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## State Committees in Finland in Historical Comparative Perspective

### Introduction

The so-called state committees (*det statliga kommittéväsendet*, *valtion komitealaitos*<sup>1</sup>) are a key institution in the history of governance and policy drafting in Sweden and Finland. Since the late 19th century, hardly any major public policy reform has taken place without the involvement of one or several such committees. They have typically been appointed by the government or by a ministry to investigate a matter of pressing public concern and prepare government bills to be given to parliament. Basically, at any point in time, there has been a whole network of state committees at work and, in a longer perspective, they form a chain of policy making efforts covering virtually every possible issue of public policy in modern society. Their policy recommendations have traditionally enjoyed high prestige and been turned into public policy usually with only minor modifications. In the event of disagreements in the committees, the disputes have tended to be very fundamental by nature and often led to lively public debates.

In a broader European perspective, the state committees stand out in two respects. First, despite their key role, they remained ad hoc by nature, operating outside of and in parallel to formal ministerial hierarchies. Secondly, over the years, the state committees developed into important meeting places for representatives of the state and civil society associations. Besides being invited to participate in the work of a committee or, at least, having the right to comment on its draft recommendations, associations and other groups of citizens have been successful in the initiation of numerous important committees. This openness of the state committees is in notable contrast with procedures for policy preparation in most other European countries where this type of task has typically been taken care of by a narrower circle of cabinet members and civil servants accompanied, potentially, by some external experts.

1 In this article, the term *state committees* is used instead of *government committees* or *commissions*. This term is used to highlight the distinctive quality of the state committees and is also justified in light of the original Swedish and Finnish terms which both include explicit references to the state: *det statliga kommittéväsendet*, *valtion komitealaitos*. Concerning in particular the most wide-reaching policy reforms, the committee reports are published in specific publication series: *valtion komiteamietinnöt* in Finland and *Statens Offentliga Utredningar* (SOU-series) in Sweden.

The state committees symbolize many of those virtuous qualities that have commonly been associated with the distinctively “Nordic” model of governance – such as the accessibility, inclusiveness and co-participation of civil society actors in the making of public policy. The Swedish state committees in particular have been hailed as major “institutes for compromise” that underpin the “consensually orientated, open, rational and deliberative” model of decision making for which Sweden is famous (Ruin 1969 cited Johansson 1992). Traditionally the state committees have worked in policy areas where broad societal consensus has been deemed particularly valuable – such as defense or economic policies – and/or dealt with issues that are highly controversial – such as labor market legislation (Premfors 1983; Thomas 1969; Meijer 1969). These qualities have turned the state committees into major arenas of political negotiation and often these negotiations have resulted in compromise and consensus. On the other hand, the practice of processing various opinions into a single written report with clear-cut recommendations – before the issue is opened up to parliamentary and wider public debate – is a strong signal of consensus.<sup>2</sup> Over the years the state committees have evidently contributed to the almost trademarked ability of Sweden’s and Finland’s systems of governance to produce widely resonating and effectively implemented public policies. At the same time, they provide a concrete case in point regarding the “rigid but nonetheless effective practices of inclusion” which Henrik Stenius (in this volume) identifies as one of the main threads in the long narrative of Nordic associational life. No doubt, these “institutes for compromise” have facilitated weak notions of opposition and the smooth transition to modernity both of which Stenius links with this long-term narrative. By providing real opportunities for participation and influence, the committees have shaped associations and contributed to associations’ strong representative functions as intermediaries between the state and civil society – a tradition that has been seen as characteristic of Nordic associations (see also Alapuro in this volume; Alapuro 2005; Pohjantammi 2005).

In the following pages, the state committees are discussed as institutions that illustrate some key features of the “Nordic” state - civil society relationship and related patterns of associational life. Particular attention is given to the way in which a strong state has been associated with a similar strong tradition of association and civil society in Nordic political cultures and the role of state committees both in the making of this “paradox” and as a reflection of it. The article first places the state committees into the context of the “Nordic” traditions of the state and civil society. It then moves on to the institutional history of the state committees in Finland and, where relevant, Sweden. Regarding the post-1945 period, the analysis focuses on the state committees’ role within the neo-corporatist policy-making paradigm and

2 According to Premfors’s (1983: 626) data on Sweden, only some 15% of reports have been flatly rejected by governments.

analyzes the case of Finland in comparison with another European case, Austria. The article ends with a brief look at the dissolution of the state committees as an institution in Finland in the 1990s.

### **The Nordic paradox of a strong state and a strong civil society**

The combination of a strong state and a vital civil society is not often found in the history of Europe or the world at large. In light of established state and democratic theories, it even appears slightly paradoxical. At the same time, it is indubitably one of the most distinctive and characteristic features of Nordic political cultures. The tradition of the strong state and, more precisely, an almost seamless fusion of it with an equally strong civil society is, however, a recurrent, primary theme in the literature on Nordic political cultures – although variations, of course, are also identified. In this interpretation, Nordic political cultures are characterized by the absence of clear-cut boundaries between the state and civil society. Instead, in the border zones between the two, one finds dense networks of institutional interdependencies, and although the state has been seen as strong, it has not been discussed as being opposite, or antagonistic, to civil society. Well-mobilized networks of civic associations, which are seen as covering a wide section of society, are an integral part of this interpretation of Nordic political cultures. In contrast to cases where the vitality of associational life indicates the weakness of the state and its lack of success in permeating its society, the Nordic interpretation pictures associations whose activities are in harmony with the state's inclusive policies and where the two, thereby, endorse one another (see Alapuro/Stenius in this volume; Alapuro 2005; Stenius 1987; 1988; Sorensen/Stråth eds. 1997; Hernes 1988).

The state committees are an illustrative case in point regarding institutional interdependencies on the boundaries between the state and civil society and the ways in which the Nordic, “mutually endorsing”, relationship between the state and associations of civil society has been constructed in practice. In many ways the distinctively Nordic fusion of the state and civil society seems to call for this sort of an institution. The dynamics at the borders of the state and the rest of society are not however prefixed but shaped by historically changing ideas about the desired modes of interaction between the state and civil society. The state committees reflect these changing ideas but, simultaneously, possess the potential to shape the interaction as well as the involved actors.<sup>3</sup>

3 In line with sociological and historical institutionalism, the concept of institution is used here to refer to the formal rules, compliance procedures, and standard operating practices that structure the relationship between individuals in various units of the polity and economy. As

On closer examination, the state committees are characterized by a functional duality that is connected with the Nordic paradox of a strong state and a vital civil society. They, first and foremost, serve the purposes of effective government but, simultaneously, have created an important channel of influence and participation for civil society actors. From a government perspective, the incorporation of the actors involved has functioned as a means for solidifying the knowledge bases used in public authorities' decision making and, at the same time, helped in the managing of particular policies. It has helped to anticipate potential resistance at an early stage and, thus, increased the likelihood of successful policy implementation. For representatives of various associations and interest groups, on the other hand, the state committees have opened up a major channel for their participation, influence, and networking. Even though the participating associations have – more or less explicitly – been expected to demonstrate a willingness to engage in cooperation, compromise, and the adaptation of their particular interests for the sake of such abstractions as, for instance, the “common good” or the “national interest”, the state committees have also been focal sites for the spread and exchange of information, knowledge, beliefs, values, and even the construction of collective identities. Therefore associations have greatly valued an invitation to participate in a state committee and, on the other hand, often fiercely complained about not being invited onto committees in their field.

Throughout their history, the state committees have been sites of thoroughly politicized interest settlement. In Rune Premfors's (1983: 628, 641) view, this interest settlement function is also one of the main factors that distinguishes the state committees from British commissions of inquiry, for instance, whose main aim has been to find “the truth” in a not politically motivated, “disinterested”, manner. However, the state committees too have always looked to the social and economic sciences in order to find “neutral” and “objective” concepts and facts. The intention is that these function as bridges between various interests and make the description and formulation of recommendations as precise as possible. In Finland, for instance, whole generations of social scientists and economists have rehearsed their skills in the service of various state committees since the late 19th century.

such, they have a more formal status than cultural norms but one that does not necessarily derive from legal, as opposed to conventional, standing. The emphasis is on the relational character of institutions; that is to say, on the way in which they structure the interactions. Institutions are dynamic and historically conditioned patterns and codes of conduct that both guide and are modified by collective interaction. Hall and Taylor (1996) provide a good overview on various streams of institutionalism.

## The state committees in historical perspective

Finland's and Sweden's state committees have a common historical background in the gradual consolidation of the structures of a centralized state administration in the mid 16th-century Kingdom of Sweden. Beginning in the 1660s, various committees were set up to draft large-scale reforms regarding such basic institutions in a modern state as the judiciary, the army, the church, schools, foreign exchange policies, and the regulation of industrial life (Tuori 1983; Hesselén 1927; Meijer 1956). In practice, these reforms postulated the consolidation of the king's power vis-à-vis the landed nobility and, from the very beginning, the peasants, most of whom were independent land-owners in the non-feudal Kingdom, were invited to participate in the king's royal committees. This alliance has often been pointed out as one of the main sources of Nordic democracy and active citizenship (Sorensen/Stråth 1997; Kettunen 1999; 2001; Pohjantammi 2005), and, at least, it served to facilitate the emergence of a peasantry that was actively engaged in attending to local administrative matters and, simultaneously, was loyal to the King and his attempts to embed the structures of the centralized state administration in local communities. Thus, as in the case of the later state committees, the early royal committees operated as bridges from the central state to civil society and thereby shaped the forms of association and participation. Secondly, the early committees also involved especially those groups in society whose consent and support was considered particularly critical to the success of the reforms at hand. In exchange for their consent and support, these important groups gained in influence.

In 1809 Finland became an internally autonomous Grand Duchy of the Russian Empire. From then on, Sweden and Finland cultivated their state committees' traditions separately. In the second half of the 19th century many of the established social, political, economic, and cultural norms, values, and circumstances were changing rapidly and this was a turning point in the history of the state committees too. They were called upon to prepare large-scale reforms designed to meet the challenges and problems of industrialization and modernization. It now became common for a notable number of the participants in the committees to be recruited from outside the state bureaucracy. The role of experts and the incorporation of representatives of various local and functional sectors of society and economic life gained in importance. As most of the late 19th and early 20th-century committees were working on matter of social and industrial life, workers being familiar with labor and factory conditions were invited to participate. In a way, by opening up to society, the committees also functioned as a kind of substitute for outright parliamentarism before this constitutional feature became established in Sweden or Finland (Tuori 1983: 191-203, 218-219; Meijer 1956).

The second half of the 19th century is an important period in the history of associational life and the mobilization of civil society. Associations were formed in all

corners of the Nordic countries and across Europe (Stenius in this volume; Stenius 1987). As for the state committees, this associational mobilization widened the spectrum from which potential committee members could be recruited. However, at this stage, the emergence of political parties, for instance, was not reflected to any great extent in the composition of the state committees. In Finland, committee members tended to be chosen on the basis of their personal expertise and experience – associational and party affiliations were only of secondary, if any, importance. In some cases, an associational affiliation could even be considered as negative as was sometimes the case with members of the socialist labor movement. For the administration, the labor movement mobilization appeared more a source of potential unrest, which it tried to tame by drafting skillfully proactive policies in the state committees, however, not by inviting representatives of the movement to participate at this point of time (Tuori 1983).

In late 1917, Finland declared its independence from Russia. The new republic was torn by a civil war between the socialist reds and non-socialist whites in 1918. Out of this, the resultant constitution of 1920 was a hybrid that combined a strong presidency with parliamentarism and Nordic traditions of local democracy. With the introduction of parliament and the president as the main symbols of sovereignty, the role of the administration, which had been the main symbol of Finland's self-determination since 1809, was reduced. The dominant ideals of democracy emphasized the role of parliament as the main arena for engaging organized interests, associations, and citizens in public policy making and, accordingly, parliament and its committees – not the state committees – were regarded as the main arena for political debates and decision making (Helander/Anckar 1983; Tiihonen 1985; 1999; Tuori 1983). This emphasis on parliament, however, by no means ruled out the influence and pressure exerted by closely overlapping economic, military, and cultural elites and associations in numerous direct but informal, non-institutionalized, and mostly private ways.

Internationally, the state – society relationship and the boundaries between the public and private spheres became controversial issues with the rise of state-centered totalitarian regimes in the 1930s. There were plans in Finland, as in many other countries in these years, for the establishment of a permanent, constitutionally anchored economic council with corporatist representation structures but these were not carried through (see Tuori 1983; Tiihonen 1985). On the other hand, coping with the consequences of the Great Depression brought the need for more state-intervention and coordination in public policy making to the fore. In Sweden, for instance, the state committees which had been the tools of weak minority governments in the 1920s, became forums for the planning of state-coordinated and publicly financed measures to combat unemployment and foster the development of the economy and welfare state in the 1930s. Thus by this stage they were already functioning as arenas of neo-corporatist cooperation between the state and the associations of business, labor, and agricultural producers (Karvonen/Lindström 1997;

Helander/Johansson 1998; Suomen Komitealaitos 1976; Huuska 1970). In Finland, neither these associations nor their mutual relations were institutionalized properly until the 1940s. Deriving back to the problematic legacies of the 1918 civil war, employer and business elites were reluctant to recognize the Trade Union Confederation's (henceforth SAK) right to represent workers. This meant that no cooperation could be built on any reciprocal basis between business and labor or if the state is included on a tripartite basis. It is important to note, however, that notwithstanding this lack of recognition, the SAK had regular contacts with the state administration. Representatives of the social democratic wing of the trade union movement participated in many state committees, especially in the field of social and labor reforms (Tuori 1983). The state thus showed its willingness to cooperate well before agreement could be reached amongst the associations involved.

In 1937, the two largest parties in Finland, the Agrarian Union and the Social Democrats, formed a coalition government that had a firm majority in parliament. At first sight, this so-called "Red-Earth" coalition seemed to bring Finland closer to the example of other Nordic countries where similar "strategic compromises" had preceded the launch of ambitious welfare policies which, to a large extent, were prepared in various state committees. In Finland too, the new coalition started several social policy reforms, which were mostly planned in the state committees (see Karvonen/Lindström 1997; Kalela 1987). In these years, as Pauli Kettunen (2001: 155) has noted, Finland's social democrats managed to broaden the existing perceptions of "Nordic democracy" by introducing a reciprocal relationship and negotiations between the central associations of the trade union movement and employers/business and making this one of its cornerstones. Nonetheless, it took until 1940 before the employers' central association publicly recognized the trade union confederation. This happened at a moment of great national crisis, the Winter War against the Soviet Union (1939-1940). However symbolic this recognition may have initially been, it did remove the obstacle that had blocked the "labor market parties" Nordic type of cooperation in Finland. Consequently, the reciprocity between "the parties" – the employers' and employees' – was quickly established as a norm in the nomination of members to various state committees.

The principle of equal participation rights for all associations gained in significance during the war years when the boundaries between the state and civil society, the state and the economy, the public and private spheres, faded away almost completely. A centralized system of regulation was established in all vital fields of society, economy, and associational life. In practice, the public authorities leaned on a number of broadly authorized state committees, councils and agencies in which representatives from various associations participated. In this framework, associations gained an unforeseen role, though, at the same time, they were forced to operate under strict war-time control. However, in contrast to the fascist regimes of the time, the social democratic trade union confederation was one of the key actors in this system. It gained in power and, in exchange, was expected to guarantee indus-

trial and social peace on behalf of the country (Tuori 1983; Paavonen 1987; Kettunen 2001).

In post-war society, the central associations of organized labor, business, and agriculture were retain to and even increase their power in public policy making. This development related to the strengthening of the so-called neo-corporatist policy-making paradigm that had altered the state-society relationship and modes of associational life all across Europe. In Finland and Sweden, the state committees were one of the main arenas for neo-corporatist cooperation between associations and the state authorities.

### **Neo-corporatist politics of participation in the post-1945 period**

Across Europe, public intervention in the post-war society and economy increased from what it had been before the war. The exceptional authorities of war-time were dismantled but only gradually as post-war reconstruction justified their continued existence for years to come. Economic policy was at the epicenter of this development, and, in connection with increased public intervention, the rules of participation had to be rethought too. In many countries, the policies of the authoritarian states of the 1930s and 1940s had made the public suspicious of any state regulation and after the war, these reservations fused with Cold War enemy images of a state-led “planned economy”. Historical burdens and contemporary concerns underlined the need for reconciling all public policy drafting with the principles of democracy. For historical reasons, this argument was deployed by the social democratic trade union movement and the political left in particular to justify their claims for extended participation rights. At the same time, post-war economic policy administrators worked hard to establish more coordination in economic policy making and together these aims led to the elaboration of new types of neo-corporatist<sup>4</sup> policy cooperation structures. As a result, the expanding state intervention of the post-war period was to go hand in hand with the permanent participation of the main interest associations, most notably those of the trade unions, the employers, business, and agricultural producers, in public policy making. For proponents of this development, it represented a shift from “pressure politics” to more cooperative, regulated, and, also, democratic, modes of policy making. By the 1960s and 1970s, the associations’

4 Neo-corporatism is associated with political economy and industrial relations but in advanced neo-corporatist systems its features cover a wide field of public policy. The prefix “neo” indicates the difference between the corporatism of the post-1945 period and its earlier authoritarian forms.



influence had extended to cover almost all sectors of public policy in many countries.

There were several variations amongst the neo-corporatist systems. The research literature has typically classified them on the basis of the state's role and the extent to which public status was attributed to the main interest associations in society. In Claus Offe's definition (1981: 136-137, 140-141), for instance, corporatization was to increase with (1) the extent to which the resources of an interest association were supplied by the state, (2) the extent to which the range of representation was defined through public political decisions (3) the regulation of internal relations between rank-and-file members and executive members of associations and, finally (4), the extent to which interest associations were licensed and invited to assume, together with a specified set of other participants, a role in legislation, the judicial system, policy planning and implementation, or granted the right of *Selbstverwaltung* (self-administration). The state often had a decisive role in the instigation and determination of this system since the corporatist framework was presumed to possess the capacity to deal with and "depoliticize" conflicts by a state-led determination of both the participants in a conflict, and the scope of strategies and tactics that were permitted in the pursuit of conflicting interests. Philippe C. Schmitter, (1982: 296) has discussed this idea in terms of "regime governability". For him, neo-corporatism is a specific mode of policy formation in which formally designated interest associations are incorporated within the process of authoritative decision making and implementation. As such, they become officially recognized by the state, not merely as interest intermediaries, but as "co-responsible partners" in governance and "societal guidance". The associations' consent becomes necessary for policies to be adopted and their collaboration is essential for policies to be implemented (ibid.: 323). Schmitter has also made a widely cited distinction between societal, or liberal, and state corporatism that builds upon the varying role of the state in the different systems. For him, societal corporatism refers to societies where corporatism has developed incrementally as a consequence of the growing monopoly of power held by interest associations. State corporatism in turn describes societies where corporatist design has been imposed more actively by the state from above. In historical reality, most systems mixed elements from both types. Moreover, an additional source of variations was that the reception and implementation of neo-corporatist ideas did not take place in a spatial or historical vacuum. All national contexts were embedded with inherited and existing ideas, traditions, and institutions of public policy making and, moreover, various ideas about the desired role of the state and civil society actors in it. These legacies influenced the ways in which new ideas were translated and fused with what was already there in different countries.

In the research literature, Finland's and Sweden's neo-corporatism have not been seen as having much in common. Sweden's neo-corporatism appears as one of the paragons of *societal* corporatism – due to the strong and independent role of the main associations, the early emergence of neo-corporatist cooperation, and, in rela-

tive terms, the rather indirect involvement of the state authorities. Finland's variation, in contrast, is regarded as belated, state-led, and limited. This is associated with the general lack of political, governmental, and labor market stability, the fragmentation of the trade union movement into social democratic and communist factions as well as the consequent suspicions among business circles towards the trade union movement as a whole. On this basis, Finland has not been seen as meeting most of the requirements of stable neo-corporatism until the 1970s and, even then its neo-corporatism remained "fair-weather corporatism" that was conditioned by the economy's fluctuations (Pekkarinen 1989; 1992; Rehn 1991).

What has remained in the margins of attention is that both in Sweden and Finland, the post-war decades' efforts at neo-corporatist cooperation led to a powerful revitalization and unforeseen expansion of the state committees. Indeed, effective policy coordination required not only the neo-corporatist cooperation of the key groups of economic life but also interaction with the public authorities and, in quite concrete terms, arenas for this interaction. In Sweden and Finland, the state committees were at hand for these purposes. In Sweden, state committees had been arenas for a neo-corporatist style of policies already before the war. As to Finland, two points are in order: first, this participation was established well before the introduction of the incomes policy agreements that are typically seen as the symbol of neo-corporatism's arrival in Finland and, secondly, even within the incomes policy framework, the state committees remained central to their preparation. The following sections first take a look at the numerical and structural development of the state committees as an institution in Finland, and to an extent Sweden. Then they discuss the introduction of the incomes policies in Finland and the role of state committees and associations in it.

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In line with neo-corporatist ideas, representatives of the central confederations of the trade unions, agrarian producers, employers and the main business associations were systematically involved in the state committees of the post-war years. This began with their involvement in pursuing war-time objectives and then in post-war reconstruction tasks but gradually turned into peace-time neo-corporatist cooperation. This impressive growth in the number of state committees can be traced in the following figures: in 1950, the number of committees at work was approximately 230, in 1960 it was already around 330 and in 1970 it was around 530. In the record year 1974, the number of committees was six times higher than it had been in 1958 (see e.g., Huuska 1970:7-8; Helander 1979: 226; Helander/Anckar 1983: 33-34; Suomen Komitealaitos 1976: 28). A similar growth in numbers took place in Sweden too, but in Finland in particular, it went hand in hand with the increasing administrative regulation of the committees as an institution. For the first time in its long history,

this ad hoc institution was given explicit definition in a statute issued by the government in 1958<sup>5</sup> which was regularly updated until the 1990s.

From an administrative perspective, the increased formalization provided new opportunities for the control of the activities of the expanding network of committees. As a side effect, it strengthened the concentration of the committee seats in the hands of a relatively small number of the most important interest associations. By the end of the 1960s, the main associations active in the fields of industrial life and labor markets, in particular, had established a firm hold over the seats in the most important committees (Helander 1979: 229-235). In the statutes, the amount of clauses regulating these associations' participation and, more importantly, the allocation of the seats amongst them increased too. Through the committees, these associations' influence quite effortlessly spread to policy fields that were relatively remote from their original range of activities and interests. As an example, one may mention education and cultural policies or, even, matters of national defense. (e.g., Helander/Anckar 1983; Rainio-Niemi 2008).

The systematic use of the state committees as a policy preparation platform made them an inextricable part of the post-1945 search for consensus in politics, economics, cultural, and social life. Representatives of participating associations became central actors in this framework. It seems that the strengthening of the state committees also strengthened the associations: the committees' expansion coincided with a steady numerical growth of all types of associations as well as with an impressive wave of organizational centralization within them. With their explicit aim of incorporating relevant associations in policy making, the state committees undoubtedly facilitated this development. Only registered associations could claim seats in the committees and the registration procedures already as such tended to standardize the associations' structures. This applies to the whole spectrum of associations. Even though the participation of the most powerful industrial and labor market associations has attracted the most attention, a wide array of other associations also participated in the committees right from the start.

One group whose role remained significant in the state committees were civil servants. This applies to Finland in particular where civil servants' participation grew as the share of members of parliament shrank from the 1950s, reaching its nadir in the 1970s (Helander/Johansson 1998: e.g., 155; Suomen komitealaitos 1976; cf.

5 Valtioneuvoston päätös komiteoista 6.3.1958/112, Statsrådets beslut om kommittéer 6.3.1958/112, Suomen Asetuskokoelma 1958. In the statute of 1958 a committee was defined as an ad hoc organ (*tilapäinen elin/tillfälligt organ*) composed of two or more persons. They were commissioned by the central government to investigate a particular theme and had to submit a written report on it. The 1958 statute did distinguish between three different subtypes of state committees. It decreed a variety of administrative and technical details to be followed but gave no instructions for the selection of members, or for the allocation of mandates. This aspect changed in the course of the 1960s.

Karvonen 1978). This was compensated, however, by the frequency of parliamentary committees composed solely of MPs as well as by the fact that in the 1970s most high-ranking civil servants were more or less affiliated with some of the political parties. At the same, the work of the state committees was to a growing extent modeled on the ideals of scientific inquiry and the share of social scientists and economists amongst the participants was on the rise (e.g., Premfors 1983: 628; also see Helander/Anckar 1983; Helander/Johansson 1998). Especially from the 1960s onwards, the state committees in Finland were one of the most important platforms on which the knowledge and techniques of modern social research were rehearsed, disseminated, and linked with the practices of public policy making.

Despite the existence and strengthening of the state committees as rather refined instruments of policy coordination and cooperation since the end of the Second World War, the politics of interests remained highly unpredictable in Finland until the late 1970s. The comparatively strong presence of communism on the party political map and within the trade union movement after 1945 merely added to the complexity of interest and party politics. In addition, in the core fields of neo-corporatist policies, the main industrial and labor market associations – including the agrarian producers as one of the key players in the conflict – were engaged in zero-sum battles over the general level of prices and wages. These battles paralyzed one state committee after another and because of the government's direct involvement in negotiations and various dependencies between the political parties and the main associations, they also adversely affected government cooperation and broke one coalition after another. This negative spill-over, which in fact also spread through the whole network of state committees covering a wide field of public policy, had a destabilizing influence on the entire society.

### **Associations' participation in the making of incomes policy**

To a large extent incomes policy agreements emerged in Finland as an attempt at remedying the instabilities caused by the battles over wages and prices of the 1950s. These agreements covered wages, prices, unemployment benefits, pensions, agricultural subsidies, and many other issues of social and economic policy. In economic terms, the main aim was to curb inflation and in societal terms, to find an arrangement that would help to stabilize the politics of interests. In the Organisation for Economic Co-Operation and Development in Europe (OECD), incomes policy models had been discussed throughout the 1960s. The idea of voluntary agreements amongst associations representing the main groups in labor markets and industrial life was at the core of these considerations and, accordingly the intention was that the state authorities should not be involved, at least not directly and officially. In

reality, the role of government seldom remained this small in any country and this applies in particular to Finland. No matter how much it was argued that “the state” should adopt the role of a formally non-involved actor, given the all-encompassing character of the incomes policy agreements given, successive cabinets, and even the president, proved ready and able to bring all their authority to bear in order to secure and implement the incomes policy pacts. They were considered to be in the national interest. Already the first agreement, signed in March 1968, had been explicitly conditional on the introduction of a considerable degree of government authority in all fields of the incomes policy agreement and the package of social reforms that went with it. The government’s bill to parliament was, in essence, an enabling law that allowed the cabinet to realize all the reforms it considered necessary in order to keep to the agreements made with the main associations. In the parliamentary debate (for more see Myllymäki 1979: 58-59), these measures gave rise to questions regarding the role of parliament regarding the incomes policy: was parliament merely required to give its approval to decisions already made between the government and the associations before the pact had even been brought to parliament for debate?

A look at the arenas on which policies relating to income policy agreements were drafted, brings us back to the state committees. Evidently, a large part – though by no means all – of the blossoming of the institution in the late 1960s and early 1970s was a direct result of the introduction of incomes policies in Finland. By the late 1970s, the incomes policy procedure had directly given rise to 160 statutes of which 100 were laws regarding employment, social, and educational policy. Indirectly, it gave rise to many more. Most of these laws and decrees were drafted in state committees that were explicitly or implicitly connected to the making and implementation of incomes policies. (Helander/Johansson 1998: 118, 134; Myllymäki 1979: 190-197; Helander/Anckar 1980; Helander 1979). The existence of strong, well-consolidated interest associations was among the most important preconditions for the successful realization of these incomes policies. One example is the Trade Union Confederation (SAK) which had split into two central associations in the late 1950s but was reunited in 1969 after the introduction of the incomes policy procedure. By 1974, the SAK had more members than all the political parties in Finland put together.<sup>6</sup>

Acquiring a say in the incomes policy framework, which covered a wide field of social and educational policies, strengthened associations in general. Even though

6 The need for strong interest associations as a precondition of successful incomes policies is strongly present on the pages of the economic council’s reports on incomes policy in 1965 and especially 1967. For a more detailed discussion see Rainio-Niemi 2008. The position of the various interest associations was also strengthened by the introduction of a practice according to which, since the late 1960s, membership fees could be deducted directly from the employees’ wages and salaries. The government was active in amending the law so that these fees became tax-deductible.

moderating the destabilizing effects of the battles over incomes on Finland's economic and political development had been the main motivation for the introduction of the incomes policies with the agreement between the main interest associations remaining the core issue, a whole range of smaller associations that had not previously been incorporated to such an extent were invited to participate. Moreover, once an association had participated in any of the committees preparing incomes policies, it could claim seats on several others which, in one way or another, could be seen to fall within the incomes policy framework and in the association's field of interests. Within only a few years, this mechanism led to a strong concentration of the committee seats in the hands of those associations that participated in the incomes policy procedure, especially the largest ones.

In many respects, the introduction of incomes policy seemed to achieve many of its objectives (e.g., Helander/Johansson 1998; Myllymäki 1979; Helander/Anckar 1983; Pekkarinen 1992; Arter 1987). From the administrative perspective, the introduction of the incomes policy made it easier to predict and control the behavior of the powerful interest associations – something that had not been achieved in the 1950s and early 1960s. The pacts also gave a strong incentive for the formation of majority rather than minority governments: only through firm parliamentary majorities could a cabinet coalition guarantee that, first, the enabling acts and, secondly, all the other legal reforms which, it had been agreed a priori would be linked with the incomes policy deals, could be implemented. By these means the introduction of the incomes policy procedure lengthened the average term of government coalitions as well.

The key features that emerge from the preceding analyses are emphasized in a wider European perspective. The following section therefore takes a look at another European but non-Nordic case, Austria, where neo-corporatism was likewise in the making in the post-1945 period.

### **European perspectives: neo-corporatism and economic chambers in Austria**

The Austrian variant of post-1945 corporatism counts amongst the archetypes of modern neo-corporatism. One of its core institutions was the system of economic chambers which were at least as distinctive to post-1945 Austria as the state committees to Finland and Sweden. Both are institutions that are based on older historical traditions and were modified on these grounds to meet the challenges of post-1945 neo-corporatism in their respective political cultures. Both have shaped associational life and in many ways reflect the broader traditions of their respective states and civil societies – the relatively centralized and homogeneous Nordic version versus the Central European federal and “pillarized” one.

The system of economic chambers consists of equally authoritative chambers for (1) labor and wage-earners, (2) business and employers, and (3) agricultural producers. Membership in a chamber is compulsory for every citizen who is gainfully employed in industry and manufacturing (Chamber of Labor), is a managerial member and/or owner of some business establishment ranging from the corner shop to a big company (Chamber of Business), or is engaged in agricultural pursuits of any kind (Chambers of Agriculture). Their compulsory membership gives the chambers a practical monopoly in the representation of various economic, social, industrial, and labor market interests. The core of the chambers' formal influence is their legally constituted right of self-governance that guarantees them wide influence on policy making on the one hand and gives them a degree of authority in certain public and social security tasks on the other. The chambers are entitled to participate in a very wide range of public policy making through the so-called Advisory Procedure (*Begutachtungsrecht*) meaning that they have to be consulted at various stages of policy and law preparation. In addition, chambers have the right to initiate legislative proposals (Talós 1993; 1985; Klose 1970; Markovits 1996; Neuhauser 1966; Marin 1982).

Whilst it can plausibly be argued that a fully formed system of chambers only existed in the post-1945 period only, some chambers had existed earlier. The history of the chambers of commerce goes back to the 19th century and it set the pattern for the subsequent organization of the other chambers as well (Pütz et al. 1966; Klose 1970). In the post-1945 era, the chambers were (re)created for the main sectors of economic life to manage the transition from the Third Reich to the Second Republic. As parts of this overall framework, which allowed them more public responsibilities and greater self-governance, the chambers achieved the position of being "legally sanctioned *parastatist* institutions" (Markovits 1996: 9). Indeed, it was only in the post-1945 period that the chambers gained practical significance as one of the main platforms of interest mediation and policy negotiation on the boundaries between the state and civil society. It is in this sense that they can be discussed as functional equivalents to the state committees in post-1945 Finland. Moreover, the purposes of governance and interest management were decisive in the initiation of both, even though on different grounds.

In Austria, "voluntary" associations also operated in and through the chambers which became the main channels of influence vis-à-vis the public authorities, other relevant interest groups, and the processes of public policy making. Office holders in the chambers were chosen in internal elections in which various associations fielded candidates. One specific feature is that more or less all of the voluntary associations in post-1945 Austria were directly affiliated with, and controlled by, the two main political parties, the social democrats (henceforth the SPÖ) and the catholic conservative People's Party (henceforth the ÖVP). Thus these parties also reigned over the chambers: the ÖVP was dominant in the chambers of business and agriculture and the SPÖ in the chamber of labor. A closer look at the chambers reveals that they in

fact were not the true power holders as such but, more like, platforms for various interest associations that were connected to the two big parties. The exceptional interpenetration between the two main channels of interest mediation – the party political and corporate-functional ones – and their fusion in the institution of the economic chambers has earned post-1945 Austria such nicknames as “the chamber state” and, even more perceptively, the “party state”.

Behind this constellation one finds a set of traditions that differ from the Nordic ones and have been shaped by Austria’s previous position as the core of the multinational Habsburg Empire. In contrast to the Grand Duchy of Finland, where party political mobilization carried strong national connotations across all social divisions, in Austria political, ideological, and religious differences were decisive. By the mid-19th century, the population in the mainly German-speaking provinces had split into three main political groups; the catholic conservative (“Black”, later the ÖVP), the anti-clerical socialist (“Red”, later the SPÖ), and the less coherent group of secular-liberals that favored nationalism in pan-German, not in Austrian, terms. In this context, the political parties have been discussed as *Lagers* (“camps”) to underline their nature as something more encompassing than ordinary political parties. They have instead been seen as political arms of “sub-cultures” which rested on parallel networks of associations accompanying a person “from the cradle to the grave” and thus bringing all social and associational life under their purview.<sup>7</sup> Within the many spheres of self-governance that were typical of the indirect nature of imperial rule, these politico-ideological groups and their associations were integrated into the structures of provincial self-government and cherished ideals most of which were at the same time supra-, sub-, and trans-national.

In the aftermath of the dissolution of the multinational Habsburg empire in 1918, the parties in the provisional parliament were the main organizational units that were left at the central level of the dissolved state. The Austrian constitution of 1920 (re-enacted in 1945) is famous in the history of constitutions due to the strong role of parliament and, in practice, of the political parties in parliament. In this constellation, the only institution that had any operational and formal authority above parliament was the constitutional court, which could be asked by the provinces to scrutinize the constitutionality of federal level acts. Otherwise parliament was sovereign whilst the government was also very dependent on parliament: the government was at no juncture to be allowed to become a representative, or wielder, of state power in any sense that was beyond the control of parliament and the political parties. An

7 Since the late 1960s and, especially, since the mid-1980s, researchers have identified trends of “de-pillarization” marking the loosening of the hold of the traditional *Lagers*’ over political and social life. The classical “pillarized” cases in Europe are the Netherlands and Switzerland where societal pillarization, unlike in Austria, encompasses a linguistic dimension as well.



individual minister's authority in her/his field of administration was strongly protected from potential pressures from other ministers and from the government as a whole, and this ruled out much inter-ministerial coordination by a government or the administration.

In the event that the political parties in parliament were unable to cooperate thereby rendering parliament unable to exercise its power, the constitution pointed to no clear mechanism for solving the deadlock. This became evident as the political parties became increasingly hostile towards one another by the mid-1920s with these hostilities becoming one of the main vehicles for the dissolution of democracy in Austria. In order to restore some sort of order in society, the ruling Christian social party (the predecessor of the post-1945 ÖVP) inaugurated a one-party Corporate State (*Ständestaat*) in 1934. It was preceded by the closing down of parliament and the prohibition of all alternative parties and associations. Representation was to be organized along occupational-corporatist lines and would be under authoritarian state control. It has been noted that in several ways this *Ständestaat* was in the process of creating corporatist institutions that, on paper, were similar, albeit in an embryonic form, to the structures that were later to be erected in the post-1945 Republic (Ucakar 1985; Talós 1993; 1985, Talós/Kittel 1995; Stourzh 1986). In 1938, however, this authoritarian corporate state was liquidated with the *Anschluss* of Austria to the Third Reich under the leadership of the national socialists. Both the *Ständestaat* and national socialist regime were imposed upon society by force and upheld by repression that divested the citizens of their democratic and, especially in the latter case, basic human rights.

After the regime collapsed in 1945, the dominant line was the sharing of supreme power so that the state's authority could no longer be used by one group against the others. In practice this turned out to mean a solidly cemented form of power sharing between the two main parties the Social Democrats (SPÖ) and the Catholic Conservative People's Party (ÖVP). The bipolar power sharing lasted until the 1990s and became embedded in the country's political, social, economic, and cultural structures. Until 1966, the two parties formed a coalition government that was backed by a formidable 90 percent of seats and votes in parliament. After 1966, the established power-sharing practices continued to live on by proxy, most notably, in the guise of the "paracoalition of Social Partnership" – the core of neo-corporatist cooperation between the chambers and, more notably, the party-affiliated associations acting through them. Despite its tumultuous past, post-1945 Austria had turned into a society that was addressed in the literature as the "archetype of neo-corporatism" and "a paradigm of hyper-stability, social peace, and prosperity" (see e.g., Markovits 1996; Sully 1989).

The post-1945 system of bipolar and multi-level power sharing had formative effects on the way in which the structures of neo-corporatist coordination and cooperation were established in Austria. At the same time, the preoccupation with the protection of each group's share in this arrangement strengthened those traditions which

among other things, ran contrary to efforts of policy coordination that were in fashion internationally. As an example one can point out an early 1950s' effort to establish a government commission, the so-called Economic Directorate (*Wirtschaftsdirektorium der Bundesregierung*, 1951-1954, henceforth ED) for the coordination of economic policy at the central state level.<sup>8</sup> This effort was motivated by the ideal of having a more coordinated economic policy and having strings attached to the receiving of financial aid (the so-called Marshall plan), which in many points presumed the existence of centralized government authorities. Within Austria, the initiative came primarily from civil servants involved in Austrian economic policy administration and the use of the Marshall Aid funds. However, any allocation of extended authority to the central government was not easy to implement, owing to the many formal and informal restrictions of its authority vis-à-vis parliament, the provinces, and, after 1945, the chambers. Even though future economic aid to Austria was widely understood to be dependent on the government's ability to perform here, the case of the ED proves that this was not simple.

Besides policy coordination, a strong cooperative element was inherent to the planned ED. Its participants consisted of key ministers, civil servants, representatives from the three chambers, the Austrian National Bank, as well as the Austrian trade union federation (ÖGB). Very soon, the ED became intertwined with its participants' differing aspirations to reform economic policy making. On this point, the spectrum of opinions varied considerably: from the perspective of business and employers, the ED's coordination capacities at first seemed a way out of the excessive use of the unanimity principle in decision making. This criticism was targeted at the veto-powers that the chambers and the Chamber of Labor and the Trade Union Federation the ÖGB, in particular, had enjoyed since 1945. However, what for some appeared as unnecessary inefficiency, was for others a democratically constituted right to participate and influence. This influence and participation were assets the ÖGB, the Chamber of Labor, and the SPÖ were not ready to bargain over. Disputes that revolved around the chambers' veto powers on decision making marked the debates on and in the ED from the very beginning. Despite growing disagreements, the initial one-year mandate of the ED was prolonged by two more years by the Austrian parliament in June 1952. New problems were ahead however: in the spring of 1952, the provincial government of the westernmost of Austria's nine provinces, Vorarlberg, (where the socialists were traditionally weak) used its right to request the Constitutional Court to scrutinize whether current administrative practices embodied in the ED and concerning foreign trade issues in particular violated the constitutionally guaranteed competences of individual ministers. The Constitutional Court declared part of the procedures in the ED unconstitutional even though the ED

8 The study on the Economic Directorate is based on a detailed analysis of primary sources deposited at the Austrian State Archives in Vienna. For more details see, Rainio-Niemi 2008.

as such – given that it would be divested of all potential authority – could continue its activities. Regardless of this decision, the ED had already lost most of its significance in practice and soon ceased to convene altogether.

In post-1945 Austria, the problems that emerged in the connection with the ED led to the central state authorities' rapid and permanent withdrawal from the role of an actively involved policy coordinator or compromise-builder in the making of economic policies. After some years' interlude, economic policy cooperation and coordination was re-established successfully. This happened, resolutely, within the sphere where the government was no longer directly involved nor providing an arena for cooperation. A suitable framework was found in the Parity Commission of Wages and Prices which was then to become the core of the famous Austro-Corporatism and Social Partnership. This commission was established in 1957 by mutual agreement between the Presidents of the Federal Chamber of Business and of the Trade Union Confederation that dominated the Chamber of Labor. It was a platform for cooperation between the chambers and through them to associations affiliated with the main political parties. The state authorities – administrative or governmental – were not directly or officially involved. In practice this non-involvement was not so evident, not least because of the extraordinary role of the two ruling parties that penetrated all levels and sectors of governance in society. In 1957-1963, the Parity Commission went through a phase of institutional consolidation and turned into an extensive network of various negotiation arrangements. In this framework, economic policy experts worked together with “social partners” (the chambers, the ÖGB and other influential associations) on different aspects of economic and social policy. By the 1970s, the Parity Commission, which in formal terms was completely uninstitutionalized, had established its position as the power center of Austrian economic policy making and maintained this position well into the 1990s.

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The above discussions have aimed to demonstrate the meaning of inherited traditions and institutions for the translation of the ideas of policy coordination and neo-corporatist cooperation. The state committees in Finland and the economic chambers in Austria were discussed as prime examples and the differences that they reflect derived back to differing conceptions of the state and civil society.

In Finland associations and political parties were faced with the firmly established institutional capacities and legitimacy of the state as a societal actor. In Austria, any attempts at state-building met powerful resistance from various well-established “sub-polities” within society. After 1945, the two main parties' power sharing and cautious watch over the inviolability of their own positions strengthened these tendencies considerably. As a result, in post-1945 Austria “the state” was in practice not much more than the two halves – the parties – that shared its power. These parties

that rested on well-established power bases that cut across civil society and its associations. In many ways, post-1945 Austria is an almost diametrically opposite case to Finland: while the politics of interests were effectively controlled and coordinated by the two big political parties, the institutional capacities and legitimacy of the central state was much more restricted and historically burdened than in Finland.

In Finland, the state enjoyed an historically grounded legitimacy and could easily establish “itself” as an arena for coordination and cooperation. The ability to lean on the tradition of the state committees was instrumental here and, in contrast to Austria, questions on fundamental principles or administrative formalities never gained much in weight. Through the state committees, ideals and practices of coordination spread, and the incorporation of pivotal associations could take place in a smooth manner without legal frictions, in comparison with Austria. In Finland, the problems lay elsewhere, most notably, in the general instability in party, interest, and government politics that existed in parallel with the refined institutional designs for the pursuit of effective and legitimate state-led coordination and cooperation policies. In contrast to Austria’s “hyper-stability”, in Finland, the two “tiers” of interest mediation – electoral-territorial and corporate-functional (Rokkan 1999: 261) – and the rest of associational life did not fall into any clear-cut blocs. The associations’ links to political parties were many but, nevertheless, not clear and predictable to the same extent as in Austria. The result was a highly complicated and hard to identify network of criss-crossing alliances and loyalties that oscillated in response to shifts in the balance of power and battles for it. It took a while until a functioning framework of coordination and cooperation could be found. As the history of the incomes policy pacts shows, in Finland the state remained strongly involved in the management of society’s various interests.

The post-1945 neo-corporatist development had a profound influence on the state, civil society, and associations. It opened options for associations to exert real influence and yet, by favoring the most powerful industrial and labor market associations, it narrowed the conceptions of what civil society and its associations were all about. This development is particularly visible in post-1945 Finland and Sweden and makes neo-corporatism an important part of the history of associations in Nordic societies.

### **Transforming the paradigms of participation: the demise of an institution in Finland**

The expansion of the state committees as an institution faced growing criticism from the 1970s. There were both practical and normative-ideological traits in this criticism. Instead of paying attention to the virtues of accessibility and participation, or coordination and cooperation, the critics pointed to other trends such as corporatiza-

tion, technocratization and bureaucratization of policy making in the state committees. The committees were seen to represent symbolic responses to political pressures and were used to postpone and avoid effective government action. A controversial issue could be buried in a committee and thus removed from the public agenda until it became irrelevant or was otherwise forgotten.<sup>9</sup> It was argued that the committees had turned into trust-building exercises amongst the leaders of the most powerful associations, and, in addition, from a very practical perspective, the growing costs and, especially, the inefficiency of the state committees were pointed out by the critics (Helander/Anckar 1983; Djupsund/Ståhlberg 1978; Johansson 1992). Similar accusations were faced by neo-corporatist policy making in other countries too, including Austria. The influence of “extra-parliamentary” forces’ on government policies together with state-intervention had detrimental effects on liberal democracy. The semi-public authorization of the most powerful organizations reduced the plurality of associational life, and, moreover, neo-corporatism’s success at keeping political life stable and effective had been purchased at the price of organizational sclerosis, the perpetuation of inequalities, and a disregard for liberal democratic norms of citizen participation and accountability.

Despite this criticism, the state committees retained much of their importance as perhaps the most important sites for the negotiation and conclusion of numerous policy compromises that were crucial to the introduction of Nordic-type welfare policies in Finland and Sweden. The post-war growth of the committees as an institution, which peaked in the mid-1970s, coincided with the most active expansion of the welfare state. After this point, their growth gradually slowed down. In Finland, the statute on the state committees was updated in 1988 and 1990 as usual but after this point the centuries’ old institution dissolved within the space of only few years. By the mid-1990s, the state committees had lost their former shape and significance as a framework of participation and as an arena of policy drafting. The decrease in the number of state committees is illustrative: while there had been around 250 committees at work annually in the 1960s and 1970s, in 1990 the number was 47 and, in 1999, six (Helander/Johansson 1998: 246, 248). In 2002, the statute on the state committees was repealed altogether. In Sweden the state committees as an institution went through transformations too – for instance, the number of MPs grew at the expense of representatives from the main interest associations (Helander/Johansson 1998: 157-158) – but nonetheless, the institution was not dissolved.

In a study based on interviews with civil servants about the practices of policy preparation in Finland, the interviewees almost unanimously saw the state commit-

9 Djupsund/Ståhlberg (1978: 203) lists the latent and manifest functions of the state committees. For critical voices, see also the journal *Sosiologia* volumes 1 and 2/1969. Huuska (1970) is a response to the criticism of state committees.

tees as old-fashioned, too slow, and too expensive.<sup>10</sup> None of the interviewees saw any point in reviving this institution, which, in addition to all the many practical defects suffers from a bad reputation; thus, if revived, it would first have to be re-named (Temmes 2001: 16-18). Considering Finland's accession to the European Union in 1995 and its impact on law and policy preparation (Tala/Litmala 2006; Lampinen et al. 1998), it is easy to assume that the state committees' way of preparing policies is now indeed outdated and too slow. Since the 1990s, Finland has also been among the most active public sector reformers among the OECD countries (Harrinvirta 2000).

Irrespective of the reasons behind the dissolution of the state committees, their demise has taken away the frame in which associations have traditionally participated in public policy making. Actual policy preparation is mostly done within ministries, and the role of civil servants and their personal contact networks has been strengthened (e.g., Temmes 2001: 14-15). In the preparation of the more important reforms, the use of "one man committees" has become common. In contrast to the state committees, the prevailing procedures include less, or, at least, less systematic, consultation of representatives of various associations in the course of the process. Of course, public hearings are held and written comments are requested but this type of influence tends to remain narrow and arbitrary. At the same time, keeping in mind the state committees' obvious tendency to favor the most powerful associations, many of them have not lost much of their influence irrespective of the demise of state committees. Their influence has nonetheless become more scattered, informal and in comparison to the heydays of neo-corporatism, much more difficult to figure out. Simultaneously, associations in general have become more dependent on lobbying.

These changes reflect some more general changes in the desired models of democracy, in the patterns of civil society participation, and in state – society interaction. If there was a turn in the conceptualizations of democracy and civil society participation in the 1950s and 1960s – one that emphasized that civil society was being composed of various interest groups – the most recent turn seems to think of civil society participation in primarily individual terms. The shift seems to correspond with the turn from pluralism and neo-corporatism to individualism and deliberative theories of democracy: while the former were criticized for treating society as a relatively homogenous national entity, made up of large and fixed groups with stable interests, the latter have been challenged for their tendency to erase the dynamics of power and conflict that are vital to the formation of collective identities and effective interest groups (e.g., Mouffe 1999: 746, 752).

10 The main preparation tool inside ministries are the so-called task force groups (*työryhmä*) composed, mainly, of civil servants.

The Finnish government's policy program on citizen participation (henceforth CPPP)<sup>11</sup> is one illustration of the changing ideals of civil society participation and contrasts interestingly with the modes of participation that were in fashion in the state committees. The main aim of this primarily web-based program is to promote active citizenship and the vitality of civil society. The CPPP handbook "*Consult citizen – prepare wisely! A handbook for civil servants and office-holders*" (henceforth CPPP 2005) underlines the right of all citizens to be heard and respected for their opinions. Regarding the organization of public hearings in connection with the preparation of laws and policies, the handbook recommends the invitation of "citizens" and in addition to them non-governmental organizations. A footnote further specifies: "in this context, the term 'citizens and non-governmental organizations' is referring to all communities (*yhteisöjä*) and foundations (*säätiöitä*) that have a legal right to stay and operate in Finland" (CPPP 2005: 11). These definitions differ notably from the way in which group-level actors used to be defined in the heydays of neo-corporatism. Labor market associations, which have traditionally been seen as characteristic and constitutive participants of public policy making in Nordic societies, are not mentioned once. Political parties come across as "key actors in representative democracy" and one of the CPPP's program goals is indeed to enlighten citizens on the functions of political parties (*ibid.*: 6).

In the course of its long history, the institution of the state committees has survived several changes in the thinking about the rules of policy drafting and civil society participation. However, the current changes, which concern all the basic elements of the established system of governance, seem to have proven decisive, at least for state committees in Finland. Of course, in societies that are increasingly global, multi-cultural, and whose economy and governance to varying degrees have escaped the national frames, the limits of the old policy preparation and participation paradigms are easy to see. The increased fluidity of allegiances and ways of manifesting identity and interests has multiplied the sites of democratic participation and contestation. The globalized economy has altered work life, and the manifestation of occupational-corporative interests and citizenship identities that underpinned modern welfare state projects have lost much of their former shape. Respectively, forms of association and ways of connecting these associations with public policy making are in a process of ongoing transition. In the past, the state committees were one of the key instruments in making governance inclusive and accessible to a wider circle of participants. In exchange for options for participation and influence, the committees also exercised control on particular policies and undermined resistance by very concrete and effective means of consensus-building. Surely they facilitated the relative absence of politics of pressure and open confrontation in Finland and Sweden.

11 The CPPP documents including the handbook can be accessed through <http://www.om.fi/24014.htm> (20.10.2009).

From these perspectives, it will be interesting to see whether the rise of new types of associations combined with the fragmentation of the old, distinctively Nordic institutions of inclusion paves the way in a less consensual direction.

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