

In the following sections, communication related issues will be examined in the same manner as with the division of tasks and control. First, concentration will be placed on illustrating the current ways of communication, challenges that communication creates for coordination of EU Structural Funds will then be explored, and to conclude there will be a discussion of the developmental needs and a summary.

It should be noted that the organizational arrangements which are briefly presented in the introduction and examined more detailed in Chapter 3 are essential in the following analysis because they lay down the organizational framework in which communication takes place. Secondly, the organizational structures and functions outlined in theory are ideal-type constructions and thus they do not directly explain the current and practical ways of communication, communication relations and challenges related to communication; the theory only creates a basis to understand the variety of the current communication practices and patterns of coordination involved. As a reminder of the theoretical propositions, coordination within hierarchy typically seems to concentrate on ensuring the sufficient functioning of the formal lines of upward and downward communication. Under network-based communication, coordinative efforts focus on ensuring the existence and creation of the validity of the transmitted information and the prevention of failures deriving from the diverse value-orientation of the participants. Additionally, the typical challenges within each fashion are anticipated in Table 3. However, before answering these questions, and the challenges that communication may establish coordination, the current communication practices and arrangements should be revisited.

5.1. Communication Practices

"We know more when we talk to them"

Interaction and communication between MAs is required for the sound management of the programmes. In short, coordination in the context of communication tends to underline two manners. It is important especially in developing a common understanding about the

transmitted information and thus preventing failure in communication and actions taken (cf. similar theoretical considerations e.g. Thompson 1967; Dunsire 1973b; Vasu 1990). An example from the interviews which illustrates this is: *"Maybe it's better in this program period but in the beginning there were really big problems between authorities to communicate ...despite the fact that we had a lot of meetings and we thought that we understood each other ... that we decided something ... and then a week later we noticed that we have understood the issue in three different ways ... so this is a learning process."* Secondly, coordination refers to ensuring the proper dissemination of information in the downward and upward lines of communication.

Modeling the Contact Relations

Table 14 (below) comprises subjective interpretations of communication relations in the context of managing Structural Funds in each country case. In brief, the interpretation is based on the questions posed to interviewees in which they have to choose the most important organizations which they are mostly in contact with and to whom they would contact if they needed information. Additional questions were about where they get information from and what organization has the primary responsibility for producing the information. The related document material also fostered the interpretation of current communication relations.

Table 14. Comparison of Communication Relations

	Finland	Ireland	Sweden
Characterization of communication relations	Mixed features	Hierarchical features dominate	Network features dominate
Key organization	No single organization	The Department of Finance	No single organization
Emphasized in contact relations	MA – Implementing Body relations	MA – Implementing Body relations	MA – MA Relations

In the table, communication relations are assessed in terms of the dominance of the hierarchical or network order. Of course, as disclosed in the theory, to refer to hierarchical or network structure does not include any perceptions about the efficiency or effectiveness of the system; ideal-type juxtapositions are only a way to understand current coordination practices.

Basically, there are two reasons why communication relations in Structural Fund operations in Ireland can be interpreted in terms of hierarchical dominance. First, the role of the Department of Finance is emphasized in communication relations, and its role above all the other MAs, at the top of the cascade, is approved by the other MAs and Implementing Bodies. In other words, this might be interpreted as a certain kind of implication of final authority in communication relations. The following quotations concretize this:

- *"With the issues in relation to the implementation of regulations or briefing about the management or control or information of publicity ... or new audit requirements are usually done by the Department of Finance ... it also organizes such meetings. So it's all it is, the coordinating department."*
- *"It is the lead department in relation to all Structural Fund issues in Ireland"*

Also, several other researchers end up with a parallel conclusion about the role of the Department of Finance and it is sometimes even called 'gatekeeper' within Structural Fund issues (Hooghe 1996b: 326, 330; The EU Compendium of Spatial Planning Systems and Policies Ireland 1999: 33).

The second reason for hierarchical dominance are contact relations which emphasize top-down relations in the administrative system of the Funds. Thus, if one would model a co-ordinative system on the basis of communication relations one would end up with a hierarchical order: above all the MAs there is the Department of Finance which coordinates communications; the other MAs work under it, and under the MAs there are several Implementing Bodies. A simplified example illustrates this. Previously discussed steering efforts follow the lines of communication: the Department of Finance sends circulars down the cascade to the MAs which communicate them to the Implementing Bodies; then the Implementing Bodies communicate the information proceeding upwards in the cas-

cade. A representative of the Department of Finance also reinforced the impression: "*the MAs would be the most important ones... and if we go down the cascade ... we have less contacts to those Implementing Bodies*". Moreover, despite the criticism presented in the theoretical literature against the hierarchical and top-down dominated relations (Mintzberg 1979; Simon 1997), communication seems to functioning well in the Irish case; at least the interviewees were satisfied. Essentially, the key role of the Department of Finance clarifies the sharing of responsibility to disseminate information (who briefs who; what kind of information is transmitted to whom).

In terms of communication relations, the Swedish and Finnish cases differ from the Irish case. First of all, these cases indicated that no MA has a central role in communication relations. However, in the Finnish case, the role of three MAs (the Ministries) are emphasized more than the three Regional Councils in contact relations. In a similar way, in the Swedish case, the dominance of network-based communication is partial. The role of NUTEK is emphasized in communication and in the coordinating of it; despite the fact that NUTEK does not have the status of MA. Its pivotal role again derives from its formal position of being responsible for overall regional development in Sweden. On that basis, it is surprising that the role of the Ministry of the Interior is not emphasized in the Finnish case despite its overall responsibility for regional development. Also, maybe a more important and interesting issue that came up in the interviews is that the role of NUTEK is "*to create a platform for the discussion more than to coordinate*". It could even be assumed that NUTEK, as an 'outside' body, enables communication between MAs because it does not have MA status. Moreover, this implies that coordination throughout using communication does not necessarily require the existence of coercive elements; coordination can be based on mutual agreements and the free exchange of thoughts.

Interesting differences appeared when assessing communication in terms of preferred contact relations. It was revealed that in the Finnish and Irish cases, the MAs are in most contact with the Implementing Bodies, mainly under their branch of administration. This is interpreted in accordance with a feature of hierarchical communication. At least two features are more or less evident. First, upward and downward communication is emphasized. Secondly, the coordination of programmes and the affiliation of measures are carried out

on the basis of communication between the MAs, not on a network that comprises all the involved organizations. On that basis, it can be inferred that coordination focuses then primarily on ensuring the upward and downward flows of communication (cf. theoretical considerations in Table 3).

Here, the Swedish case produces a slightly different point of view. A general impression on the basis of the interviews is that in terms of contacts, most of the interviewees' emphasize contacts between the MAs. There are several reasons for this. First, there are not so many Implementing Bodies involved in the implementation of the programmes in comparison to the Finnish and Irish cases. This partially derives from the decentralization of MA operations to the County Administrative Boards. A second point is that six MAs (the County Administrative Boards) act under the same branch of government. Thirdly, the other MAs are specialized government agencies with a wide range in the autonomy of actions. Thus, the borders of different sectors are not tightly staked out as in the Finnish and Irish cases, where the Ministries are involved. The above-mentioned issues raise several questions. Does decentralization promote contacts between the organizations over the branches of government? Does the absence of branches of government require coordination which focuses on ensuring the creation of common meanings and giving rationales in communication?

The financial resources that an MA manages affects and explains contact relations. This is apparent in the Irish case with the Regional Assemblies, and in the Finnish case with the Regional councils[39]. In the former case, the contacts are concerned mainly with two Departments: the Department of the Environment and Local Government, and the Department of Finance. The programmes the Regional Assemblies are in charge of contain a whole range of Structural Fund activities, but the most important measures (in financial terms) are regarded under the branches of government of the two mentioned Departments. In the latter case, most of the contacts are concentrated around the Ministry of the Interior.

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[39] As mentioned, the Regional Assemblies, in legal terms, belong to the branch of government of the Department of Environment and Local Government. In the Finnish case, the Regional councils are joint-organizations of the municipalities.

The Regional councils are engaged with Interreg III, which regards ERDF-funding and the overall responsibility for this belongs to the Ministry of the Interior.

Ways of Communication

Table 15 (below) illustrates the variety in the ways of communication and brings up some interesting topics in terms of coordination at the same time. The ways of communication are listed in order of importance. Issues for the three countries are based on the researcher's perceptions of the current situation and thus are not based on any exact measurement. Obviously, the theoretical literature produces many more ways of communication and the below mentioned practices are chosen from among others (Myers & Myers 1982: 135–136; Vasu 1990: 158–164; Katz & Kahn 1966: 134–139).

Table 15. Comparing Different Ways of Communication

Communication relations	Finland	Ireland	Sweden
Intra	Email Phone Meetings	Email Phone Meetings	Meetings Email Phone
Inter	Email Meetings Guidelines and Circulars	Email Meetings Circulars	Meetings Email Guidelines
External	Internet Seminars Leaflets and brochures	Seminars Leaflets and brochures Internet	Seminars Internet Leaflets and brochures

The introduction of new technical solutions emerges in the implementation of Structural Funds. Email seems to be the preferred way to communicate and always tends to be more important than the phone, both inside an individual MA and between the MAs. The growth of the use of email is argued, for example, with the following points:

- "You *can deliver your message even if the person who you try to reach is not available*"

- *"You can answer the questions when its suits you and when you have the material or information to give answers"*

Email also appears to be a multi-functional tool for managing and coordinating. Email is also used to foster reporting. In all cases, MAs utilize email for sending notices of meetings, financial tables and indicator tables, etc. In Ireland, the MAs have started to use a webmail-based system for disseminating reports. In all country cases, a good example of this is the preparation of the annual implementation report. It is the responsibility of all MAs. Also, several Implementing Bodies are involved. By using email attachments, it is possible that the different sections in the report are written by different officials and then compiled together and commented on. After several rounds of comments, a chosen MA summarizes the report. After that the report is sent to the Commission. In most cases, Email is also a core way to communicate with the Commission.

The use of the Internet varies. Among the three cases, the Finnish tend to be the most enthusiastic to use the Internet for external communication. The involved organizations have created a large variety of services on the Internet and most information is available on the Internet. The wide use of the Internet is also illustrated in the application for funding. Usually, applicants are told to get the basic information from the web and after that to contact the authority. For example, program related Leaflets are available on the Internet. There are also basic guidebooks about the purposes you can receive funding for, instructions for project managers on how to fill in the monitoring forms and to prepare a implementation report and project closure report, how the project applications will be handled, and what stages are included in a project's implementation.

MAs have promoted the use of the Internet in spreading information in all three country cases. All have Internet websites. A few MAs also have a public website where the individual projects are presented. Primarily this communication is used to promote activities and to illustrate their variety, to spread the 'best-practices' and to give ideas about what kinds of grants are available. The Internet is also used in a more restricted way. For example, the Implementing Bodies could contact the MA and then the MA sends an access number which provides access to relevant documents on the Internet. An obvious benefit

here is that partners could brief themselves and get the information that they really need and print it and ignore what they are not interested in or do not need.

Together with email and different kinds of meetings, communication takes place in the form of guidelines and circulars. It is quite usual that MAs communicate new requirements released to the Implementing Bodies through these methods. In the interviews, especially the Irish experts emphasized the importance and infrequent use of circulars and guidelines as communication. On the other hand, these were not emphasized in the Swedish case.

Cultural aspects are emphasized with communication (see also e.g. Hofstede's 1991: 212–215 comparison of communication in several countries). This is perhaps most evidently expressed in light of the Swedish case. They usually tend to prefer face-to-face meetings over other ways of communication (in Table 15 meetings and seminars are preferred). This was evident on the basis of the interviews: a typical feature emphasized in the Swedish case is that a lot of attention is given to discussions and networking. This is clearly illustrated in terms of interpreting EU regulations. When the MAs receive a new regulation or clarification, it is sent to every MA involved. An interpretation follows after a thorough discussion: one objective is that they comment on each other's positions and discussions tend to end when they reach a solution that pleases all the MAs.

At a general level, the Irish and Finnish tend to share a more straightforward mode of action. For example, if the MAs require a common understanding on a particular issue in the Irish case, the Department gathers all the relevant MAs and Implementing Bodies together and the issue will be dealt with. Slightly different arrangements are made in the Finnish case: the implementation structure emphasizes the role of the individual MA. Therefore, quite often, a single MA, together with the concerned Implementing Bodies, makes the decision, interpretation or clarification. Of course, the MAs have good communication relations, as previously discussed with cooperation, but other MAs are usually involved only when they are directly concerned.

Basically there are regular based meetings and ad hoc based meetings. There are regular meetings for all MAs about every two months, in all cases. The reasons why regular meeting are important in terms of the coordination and management of the programmes very are quite the same in all country cases. First of all, because these meetings gather all the MAs together, a common understanding about the issues can be reached and confirmed. Wide participation is also understood to promote the sharing of the experiences. In the Irish case, these are organized by the Department of Finance. In the Finnish case, the Ministry of the Interior organizes regular meetings for all MAs. There are two nationwide actors that organize meetings for all MAs in the Swedish case: NUTEK organizes meetings for all MAs and the ESF Council organizes meetings for all MAs that are involved in the implementation of Objective 3.

Additionally, there are many ad hoc meetings which are usually organized around some specific issue. The organizer depends on the current issue and the composition of the meetings varies. However, most of the meetings are organized between two MAs. One interviewee commented the participation policy as follows: "*It is hard to say... it depends which is the most critical, the most urgent crisis at the given moment.*" Thus, depending on the particular issue, the participants of a certain group are gathered inside the same organization or an inter-organizational group is created. A good example of this relates to financial activities. Because the persons working in the MAs are quite familiar with each other, the group for handling financial issues is easily gathered together. Another example concerns troubles to VAT-related issues, which is actually one of the most common issues: if VATs are included in the eligible costs in projects conducted by the municipalities; how VATs should be returned to municipalities; and so on. These examples also highlight the basic demand for ad hoc based meetings. They are required because interpretations are usually needed as soon as possible and the interpretations should be the same for each MA and that is why the point of view of each MA is required.

The nature of the meetings could be also discerned in terms of general and specific. There are meetings and seminars that consider a wide range of issues related to Structural Funds and sometimes meetings are organized around some certain theme or issue. For example, around the ex ante or midterm evaluation there have been several meetings where all the

MAs are represented. There also are different kinds of meetings for specialized groups. A quite good example again concerns financial issues. There are many meetings where all the PAs are represented as well as officials from MAs who are engaged in financial management. Another example could be meetings in the context of the regional Programmes. Objective 1 and 2 MAs meet each other on a regular basis and also at ad hoc meetings, if needed.

5.2. Challenges for Coordination

Is Participation Too Restricted?

Most coordinative actions are based on well-functioning communication between the MAs. There are a lot of meetings for MAs that gathers them all together. However, sometimes there are situations when a particular MA or several MAs discover that they are not invited to some meetings. One interviewee mentioned: *"if we cannot follow the policy discussion and we cannot follow the discussion about how to solve different problems it is hard for us to be a 'member of family' and 'act like a good son' ... if you are not invited to those meetings"*. This might present a challenge because most of the programmes and activities conducted under them are so closely connected that to distinguish between programs or branches of government is inadequate.

Another point related to the above is the assimilation to government policies and coordinated procedures, or the treatment of applicants in the different areas. Thus, one interviewee asked: *"the government's idea that some particular measures should be carried out in the same way all over the country ... but we are not always invited to those meetings ... in what ways should we implement these if we don't know the actual content of those policies?"*.

Restricted participation is best seen in terms of the distribution of information. Here, the relation to contact relations is evident: how the MAs communicate with each other, and how MAs communicate with the Implementing Bodies. In theory, it is argued that com-

munication in a hierarchical structure may restrict the distribution of organizational information, and this is seen in the empirical material. For example, ESF operations have their own intranet based information distribution system in the Finnish and Swedish cases. However, information is only available to particular branches of government. Therefore, for example, the Regional Councils in the Finnish case do not have access to that system. A few interviewees mentioned that some of this information would be very useful for their purposes. Information would be especially useful for the authorities responsible for regional development, or concerned authorities that do not participate in Structural Fund operations. In the Swedish case, one interviewee proposed that: "*we should have a gatekeeper within the ESF Council that could supply the information that concerns us ... the policy decisions or the strategies for overall policy and guidelines*".

The Ineffective Combination of Formal and Informal Communication

In addition to the above discussion, there are more informal ways of communication involved. Most of the interviewees emphasized the importance of different kinds of informal meetings and sessions. "*We have seminars... dinner and dancing in the evening ... we are about 80 people ... it sounds little bit crazy but things like that are really important ... because you have to work together ... in a long distance ... if you have met each other in person ... it usually gets better after that.*" The importance of more informal meetings and sessions is emphasized in relation to the communication with external bodies and interest groups. It is interesting to note that arguments about the importance actually do not differ from arguments given for more formal meetings. Usually the arguments that justify informal meetings concern the creation of a common understanding about managing and control requirements, or issues that are needed for better coordination.

To return to the discussion about meetings, there is at least one difference between regular and ad hoc-based meetings in terms of formal and informal situations, in all country cases. The nature of an ad hoc- based meeting is usually kept quite informal; for instance, there is no agreed upon composition of group or a list for engaged officials beforehand, nor any lists of issues that belong to a certain group. Ad hoc-based meetings are much more flexible in terms of organizing and achieving results than formal meetings between the MAs.

However, to be more specific, these ad hoc-based groups are not informal by means of secrecy or revival actions against the formal organization. If required, the solution that has been achieved in an ad hoc meeting will be, of course, formalized through a regular meeting or by making a formal description or a decision about the achievement, which is then acknowledged by all MAs and PAs.

As discussed above, most of the interviewees concluded that effective coordination with communication requires both formal and informal ways of communication. In addition, as Lowndes and Skelcher (1998: 324) argue, a fashion exists that along the formal ways of communication are informal communication relations which constantly create new communication relations. Table 16 (below) lists the interpretations of the strengths and weaknesses related to coordination in both ways of communication, on the basis of the conducted interviews.

Table 16. Opportunities and Weaknesses Observed in Formal and Informal Communication

	Formal	Informal
Opportunities	Documentation: agreed upon decisions could be checked afterwards	Immediate arrangements: the use of ad-hoc based solutions
	Responsibility: sanctions are possible if a lack of accomplishment or commitment exists	Adequate participation: only stakeholders are involved
		The possibility of transparency: even awkward issues can be discussed
Weaknesses	Inflexibility: lines of communication are restricted formal lines	Low commitment: participation is highly dependent on partners' willingness
	Insufficient distribution of information: a lot of emphasis in place on upward and downward communication	Low dissemination of information: only stakeholders are participating

Through an interpretation of the expert interviews, some theorized assumptions can be made. The more general an issue tends to be, the more likely it is communicated in a for-

mal way of communication, usually by instruction or a circular given by an authorized MA. Secondly, the more formal the issue tends to be, the more the communication tends to follow the formally defined organizational hierarchy.

If attempts for better coordination tend to fail despite the use formal or informal ways of communication, sometimes the MAs apply several methods to develop a functioning communication relationship, or more specifically, to give weight to their actions. In addition, this may also concern fostering one's authority. One interviewee mentioned that "*Sometimes we communicate through the Government ... if we have a serious problem we might take it to the Government... sometimes... if getting started to get ministers involved ... it turns serious business ... we use that method form time to time... only then when you want to put pressure...*". This kind of procedure can be tracked in all country cases in one form or another. This method is used especially in cases where other ways of coordination fail: if a willingness to find a commonly agreed upon solution or cooperative actions cannot be found.

It was interesting to note that the formal nature of communication relations tends to increase when the Commission becomes involved. A good example is communication related to the Regulations. Basically all the Regulations, interpretations and clarifications given by the MAs (if needed) are formally communicated (for example, with circulars) to the Implementing Bodies and other involved organizations according to the formal line of authority. Another example is that if the Commission communicates new guidelines concerning implementation, the MAs usually release it in the form of a formal guideline or instruction; it is not communicated by email or phone to the Implementing Bodies. In some cases, a tentative position of the Commission might be emailed, but only in urgent cases.

Finally, email is 'traditionally' understood as an informal way of communication. Despite that, there is a clear tendency that email has become more and more formal, mainly because it is widely accepted and used within public administration, and has been agreed upon as one basis for sound management.

Long Distances

The physical location of organizations obviously effects communication relations and thus also coordination practices – despite the introduction of new communication technologies. To simplify, ideally, there are two extremes: to centralize all organizations in the same area, or to decentralize organizations in terms of location.

The Irish interviewees emphasized that, overall, the Irish public administration is quite small and the administrative organizations are quite centralized in location; most of them are located in the Dublin area (see more general descriptions of the Irish public administration e.g. Chubb 1992, Dooney & O'Toole 1992 and comparative studies e.g. Hyyryläinen 1999, Hooghe 1996b, and Vihinen 2001). For this reason, the people know each other very well. Obviously, that promotes coordination based on close personal contacts and the creation of permanent contact networks (see also Tiihonen 2003: 360–361 on similar findings in the Finnish case). As one interviewee mentioned: "*we are dealing with the business a lot and we meet on the street... I would know these people personally*". And another example: "*yesterday we got an email from the Commission to all MAs ... and I got the phone call ... with a question to see if there was a difficulty in the email – attachments ... do we have the same difficulties that he had.*"

The Swedish case illustrates the opposite situation. A striking feature of Swedish state administration is the relocation of organizations: many of the central agencies are located or established outside the capital, Stockholm. This originates from the late 1960s and it has been part of a conscious regional and employment policy (Larsson 2001: 135). Relocation is expressed clearly in the location of the MAs: none of them are located in the capital area. A comment below comprises the overall atmosphere in the Swedish case with the dominance of network-based organization and MAs located all over the country: "*of course it is more difficult to meet people, but ... the ESF Council is in Stockholm, NUTEK is in Stockholm ... but we tend to meet in Stockholm, because that is the easiest for everybody. It increases traveling costs obviously. So, it is more tricky to meet with other MAs but it is easier to have a close contact to the industry and final beneficiaries.*" In the Fin-

nish case, this has partially been combated by regionalizing MA operation to three Regional councils which are located up North.

While relocation is assumed to increase accordance with subsidiarity and to produce positive outcomes, more or less negative outcomes in terms of communication and coordination emerge. The following quotation illustrates this: *"Ireland is still quite heavily centralized. In respect to both geographical location and in terms of organization structures ... some government departments have sections outside the Dublin ... all of the key people are in Dublin ... even at a practical level most of the meetings in relation to NDP are based in Dublin ... we have to drive three hours to see others ... they can leave their offices ten minutes before a meeting."*.

Location becomes important because personal contacts are heavily emphasized (despite other ways of communication) in communication above all others: *"I think that personal meetings are very important ... we have to meet a lot because we have to talk a lot to understand each other"*. Even the use of email in daily contacts cannot replace personal contacts. Thus, different kinds of meetings – formal, informal and ad hoc-based – are important. When meeting each other personally, the discussion can become broader, issues can be dealt with in more depth, and even issues which emerge as a result of the meeting can be discussed. If people would use email or the telephone instead, it would require several contacts instead of one meeting. In other words, this concerns the coordination of network-based communication. The above-mentioned issues are primarily used in coordination towards the creation of common values and to giving rationale for the activities.

Secrecy

In the interviews, secrecy is mentioned as a challenge for effective coordination. However, there have been frequent efforts towards openness, and these efforts are promoted by individual governments (e.g. Open Government- program in Ireland and Freedom of Information Act 1997), by the MAs, and the Commission (see. e.g. Ministerial Meeting on 7th October 2002 (2002); At the Service of the Regions 2002).

There are several reasons for secrecy. For example, some project closure reports may contain sensitive information, especially when private corporations are involved: if the detailed descriptions of corporate strategy or financial information about the firm would be made public, it would diminish their competitive advantage and be harmful for their business. For that reason, all final reports about projects cannot be released on public websites.

Imprecise Definitions of Lines of Authority

A distortion in the formal lines of communication may create challenges for coordination. Basically, the presumption involved here is that the MAs are in contact with the Commission, and the Implementing Bodies communicate with the Commission through the MAs. In other words, there is an accordance with hierarchical order. Despite the fact that the Commission has been active in promoting partnership through direct contact with regional and local organizations (see Marks 1996: 397), some interviewees mentioned that the Commission has not entirely absorbed the meaning of the further regionalization of MA operations. An example from the County Administrative Boards in the Swedish case illustrates this: *"sometimes DG Regio or the Commission turns to the Government Office (Regerinskansliet) and asks something ... sometimes the information stops ... and sometimes you feel that there are too many levels involved"*.

The MAs, like the PAs, are highly dependent on the information that the Implementing Bodies produce. The issues tend to become more complicated when the number of organizations involved increases, especially when these organizations belong to some other branch of government or the local government. *"Again it depends on other departments to provide information ... that may cause that things go slow, and you don't have the control that you might have if everything would be in one department. That's an essential part of our case – the dependency of outside bodies."*. It seems evident that the more communication is taking place within hierarchy dominated features, the more the organization's top management is dependent on fluid downwards and upward flows of information.

An interesting point here is that in all cases, there are proponents for even more centralized communication systems and anticipations that further centralization would increase

the effectiveness in terms of delivering information. One reason behind this can be understood in light of another example related again to communication with the Commission. There are three DGs responsible for Structural Fund operations. The following quotations illustrate the problem:

- *"MAs have contacts and they ask the Commission to clarify regulations and so... Unfortunately it could more confusing when you ask for clarification ... because you get different answers every time you contact them and ask for something... and ... two different people within the same unit could give you different answers ... I mean that you do not just get confusing information from different DGs but you get confusing information from the same unit... and from the same DG...".*
- *"There tends to be a lot of interpretations and the interpretations are different ... and maybe some of the knowledge tends to stay in one organization and it is not spread to other organizations."*

The above-mentioned increase in the number of involved organizations is directly connected to the negative outcomes of contradictory or diffused content of communication. A potential situation can be illustrated in the Swedish case: if all ten MAs are in contact with the Commission and they all receive slightly different clarification, then there are ten different modes of action; of course, this is only hypothetical. On that basis, despite the highly consensual features in Swedish case, a solution proposed to avoid the negative effects of diverse clarifications and interpretations is that communication would be organized in a more centralized manner (see also Mazey 2001: 260 about centralizing tendencies in the Swedish state administration during the membership). According to this idea, NUTEK would have an even more pivotal role: *"Maybe it should be so that we are in contact with the Commission and then spread out the information to all MAs ... we interpret this regulation this way and that will be the interpretation for Sweden...".*

Communication is a matter of balance, perhaps more than the other functions of coordination examined. We might argue that the use of coercive actions to promote communication would not increase the efficiency of communication or its communicative value: the presumption is that communication is based on an individual's willingness and happens with-

out any remarkable burdens (Myers & Myers 1982: 71; March & Simon 1966: 166–167; Thompson 1967: 55–56.)

Considering this, it is interesting to consider if a greater efficiency in communication within Structural Fund operations could be gained by increasing network-based ways of communication, and thereby, encouraging the introduction of decentralized communication solutions. The material indirectly indicates that the more centralized a system tends to be, the more inefficient it is in stressing the needs of the field: regional and local authorities or even the needs of social partners. Actually, there have been constant pressures towards more decentralized communication, and evidently one of the key actors here has been the Commission. Interviews and other related document material (cf. e.g. At the service of the Regions 2002; Annual Management Plan 2002; European Commission 2001b; Reform of the Structural Funds 2000–2006 1999) indicate clearly that the Commission has been very keen on emphasizing the involvement of the regional actors since the early 1990s. However, as mentioned above, communication is a matter of balance. The encouragement to communicate should cover the whole administrative structure, and on that basis, it can be argued that the involvement some particular actors or administrative levels are not enough in terms of coordination.

Changes in Personnel

Thompson (1967: 56) argues that the more variable and unpredictable the situation, the greater the reliance on coordination by mutual adjustment and cooperation is. As implied in Chapter 3, the changes in environment can be very dramatic and unpredictable. Thus, communication, especially communication which is based on officials' own communication networks, seems to be the most important factor in terms of sound management of the programmes. As mentioned earlier, there is a great turnover among officials working in Structural Fund operations. So, it is evident that turnovers decrease the efficiency of coordination and decision-making, especially due to breakdowns in personalized communication networks. Quite often the efficiency of communication is based on personal relationships and knowing the right persons in different organizations.

Another point of view is that an obvious risk concerning decision-making and preparation in ad hoc-based and informal meetings is related to personal relationships. Thus, attempts for consensus and achievement of common decisions are highly dependent on cooperation between individuals: if the cooperation does not work well, the meaning of the ad hoc – based meetings and decision-making tend to diminish. Furthermore, if that fails, coordination also fails.

5.3. Development of Communication

The Improvement of Outcomes of Meetings

As pointed out, formal and informal meetings are important for coordination. However, a general trend in the answers is as follows: "*I suppose that everyone says that there are too many meetings ... but I think because it requires a high degree or coordination and that is nearly impossible without meetings ... or briefings or seminars.*". To cut the number of meetings seems to be too simplistic and drastic a solution.

An essential question is how to improve the outcomes. As one interviewee put it, you do not know beforehand which meeting is unnecessary and which is important. One proposition is that the issues that will be dealt with in a meeting should be considered and selected very carefully. There are a lot of issues that have been dealt with in meetings, but decisions about them could be reached in a much easier way, for example that everybody could just comment and make corrections to the proposition before the MA makes the decision. Also, before issues are introduced they should be properly prepared. To get the best outcomes for meetings requires that the issues dealt with in the meetings are strictly limited to discussions about substance, problems, and solutions.

The Production of More Detailed and Precise Documents

Because there are a lot of inter-organizational and intra-organizational meetings and different kinds of groups and committees involved, more formal documentation and record

keeping has been proposed. The interviewees have faced situations where some particular issue has been agreed upon in a certain meeting, but there are no detailed documents about the decision. More informal procedures may work in intra-organizational groups, but problems tend to arise with inter-organizational issues (between the MAs). Furthermore, most of the issues related to Structural Funds actually are inter-organizational and so the decisions affect other organizations and the functions of all the MAs. So, if decisions are not written down in detail, checking the precise meaning of the decision afterwards is impossible. Another point here is that records or briefs about meetings occasionally are seen to be insufficient. So, much more emphasis should be given to making minutes and files more comprehensive and informative.

Open dialogue

Communication, when understood particularly as an exchange of knowledge and widening the use of one's own excellence in different branches, should be increased between the MAs. For example, when a certain MA prepares guidelines or instructions, comments, or even the possibility for other MAs to comment, are emphasized. The reason for this is that in nearly every case, the new instructions are somehow related to the other Funds or activities of the other branches of government.

An open dialogue between authorities is emphasized. Despite the interpretation that the Swedish are the most enthusiastic to place great importance on diverse forms of communication, and formal and informal discussions, even they emphasized that there is still a lot of work to be done to improve communication. An open dialogue about problems and shortcomings is vital for coordinating and sound management. It is the most vital in the awkward cases: for example, open communication is required if there is a risk of fraud or some kind of misuse of assistance. If open and trustful dialogue does not occur, the more disastrous the consequences will be.

5.4. Summary

Coordination is used to create a common value-basis for information transmitted and thereby to ensure efficient and sound management of programmes. Along this, coordinating includes an element of ensuring efficient downward and upward communication.

The implementation of Structural Fund programmes often involves an extremely complicated communication network. There are two evident causes for this complexity. First, there is the large number of organizations involved at different levels of administration. Secondly, the incorporation with national policies and actions requires a contact network with officials and organizations which deals with purely national policies and measures. In modeling the contacts, one issue arose above all others: the financial resources that an MA manages affects and defines the creation and existence of contact relations. This also gives the organization the authority and possibility to coordinate through communication.

It is obvious that efficient coordination requires a combination of formal and informal ways of communication (which is also confirmed by several researchers, see Vasu 1990; Myers & Myers 1986: 137–138). In most cases, hierarchical communication determines, for example, how the formal guidelines and strategies should be communicated and that all the involved organizations expect that communication follows the formal lines of communication. However, informal contacts between MAs and Implementing Bodies are needed because the formal communication is too inflexible to respond all the needs of a rapidly changing environment. In addition, informal communication is used in cases where the formal ways of communication fail.

Again, Table 17 (below) summarizes the relevant challenges based on the subjective assessments. The similarity of the Finnish and Irish cases can be explained by the dominance of hierarchical features. First of all, the possibilities of breaks in transmitting information are evident. Thus, coordination focuses on fostering the formal lines of communication and making them fluent. Secondly, it tests the capability of an organization's top levels to manage a huge amount of information. Then, the primary task of coordination is to unite the content of communication and the ways in which information is transmitted.

Secondly, the dominance of hierarchical order in communication seems to increase the length of communication lines.

Table 17. Coordination Challenges in Communication

Challenging topics	Finland	Ireland	Sweden
The length of communication lines increases the possibility of breaks	***	**	*
Top managers are overloaded due to the huge mass of information	**	**	*
Low acceptance of formal channels	**	**	**
Top-down construction of meanings causes restricted content for the information used, and that's why occasional contacts are preferred	*	*	***

Assessed significance: *** High ** Moderate * Low

Under the network-based communication solutions, some notions are worth repeating. Because the participants in communication have fixed preferences, which was indicated especially in the Swedish case, coordination should focus on the creation of mutually shared meanings: this is supposed to increase the validity and rationality of exchanged messages. Secondly, the occasional nature of communication challenges coordination: how can one coordinate on the basis of occasional contacts? After all, the most precious thing is that the coordinator recognizes the context in where coordination should take a place.

6. CONCLUDING REMARKS

In this study, the interpretation of coordination deals with issues relating to the execution of European union structural policy. To get a better understanding, three questions were set: in what ways can coordination be understood in this specific context; how does the division of tasks, control, and communication challenge coordinative efforts; and, regarding the similarities and differences in the country cases, what particular developmental notions can be presented? To answer these questions, coordination is defined as the interrelation of functions, structures, and resources in the first part of the study.

Notwithstanding the general nature of coordination, the interpretations are based on administrative theories and are focused on administrative questions. Also, the comparative approach was also used for two ends: to enrich the understanding by revealing the similarities and differences in the selected country cases, and to increase the validity of the developmental suggestions presented.

To capture the fundamental nature of coordination, the way to proceed was two-fold. The theoretical discussion provides six ideal-type approaches within coordination and each of them explains the challenges concerning coordination. The main theoretical notions are summarized at the end of Chapter 2. The three country cases produced idiosyncratic explanations of coordinative practices and clarifications of the challenges. The essential empirical findings are summarized at the end of Chapters 3, 4, and 5. Despite the unique nature of both, certain further conclusions can be stated on the core essence of coordination, the key coordination challenges, and the best coordinative practices.

The Essence of Coordination

The first question of the study set is: in what ways coordination can be understood in a specific context. Despite the fact that the content of coordination is manifold depending on the situation (see Table 3 and summarizing sections at the end of each chapter), the essence of coordination is always connected to two ends: to achieve better efficiency and to attain a common goal. Both the theoretical and empirical evidence implies that coordina-

tion can be condensed into certain themes in the context of EU structural policy. The three following alternatives exist.

Coordination in terms of the division of tasks typically concentrates on four items. The prevention of overlaps and the exclusion of unnecessary duplications, as well as incorporating specialized tasks are the core focuses. Also, ensuring the relevance of the overall goal is a key element. The fourth item is the promotion of cooperative actions in intra- and inter-organizational relations.

In terms control, three items are typically emphasized. The promotion of unity is the key item: the control procedures have to be the same and the outcomes should be assessed with the same principles. Secondly, coordination is the creation of better comprehensiveness which is concretized as the completion of the span of control. Thirdly, coordination is that control is conducted with the same intensity in all cases.

Coordination within communication typically emphasizes ensuring the transmission of the intra- and inter-organizational flows of information. Along with that coordination is a main technique to ensure the validity of transmitted and exchanged information.

In studying coordination, an over-generalization and over-emphasis of its omnipotence should be avoided; coordination is a pivotal part of administrative affairs and sound management, and more generally governing society, but not all. On the basis of this study, administrative actions, whether they are organizing, budgeting, communication, control, managing, etc., create the need and legitimize coordination.

In addition, the results in this study indicate that coordination does not exist without processes, dynamics, and relations. Thereby, stated or written determinations themselves do not lead to coordination; the action realizes the coordination. For instance, a formally defined division of tasks needs a process of interaction between individuals or organizations. In control relations, something is going to happen or has happened which realizes the need for coordination, and in communication, information is exchanged. This means that valuing the coordination is based on its capability of serving as a tool for better efficiency and

goal-attainment concerning the particular action. Thus, coordination is seldom an independent action and the precise content of it is determined by the action.

Coordination Challenges Summarized

The second question of this study dealt with issues of how the division of tasks, control, and communication challenges coordination. In addition to the clarifications above, each area produces a great variety of detailed and unique challenges. The significance of these detailed challenges was assessed in detail in each country case and summarized in Tables 7, 13, and 17. However, the following prudent general notions could be stated.

The empirical evidence confirms that when a large number of organizations is involved, it challenges the coordination. First, it creates unnecessary duplications in the execution because each individual organization includes a unit with the same purposes. Secondly, this jeopardizes overall goal-attainment because strategic decision-making is disassociated from the operational activities and practical management. Simon (1997) and Mintzberg (1979) have similar findings in their theories. Thirdly, an increase in the number of organizations, increases the number of subgoals, and some of them are inevitable contradictory. Additionally, the comparison indicates that an increase in number leads to coordination in a hierarchical fashion: clearly defined roles and responsibilities are introduced, top-down relations are preferred in control and communication, and unification of procedures is desired.

Without an operationalized goal, coordinative efforts tend to fail. Thus, a clear and straightforward goal is an essential precondition for coordination. The overall goal of EU structural policy is manifold and loosely defined (cf. Figure 1) which derives from multi-level governance where goal setting is done under the mixed premises of the EU-level institutions and national, and subnational actors (see also Nugent 1999; Gilland & Goldmann 2001). Also, programming with numerous programmes and subprogrammes increases the existence of contemporaneous goals in a single country (cf. Table 2). Therefore, much attention should be paid to operationalization of the goal: what is the overall goal in a single country and what are the goals defined in the CSFs and the OPs? Addi-

tionally, the goals of EU affairs and national policies have to be tightly integrated. This necessitates that both are reactive and changeable; an effective EU-policy cannot be achieved by subjecting it to national priorities and goals.

The unwillingness to gave up one's autonomy. Every coordinative situation includes the definition of authority. The Irish case is a good example: efficient coordination derives from the fact that the other MAs have accepted the key role of the Department of Finance. Also, an authority to make coordinative decisions should be transferable if it does not meet the needs. If this kind of situation cannot be agreed upon, the different forms of network-based coordination with an emphasis on mutual agreement and cooperation should be considered. This follows that coordination is voluntary and consensual based without any coercive elements, and requires active participation and the mutual interests of stakeholders – if this condition does not exist, there is no coordination.

A devotion to prevailing solutions and arrangements. Controversially, this analysis indicates that flexibility is required. The organizational arrangements, communication relations, and control have to be reactive to changes in the environment because new kinds of requirements arise all the time. Coordination includes the exclusion of unnecessary tasks and actions. Flexibility in coordinating also means that different interest are taken into account, and encourages noticing them. Thereby, coordination in multi-level governance and under complex organizational framework emphasizes a continuous balance of mutual interests, although bargaining is sometimes needed.

Finally, engagement to 'one-model-fits-all' mentality. The organizational arrangements and communication relations should be proportioned and formed out on the basis of the administrative cultures and the tradition of regional development. Also, the needs and stakeholders are different in every EU Member State. First of all, this means giving up top-down models. Only the control, especially the areas of steering, monitoring, and auditing, is an exception; to achieve adequate coordination and the intended outcomes, a greater unity of procedures is required.

Best Practices

Thirdly, it was asked in what ways comparative notions can be applied in developing coordination, because by using the comparative approach, the best practices are sought for. The core answers are presented in Table 18 (below). These theoretical answers are indicative and thus can only be seen to a degree valuable for benchmarking. The left side of the Table presents most challenging items country by country. The right side discloses the best practice which can be used in developing, and an origin for the suggestion is in parenthesis.

The three notions in Table 18 should be detailed in terms of disseminating the best coordinative practices. First, the delegation of responsibilities forms a solid base for applying flexible administrative solutions (cf. similar findings Syrpis 2002; Radaelli 2003). It promotes better accordance with a subsidiarity in regards to financial management and control, planning, and decision-making in the programmes (see also European Commission 2003: 11). However, delegation requires a true empowerment: the authority to coordinate has to follow the delegated responsibilities. Secondly, the aggregation of responsibilities and expertise in larger entities cuts-down the sectoral borders, created by the commitment of the prevailing branches of government. Thirdly, efficient coordination demands the leading role of one organization in the system because the proper functioning of public organizations necessitates a determination of final responsibility. Still, this is not contradictory to the delegation; the responsibilities can and should be delegated, but the relations have to be defined in an unquestionable manner.

On a more general level, the comparative approach is best for exposing the similarities and differences in the confronted challenges and for learning how to develop actions on that basis. However, comparison might be a dangerous tool for administrative development: if developmental actions are taken for granted without a critical analysis of applicability, the actions may fail.

Table 18. Best Practices for Better Coordination

Challenges country by country	Best practices
FINLAND	
Fragmentation which is caused by the strict commitment to existing branches of government	To aggregate knowledge and expertise in bigger units (SWE) e.g. at the central level concentrate Structural Fund actions in one unit
Diversity in recommendations and interpretations given	To increase cooperative actions between the MAs (SWE) and establish a clearly defined leading authority (IRL)
High number of Implementing Bodies	To aggregate further the decision-making at the regional level by creating units with extensive authority (SWE)
Great multiplicity in ways of reporting and gathering information	To create a single monitoring system with wide accessibility (IRL)
IRELAND	
Imbalances in authority	Truly delegate the authority to Regional Assemblies and empower them further (SWE)
Highly centralized design with a long chain of implementation	To aggregate Structural Fund actions at a certain organization at the subnational level (SWE)
SWEDEN	
Unclear determination of total responsibility at the national level	To establish a leading role for one organization e.g. recreate the leading role of one organization with responsibility for reporting on the goal achievement at the national level (IRL)
Low utilization of a monitoring system	To intensify applicability and reporting capabilities (FIN)
Confusion in formal lines of communication, especially with the Commission	To establish a centralized unit for communication relations (IRL)

Some Further Notes: Conceptual Equivalence as a Methodological Opportunity

EU governance (which is concretized here as a case of EU structural policy) as a multi-level administrative system made the comparison easier. Essentially, it facilitated comparability; all the member states apply the same terms and concepts in their practical admin-

istrative actions (similar findings Gilland & Goldmann 2001 nationality versus europeani-sation studied in four EU countries and Vihinen's 2001 study of CAP in light of the Mac-Sharry reform debate in two EU countries).

On that basis, EU governance creates a *conceptual equivalence*. This means that concepts and terms in certain administrative framework contain the same meaning and connotation independent of the particular nation or administrative and cultural backgrounds. Of course, one should recognize Sartori's (1994: 19–21) notion of 'conceptual stretching' which re-fers to a problem that the concepts concerned are stretched to the point of meaninglessness (see also e.g. Riggs 1994: 80, 107). There are a lot of good examples of conceptual equivalences. The concepts include subsidiarity or additionality, despite the variety given to them in the theoretical literature, but also more operationalized terms such as MA and PA. Therefore, the EU, with respect to EU governance, sets up a unique administrative system with excellent opportunities for the comparative approach. The key point here is that the concepts in EU governance are constructed on the basis of practice, not deduced from theory as in traditional country comparisons. Thus, when compared to the literature about international organizations (see among others e.g. Hanf & Scharpf 1978; Archer 1994; Katzenstein, Keohane & Krasner 1998), it is apparent that they have not formed such a solid basis for comparisons, and this derives from the lack of operationalized con-cepts and operational administrative issues (i.e. absence of practical administrative func-tions) in the context of governance. Basically, the approach has been contradictory: the content for concepts are derived from theory concerning international organizations and then applied in particular cases.

Is conceptual equivalence just a stretching functional equivalence and can it be recognized without functional equivalence? The material indicates that the existence of functional equivalence is a necessary precondition for conceptual equivalence. For instance, to con-centrate on organizational structures or status would obviously lead to incomparable enti-ties: for instance, the choice of Departments/Ministries in focus would lead to eliminating all of the organizations involved in coordination in the Swedish case – none of the Swed-ish Departments are directly responsible for the coordination of EU Structural Funds. Also, the issue that the organizations in focus actually operate with the terms argues on

behalf of conceptual equivalence; it is more than in an ordinary situation of functional equivalence where the researcher usually creates the concepts in his/hers interpretation.

Despite the conceptual equivalence, the engagement of a qualitative method deducts the choice of countries in the comparison and thereby the suggestions made for developing the administrative systems. The key point here is the language used. Basically, the material (spoken and written) determines the applicability of the method: (1) the reliability of interpretations decreases if the researcher cannot understand the language; (2) the validity and reliability is deficient if the analysis is mostly based on translated material.

To get a more comprehensive understanding about coordination in terms of multi-level governance calls for a rethinking of the research setting. Practically the most evident alternative solution would be to include all three administrative levels in the analysis. However, an evident contest is to manage the huge amount and the diversity of organizations. Therefore, an obvious outcome would be that one would win in comprehensiveness but lose in the depth of analysis, conclusions, and particularities (cf. Figure 3). Besides, the functional equivalence cannot be reached in that context for two reasons. First, all involved organizations at three levels conduct different tasks. Secondly, a huge amount of organizations with diverse aspirations which follow that meaningfulness of comparison will be lost.

Additionally, would some other method lead to the same or even a better end? It is quite evident that in the case of conducting a survey, the same setting (functions as a basis for comparison) would not serve in the same manner. The sample of a single country case would be left quite small because there are 30–80 public officials who work with Structural Funds in each country. Thereby additional respondents should be searched for among other interest groups which would obviously change the questions posed and the approach and aim of the study would have to be redefined. Also, the empirical topic, EU Structural Funds, is a highly professional issue. Therefore, the topic and aim should be defined loosely to increase the probability of persons answering the questionnaire and getting the explanation; otherwise a validity of explanations on the issue might be lost.

Both the concentration on the specific organizations and countries with quite unique challenges, and the engagement to qualitative method limited the scope of analysis and conclusions. On the basis of the current analysis, it cannot be argued that particular features are obvious. For example, that all coordinative actions in Irish public administration follows the features elaborated in the contexts of EU Structural Funds. Also, the points of views of all the local authorities as well as the other involved organization could not be taken into account comprehensively. Thus, direct analogies are restricted; we cannot anticipate the content of coordination or challenges faced in some other countries on the basis of comparison of the three selected countries (cf. Salminen's 2000 detailed analysis on the restrictions of analogies in comparisons). Therefore, a disclosure of the trends on the basis of the relevant differences and similarities are the essence, not a generation of conclusions valid in every case. Therefore, the results of this study are generalized the best in terms of administrative theory (see the summarizing tables in the end of Chapters 3 to 5).

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APPENDIX 1. COVER LETTER

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Email. olli-pekka.viinamaki@uwasa.fi

2002-05-15

Infrastructure Unit
Department of Finance
73-79 Mount Street
Dublin 2

Mr. Jim Higgins

My name is Olli-Pekka Viinamäki and I work as a researcher in the Department of Public Management, at the University of Vaasa in Finland. My PhD thesis concentrates on the coordination of the implementation of EU Structural Funds. I would greatly appreciate it if you would allow me to interview you about your experience on the subject.

The aim of my PhD Thesis is to explore the coordination of the implementation of EU Structural Fund Programmes in a comparative setting in Finland, Sweden, and Ireland. In these countries, the interviews are focused on experts in the Managing authorities. The research concentrates on the positions of the Managing authorities in program management during the program period 2000-2006. All four Funds and three Objectives and Community Initiatives are included in my study.

The areas of focus in the interview concerns questions relating to the managing, monitoring, controlling of, as well as, communication issues during the implementation process of EU Structural Fund Programmes.

I shall contact you in the near future to discuss the possibility of an interview, and we can discuss this matter further.

Sincerely yours,

Olli-Pekka Viinamäki

APPENDIX 2. THE QUESTIONNAIRE

I MANAGING PROGRAMMES

Division of tasks

1. What is the current division of tasks in the implementation of Structural Fund programmes?
   a) Within your own organization
   b) Between the managing authorities

2. The implementation of Structural Fund programmes is the responsibility of several organizations. How does the amount of organizations affect the implementation of the programmes?

3. Are there any factors that limit the rational division of tasks in the implementation of the programmes?
   a) Within your own organization
   b) Between the managing authorities

Work procedures

4. How can the effective coordination of highly specialized public officials be ensured?
   a) Does the specialization in work procedures facilitate or complicate coordination?
   b) What kinds of management methods are required to keep specialized tasks in line with the overall strategy of the organization?

Knowledge, education and skills required for public officials

5. What kind of education, skills and knowledge are required for the implementation of programmes, and what will the essential requirements be in the future?

Organizational development needs

6. What kinds of developmental requirements are related to organizing the implementation of the programmes?
   a) Within your own organization
   b) Between the managing authorities

II CONTROLLING AND MONITORING PROGRAMMES

Targets and methods of control

7. In what ways are control efforts focused on activities and the results of these activities?

8. Monitoring indicators have been approved by the Member State and the Commission. Is it possible to take all the particular national characteristics into consideration within the current common monitoring system?

Monitoring Information

9. The Commission and the Member States have continuously developed the monitoring systems and have emphasized the comprehensiveness of control. Are the prevailing control systems comprehensive enough?

10. Which organization is the most important producer of monitoring information? On what basis do you think this?

11. At the moment (fund related) monitoring systems produce mainly quantitative information. What are and will be the most important measures to supplement this quantitative monitoring information?

Development of control and monitoring

12. What would you do to make controlling and monitoring more effective?
    a) Within your own organization
    b) Between the managing authorities

III COMMUNICATION WITHIN PROGRAM WORK

Ways of Communicating

13. What kinds of communication methods are emphasized?

14. Has the implementation of programmes changed communication between organizations? In what way? What are the major consequences of that change?

Contacts

15. Which three organizations are currently the most important ones to have contacts with? What are the main issues in question with these contacts?

Challenges

16. What kinds of challenges are created by the diverse work procedures of the organizations in regards to the communication between organizations?

Development of Communication

17. In what ways could communication be developed?
    a) Within your own organization
    b) Between the managing authorities

APPENDIX 3. INTERVIEWED PERSONS, MAY 2002 – AUGUST 2002

Henrik **Blomberg**. Programme Director Objective 2 South Sweden (Huvudsekreterare Mål 2 Södra). Jönköping County Administrative Board (Länsstyrelsen i Jönköping).
Face to face interview, Jönköping, 19th of June 2002.

Maria **Eriksson**. Project Manager (project manager), Structural Funds Unit, the Swedish Business Development (NUTEK) (Verket för näringsutveckling). Stockholm.
Telephone interview, 29th of August 2002.

Gunilla **Greig**. Head of Unit (Avdelningschef), Marknads- och strukturavdelningen, National Board of Fisheries (Fiskeriverket). Göteborg.
Telephone interview, 13th of June 2002.

Jim **Higgins**. Principal Officer, EU Structural Funds Section, Department of Finance.
Face to face interview, Dublin, 15th of July 2002.

Phil **Hopkins**. Assistant Principal, Infrastructure OP Unit, Department of the Environment and Local Government.
Face to face interview, Dublin 16th of July 2002.

Per-Erik **Johansson**. Head of Unit, Västerbotten County Administrative Board (Länsstyrelsen i Västerbotten). Umeå.
Telephone interview, 7th of June 2002.

Veijo **Kavonius**. Director-General (Aluekehitysjohtaja), Department for Development of Regions and Public Administration, Regional Development Unit, Ministry of Interior (Sisäasiainministeriö).
Face to face interview, Helsinki, 22nd of May 2002.

Pasi **Kemi**. Head of Department (Chef för projektstödsenheten), Swedish Board of Agriculture (Jordbruksverket).
Face to face interview, Jönköping 19th of June 2002.

Carl-Gustav **Mikander**. Head of Unit (maatalousneuvos), Ministry of Agriculture and Forestry (Maa- ja metsätalousministeriö).
Face to face interview, Helsinki, 21st of May 2002.

Kieran **Moylan**. Assistant Director, Border, Midland & Western Regional Assembly. Ballaghaderreen, Co Roscommon.
Telephone interview, 4th of June 2002.

Pat **Moynan**. Higher Executive Officer, ESF Policy & Operations Section, EHRD-OP Co-ordinating Managing Authority, Department of Enterprise, Trade and Employment.
Face to face interview, Dublin, 15th of July 2002.

Thomas **Mårtensson**. Head of Department (Avdelningschef), Regional policy unit, National Board of Forestry (Skogsstyrelsen).
Face to face interview, Jönköping, 19th of June 2002.

Brendan **O'Leary**. Assistant Principal, Paying Authority for the European Social Fund, Department of Enterprise, Trade and Employment.
Face to face interview, Dublin, 15th of July 2002.

Roy **O'Leary**. Assistant Director, South & Eastern Regional Assembly. Waterford.
Telephone interview, 13th of June 2002.

Thérèse **Ljungqvist**. Senior adviser (Utredare), Swedish Board of Agriculture (Jordbruksverket).
Face to face interview, Jönköping 19th of June 2002.

Anders **Risberg**. Programme Director (Huvudsekreterare), Örebro County Administrative Board (Länsstyrelsen i Örebro). Örebro.
Telephone interview, 4th of June 2002.

Lennart **Rudqvist**. Senior expert (Jägmästare), Regional Policy (Enheten för Skoglig Service), National Board of Forestry (Skogsstyrelsen).
Face to face interview, Jönköping 19th of June 2002.

Roland **Sten**. Senior adviser (Utredare), Swedish Board of Agriculture (Jordbruksverket).
Face to face interview, Jönköping 19th of June 2002.

Carolina **Schönbeck**. Senior adviser (Utredare), Structural Funds Unit, Swedish National Rural Development Agency (Glesbygdsverket). Östersund.
Telephone interview 7th of June 2002.

Pertti **Toivonen**. Head of Unit (johtaja), Policy Department, Structural Policy, Ministry of Labour (Työministeriö).
Face to face interview, Helsinki 31st of May 2002.

Annica **Westerlund**. Public relations officer (Informatör), Managing authority, Jämtland County Administrative Board (Länsstyrelsen i Jämtland).
Telephone interview, Östersund, 6th of June 2002.

Anneli **Wirtén**. Programme Director Objective 2 Island Sweden, Jönköping County Administrative Board (Länsstyrelsen i Jönköping).
Face to face interview, Jönköping 19th of June 2002.