

Administrative agencies and the collaborative game: An analysis of the influence of government agencies in collaborative policy implementation

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Introduction

Over the past decades the collaborative approach has gradually gained in importance as a potential lever for creating value in public policy implementation (Donahue & Zeckhauser, 2011; Torfing & Triantafillou, 2016). Government agencies have a number of opportunities and practices for engaging the public and stakeholders across the policy continuum, provided that they possess sufficient collaborative capacities.

Initially, the growing reliance on collaborative policy-making raised arguments about the diminishing role of the State in public governance (Osborne & Gaebler, 1992; Rhodes, 1997). Today most scholars in the field recognise the potentially strong managerial significance of government agencies in governing and micro-steering collaborative actions. (Jacobsson et al. 2015, Lynn, 2006; Osborne, 2010; Pierre & Peters, 2000). Despite the “rediscovery” of the State’s influence in collaborative policy-making, there are still divergent interpretations of how the involvement of state institutions affects the outcome of collaborations (Blomgren Bingham, 2011). On the one hand governmental agencies have been seen to hamper expected performance advantages of non-bureaucratic, just-in-time instruments for policy intervention (Kickert, Klijn, & Koppenjan, 1997; Sørensen, 2012) as well as democratic benefits of participation (Kuokkanen, 2013). On the other hand the administration with its authority and resources has considerable possibilities for enabling efficient and innovative collaboration (Lynn, 2011; Peters, 2010).

Thus we still lack a comprehensive understanding of how government institutions affect the performance of collaborative actions (cf. Blomgren Bingham, 2011; Osborne, 2010). Do they have a significant impact on collaborative policy performance and, if so, which collaborative qualities and relationships are of particular importance? This is the overarching research question of this article. To put it more practically, the question is to what extent governmental agencies can facilitate participation and collaboration in ways that are favourable with respect to performance or if their involvement, to the contrary, diminishes the performance advantages of collaborative implementation procedures.

Furthermore, there is a need for analyses scrutinizing the aforementioned dependencies in various politico-administrative systems and traditions. Many conceptions of collaborative governance stem from studies in the United States (Ansell & Gash, 2008; Donahue & Zeckhauser, 2011), which as a polity diverge in dynamics from e.g. the Continental states or the Nordic welfare states (Lynn, 2006). Distinguishing between systems is important for conceiving how the public sector can or should involve for-profit and non-profit organizations in pursuing public goals, that is under what circumstances and how collaborative governance has beneficial impacts on performance. It is reasonable to assume that these dependencies diverge significantly from one politico-administrative system to another because of the distinct roles and expectations on different societal sectors.

Of particular importance is thus to contextualise collaborative governance practices with respect to the institutional system and administrative tradition of a given society as collaborative policy implementation is conditioned by prevailing institutional logics and traditions (Thornton, Ocasia, & Lounsbury, 2012). This article does not, in other words, aim to produce yet another conception of collaborative governance. Rather the purpose is to test the putative beneficial impact of collaboration on performance suggested by the collaborative governance approach, with a specific focus on a possible moderating impact of government agencies on these dependencies.

The dependencies are scrutinised through an analysis of project level Cohesion Policy implementation in Finland. Being one of the most extensive public policies for tackling wicked problems of economic divergence, the regional policy or Cohesion Policy of the European Union (EU), is implemented at regional and local levels in programs and projects in order to enable collaboration and adaption of measures to local needs (Bache, 2010). As will be elaborated later, we argue that the Finnish two-tier system with on the one hand strong ministerial powers and on the other hand an extensive local self-government, and which relies on a mixture of top down and bottom up strategies for policy implementation, provide an excellent case for the interdependencies in collaborative settings.

The Finnish context is, furthermore, characterized by an exceptionally high trust in administrative institutions (Charron, 2013; Fotel, 2011). If we expect government agencies to have an influence on collaborative policy implementation, then there are good reasons to expect the influence to be particularly significant in the case of Finland. Furthermore, the setup allows us to analyse whether a system characterised by a strong central state and a high trust in public institutions requires the partners in collaborations to align themselves with the bureaucratic rationale of the public sector to be able to successfully pursue their collaborative goals. The article, therefore, also examines implicitly the epistemological argument that the focus in social sciences needs to shift from analyzing the direct effects of explanatory factors to analyzing the effects of interdependencies between explanatory factors to understand the complex constellations of contemporary societies. This article applies a new computational approach in the field of public governance for probing the strength of these interdependencies.

Assessing the impact of government agencies on collaborative policy implementation

New forms of co-governance in public policy making such as partnerships, democratic networks, projects and deliberative fora rely heavily on collaborative and participatory qualities while also being expected to increase the effectiveness of public policy making. Governments that are increasingly tackling wicked societal problems by means of collaborative arrangements, involving public, private and third sector actors to create innovative and lasting solutions, find collaborative governance problematic as they challenge conventional forms of bureaucratic organising (Ansell, 2016). A common feature of collaborative arrangements and arenas is that organisational flexibility and a low level of formalisation is perceived as crucial for dealing effectively with complex governance problems (Kickert et al., 1997; Rhodes, 1997; Torfing & Triantafillou, 2016). They are expected to provide a capacity for self-regulation that allows involved actors to organise for the occasion and for just-in-time action (Sjöblom, Löfgren, & Godenhjelm, 2013; Sørensen, 2012). According to a frequently cited definition by Ansell and Gash (2007, 544) collaborative governance can be perceived as:

“A governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative and that aims to make or implement public policy or manage public programs or assets”.

Thus, contemporary public policy-making rests on hybridisation, i.e. on a simultaneous combination of organising principles and collaborative actions which are expected to generate valuable goods, services and other benefits. There is a huge body of research scrutinizing the democratic qualities of collaborative governance arrangements and their potential effects at various stages of the democratic process (for an overview, see Bevir, 2011; Levi-Faur, 2012). Correspondingly, different schools of thought have emphasised numerous qualities in defining the effectiveness of collaborative actions such as flexibility, problem-solving capacity, institutional adaptation, goal attainment, an economic use of resources, inclusiveness and the avoidance of delays and deadlocks (Ansell, 2016; Anttiroiko, Bailey, & Valkama, 2011; Torfing & Triantafillou, 2011). Collaborative arrangements for policy implementation, are thus expected to strengthen the transformative capacities of the decision-making system and to enhance effective policy implementation (Papadopoulos & Warin, 2007).

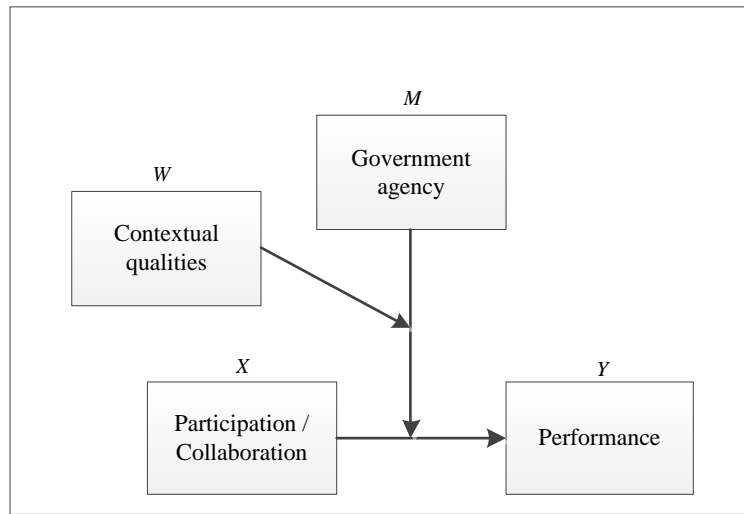
However, collaborative policy implementation, which differs from, for instance, contracting out in relying on a *partial* delegation of discretion to for-profit or non-profit actors, may equally diminish the control that the administration can exercise over the activities. If public agencies and officials, as argued by Donahue and Zeckhauser (2011) are to efficiently and accountably represent the interests of the citizenry in collaborative networks, they must – among many other things – assimilate skills that empower them to “structure implement and uphold a relationship that loosely constrains productive discretion and tightly constrains payoff and preference discretion” (Donahue and Zeckhauser, 2011, 286). As indicated in the introductory section, our question is whether government agencies exert their management in ways that have a significant impact on the performance of the collaborations. If we accept the argument that collaborative arrangements may enhance effective policy implementation by strengthening the transformative capacities of the decision-making system, then we would expect the intensity in collaborative and participatory actions to have a significant impact on the outcome of the processes. However, following the parliamentary chain of control, government agencies may have strong incentives for mediating collaborative and participatory activities.

It should be emphasised that public sector collaborations are highly dynamic and contextually dependent phenomena (cf. Papadopoulos 2012) and we argue that there is a lack of comprehensive analyses of how governments act and react in collaborative settings within various politico-administrative contexts. For instance in the US, from which many collaborative governance concepts originate, the societal cement rests on the interaction between a limited government, a vibrant private sector and flourishing volunteer work and charity, whereas the Continental and Nordic states to a greater extent rely on a trust in public institutions and an extensive public sector for generating public values (Greve, Lægreid, & Rykkja, 2016). The significance of the societal models is further aggregated to the organization of the common policies of the European Union (EU), which are designed to be implemented by the member countries with an imperative of collaboration between the government and the for-profit and non-profit organizations (Bache, 2010).

It should be said that aim of our study is not to analyse general collaborative patterns, nor to produce yet another conception of collaborative governance. Utilising an extensive empirical design, the purpose is rather to test the theoretical assumptions concerning a beneficial impact of collaborative qualities on policy performance within a Nordic style administrative context in which government agencies face strong imperatives for engaging in collaborative actions. The key analytical dimensions

of the study are summarised in figure 1. The individual relationships are briefly elaborated in the following subsections.

Figure 1. Key analytical dimensions of the study



Enforced implementation through participation and collaboration

Concepts of collaborative governance, such as the one expressed in the above-cited definition, stress the direct engagement of non-state stakeholders in consensus-oriented and deliberative processes. Collaborative arrangements, therefore, necessitate a partial delegation of discretion over policy implementation from the public agency to another public agency or to a for-profit or non-profit organization (Donahue & Zeckhauser, 2011). The assumption is that joint responsibility and a sense of ownership among the participating actors would be beneficial with respect to policy implementation through a decrease in conflicts and implementation resistance (Sørensen & Torfing 2007, 13). It is of course important to bear in mind the specific features of collaborative forms of governance in a public policy-making context. Partnerships, projects and policy networks take charge of the preparation and/or the implementation of policy decisions. They thus may involve a variety of actors from elected politicians, public officials and professional experts to representatives of the affected population. They are organised on a more or less ad hoc basis and their procedures are as a rule weakly codified. Confrontations are to be avoided and decisions are expected to be reached through compromises and a collaborative problem-solving orientation. Therefore, one could anticipate that collaborative procedures supplemented by participatory arrangements have a favourable impact on the performance of collaborations by enhancing capacity building, i.e. a strengthening of the capacity for collective action, given the devolution of power from central state institutions towards regional and local institutions.

Beneficial impacts of participatory actions on the performance of collaborations rest on two presumptions (cf. Fischer 2012, 460 ff.); a) that participation contributes to a joint responsibility, which facilitates collaborative actions and; b) that participation facilitates an effective creation of solutions, which are adjusted to local needs and resources. Following this line of reasoning one would thus expect collaborative and participatory actions *X* to have a significant beneficial impact on the performance *Y* of collaborations (figure 1).

The collaborative inclination of government agencies

From the point of view of government agencies collaborative arrangements may contribute to legitimate governmental action by broadening the range of possibilities for actors to be involved and take responsibility; by providing additional opportunities for voice and by enhancing the deliberative qualities of policy processes (Klijn et al. 2012, 302). The extent of government agency involvement rests upon two lines of reasoning.

Firstly, they have to secure the cornerstone of democratically legitimate government, i.e. the principle of authorisation, according to which those producing collectively binding decisions should be authorised *ex ante*, through elections, on behalf of those subject to the decisions (Papadopoulos 2012, 514). In practice, the administration is inclined to govern collaborative policy implementation to at least secure the accountability of the process involving various agents (Peters & Pierre, 2006). In other words, the government agencies are therefore often obliged to get involved to some extent in the collaborative process.

Secondly, government institutions may find themselves further forced to strengthen coordination because the aim of collaborative instruments such as programs, projects and partnerships is partly to reinforce the problem solving capacity by means of partitioning. The phenomenon has been referred to as the “*projectification of politics*” (Godenhjelm, Lundin, & Sjöblom, 2015; Sjöblom et al., 2013), i.e. an increasing reliance on temporary organisations in order to enhance the strategic agility of permanent structures as well as their capacities for just-in-time planning and intervention. These developments would imply an active role as for state institutions and agencies in coordinating, facilitating and managing multi-actor policy processes without reverting to traditional forms of command and control (Torfing 2012, 107). In other words, the government agencies may have an interest to be involved more in the collaborative policy implementation than necessary from the point of upholding the accountability.

There are potentially both positive and negative effects of the government agency involvement in the collaborative process for the policy implementation. On the one hand, researchers have argued that the State’s administration is prone to stiffen the flexible collaborative process and hamper the performance gains from the multi-actor interaction (Sørensen, 2012). This New Public Management approach suggests the State do best in governing from distance by coordinating the frame of action (Sørensen & Torfing, 2011). On the other hand, researchers have argued that the State can not only participate without hampering innovation but amplify the performance gains from collaborative policy implementation by providing valuable information and legitimacy to the process and serving as a mechanism for settling disputes and conflicts (Anttiroiko et al., 2011; Blomgren Bingham, 2011).

Considering these diverging arguments, we propose the following analytical dimension to empirically determine the effect of the government agency involvement in collaborative governance: The government agencies M are assumed to significantly influence the relationship between participatory and collaborative qualities X and performance Y (figure 1).

The extent to which the administration can facilitate the beneficial effects of participation and collaboration for performance is, however, possibly also dependent on the responsiveness of the agent undertaking the project. The projects are owned by private firms, non-profit organizations,

universities and research facilities. The diverging institutional logics between these agents and the public administration raises questions about the intelligibility of the bureaucracy in the public sector for the project agents. To control for this effect we test how the project manager's belief in the ideal project logic W , which is derived from the logic of the private sector, moderates the facilitating capacity of the administration M on beneficial effects from participation and collaboration X on performance Y (figure 1).

Beneficial impact on performance

As argued earlier the literature suggests a wide variety of criteria for assessing the effectiveness of collaborations, such as cost-effectiveness, an economic use of resources, problem-solving capacity, exchange of resources and inclusiveness (Sørensen and Torfing, 2007). The purpose of this article is, however, not to solve the evaluation problem related to public sector collaborations. As will be more thoroughly operationalized later, performance is in our analysis based on project managers' assessments of the outcome, perceived as the utility or benefit that the project has generated for different categories of agents. It is thus an assessment of the intermediate rather than the final outcome of the collaborations (cf. Van Dooren, Bouckaert, & Halligan, 2015:24). Although there are shortcomings to the approach, such as the risk for overestimating the impact of one own's work, research has shown that it is the best option for assessing the intermediate impact of the complicated tasks of developing the endogenous capacity of a region to create economic growth (Brulin, 2013). Research in evaluation has shown self-evaluation to be most suitable for such undertakings because of the unique access to information and that there are no signs of over valuation in self-reporting if conducted anonymously (Vedung, 2013). Even if there were a tendency to positive bias in self-reporting, the bias should not effect the distribution of the sample since all projects suffer the same plausible, although unlikely, bias.

The most serious short coming of the outcome measure is that it does not necessarily equal innovation or renewal, which is one of the main purposes of the public projects. It is reasonable to assume innovation to form a part of what project managers assess as a benefit created by their project, but as research has shown, transformative public policies consist of also traditional public goals corresponding to employment, education and social policy (Vento, 2017). Investigating if the public administration can facilitate collaboration for innovation is the task of another paper that focus innovation more narrowly on the outcome side.

Collaboration in different administrative traditions

Finally, there appears to be a shortage of systematic analyses of how the outcomes of collaborative policy implementation vary depending on the institutional framework of the politico-administrative system. Collaborative arrangements are frequently referred to as being contextually sensitive (e.g. Papadopoulos 2012) but the meaning and implications of this sensitivity are rarely unravelled, at least not from a comparative point of view. The need for analyses taking into account the administrative tradition is evident especially as the development of European subnational governances systems over the past decades has been a process of diversification rather than homogenization (Hendriks, Loughlin, & Lidström, 2011). As argued in the introduction, we stress the importance of the

administrative tradition of the country in question, the institutional qualities of the policy field in terms of e.g. regulation and number of involved agents as well as policy tradition, e.g. the relationship between top down and bottom up approaches to policy making. Although the purpose of this article is not to contribute with a comparative analysis, we argue that Finland in contextual respects is a particularly interesting case for analysing the relationships between subnational collaborative arrangements and performance. As such, the paper aims to provide an analytical framework for studying the interactive effects of the State and other agents for the performance of collaborative policy implementation, which in the future must be studied by comparing the interaction within different administrative traditions.

The key arguments are summarised in the following section discussing the EU Cohesion Policy in general and more specifically the Finnish administrative system and its implications for implementing the Cohesion Policy locally.

The Cohesion Policy and the Finnish context: Institutional trust and a decentralized unitary model

The most notable of transformative policies that are implemented in collaboration with public and private agents and that have mushroomed during the last decade in the welfare states is the regional policy in the EU, or the Cohesion Policy (Brulin & Svensson, 2012). Similar policies, such as the US Department of Agriculture's *Regional Conservation Partnership Program*, are found around the western world (Munck af Rosenschöld & Wolf, 2017). The geographical and budgetary extent of the Cohesion Policy makes it the largest of the public policies that are implemented in partnership with private and third sector with the aim of transforming society to the better. The Cohesion Policy is the main measure for realizing the Europe 2020 strategy of smart, sustainable and inclusive growth in the EU (European Commission, 2013). To meet this end, the Cohesion Policy encompassed a total of 347 billion euro in the program period 2007-2013 and a total of 336 billion euro in the period of 2014-2020. To put it into perspective, the Cohesion Policy accounts for roughly a third of the total budget in the EU.

The implementation of the Cohesion Policy is organized as structure funds covering a certain broad policy area. The European Regional Development Fund (ERDF), which account for approximately a third of the budgets allocated to the structure funds, are focused on improving endogenous economic growth by enhancing conditions for small and medium sized businesses. The Cohesion Policy is implemented by the national and regional administration of each member country, which oversee the total of 455 Cohesion Policy programs in 2007-2013, leading to great diversity in the governance of the policy implementation (European Commission, 2007). The implementation of the ERDF program of Finland is administered by a handful of regional administration units, which are presented more in detail below where the organization of the Finnish State is discussed.

The process of establishing an innovation project in the Cohesion Policy consists of an organization applying for funding from the regional administration, which if granted, leads to the setting of a

project carrying out the goal set in the project plan. Innovation projects also have a steering group set up for them, where the funders are represented with other key stakeholders and the project manager.

The Finnish State is characterized by a two-tier system that merges the traditional strong central ministerial structure and an extensive local self-government through constitutional guarantees for municipalities. Key features distinguishing Finland from other systems, such as those of Germanic, Napoleonic and Anglo-Saxon countries (Lynn, 2006) are a more autonomous administration with lower level of politicization, a stronger emphasis on equity values and transparency and a more extensive use of policy instruments emphasizing the economy, efficiency and national competitiveness (Greve et al., 2016). Furthermore, the Finnish citizens still express an exceptionally high trust in administrative institutions (Fotel 2011; Charron 2013). Thus Finland has been characterized as the most typical welfare state of all Nordic countries (Greve et al., 2016).

Key administrative units in the governance of the Cohesion Policy in Finland are the Centres for Economic development, Transport and the Environment (the ELY centres) and the Regional State Administrative Agencies (the AVI centres), responsible for basic public services, legal rights and permits, occupational safety and health, environmental permits, fire and rescue services (Table 1). The Ministry of Employment and the Economy is responsible for the preparation of national legislation, objectives and strategies for regional development. The regional councils are the key planning authorities, and are also coordinating and carrying out a considerable number of national as well as EU funded development projects. The ELY centres and the regional councils share the control of the funding of regional development projects.

Agents owning the projects are typically municipalities, private companies, non-profit organizations, universities and research facilities and local, jointly owned development companies.

Table 1. The administrative structure of regional development in Finland

Key administrative units	Key actors
<ul style="list-style-type: none"> • Ministry of Employment and the Economy • ELY-centres • AVI-centres • Regional councils 	<ul style="list-style-type: none"> • Municipalities • Local companies and associations • Local development companies

Source: Adapted from Teräs & Alatossava 2012; Sjöblom & Andersson 2016

Considering the key features of the Finnish system, i.e. strong ministerial powers supplemented by a pronounced top down tradition as for administrative reforms, high level of trust in public institutions and a fragmented regional level administrative structures causing incentives for coordination and control, we argue that if we expect government agencies to have an influence on policy implementation in a collaborative setting, then there are good reasons to expect the influence to be particularly significant in the Finnish case.

Data and methodology

The study focuses the project-level of Cohesion Policy implementation in Finland. During the EU programming period 2007-2013 roughly 18,600 projects were carried out in Finland. In the analysis the population has been delimited to European regional development fund projects that are explicitly developmental in the sense that they are heading for innovations, new forms of networking or procedures and arrangements that alter traditional forms of organising, i.e. about 4 % (n=728) of the total project population.

Table 2. Summary of analytical dimensions and their operationalization.

Analytical dimension	Variable	Operationalization
Administrative involvement	Involvement of government agencies for coordinating and facilitating collaborative activities (Summary variable for AVI-centres, ELY-centres and Regional councils)	The degree of influence of central and regional level government agencies for coordinating and facilitating the projects as reported by project managers in the survey
Participation	Participation as a means for individual and collective capacity building (e.g. social media, campaigns, meetings; summary variable for 12 participatory activities)	The utilisation of participatory measures in the project as reported by the project managers in the survey
Collaboration	Collaborative extent (summary variable assessing the involvement of six types of actors)	The extent to which actors from public, private and third sector are involved in the projects as reported by project managers in the survey
Project logic	Project logic attitude (summary variable of items measuring PM's confidence in project practices and results)	The degree to which project leaders emphasize project practices as prerequisites for achieving the objectives of the project
Performance	Intermediary outcome (Summary variable of PM's assessments of the benefit for 12 types of actors)	Project managers' assessments of the benefit for the involved actors generated by the project.

Data for the analysis have been obtained from the Ministry of employment and economy's EURA 2007 monitoring database (<https://www.eura2007>) and from an extensive survey to project leaders carried out in 2013, the response rate of which was 49 percent. The combination of monitoring and survey data enables in depth analyses of the extent and intensity in collaborative activities and their effects on project outcomes. The variables are unstandardized, meaning the comparison of means and other descriptive qualities between variables is unsound¹². An overview of the data is provided in the

¹ The variables are satisfyingly consistent internally according to item scores on Cronbach's alpha.

appendix 1. The independent and dependent variables are composite variables, which have been constructed by adding the values of certain variables reflecting parts of the composite variable.

The effect of collaborative qualities on the performance of the projects are studied by computational means of OLS multiple regression analysis. The operationalization of key analytical dimensions (figure 1) is summarized in table 2. As the aim of the analysis is to assess the influence of government agencies specifically, the attention is immediately on their moderating impact on the relationship between collaborative qualities and performance. The direct effect of participation and collaboration are not analysed because the administration, as discussed earlier, has a mandatory role in governing and coordinating project activities. Furthermore several institutional and organizational variables such as values, policy domain or as the aim of the article is not to produce a general explanation of factors affecting the performance of collaborations but to study specifically impact of government agencies on performance with respect to the dependencies specified in figure 1.

The effects of the factors on performance are estimated with the PROCESS programme, which is an ordinary least squares regression (OLS) based computational approach for probing the linear indirect effects of independent variables on an explanatory variable (Hayes & Matthes, 2009). The greatest benefit of the PROCESS OLS regression approach is the opportunity to estimate the effect of the interaction on different levels of the variables. In practice, this means analyzing how one independent variable moderates the effect that another independent variable has on the dependent variable. The interaction is calculated from a product term of the two independent variables, meaning that a significant interaction does not necessarily entail a correlation between the independent variables. This is a remarkable improvement in comparison to a traditional linear OLS model, which cannot explain the effect of the interaction dynamically with regard to the level of the variables. In comparison to maximum-likelihood –models, the benefit with the OLS regression is mostly practical. The OLS regression is perhaps the most used regression method among social scientist and students, thus making the results more universally approachable to researchers, students and practitioners (Hayes, 2013).

The statistical inference of the effects found by regressing performance on the independent variables is determined by a confidence interval of 95 % and expressed also in terms of the p-value of the null hypothesis. The indirect effect, or the moderation effect, is inferred with a Bootstrap confidence interval consisting of 1,000 bootstrap samples. The Bootstrap confidence interval is a resampling method suitable for non-normally distributed variables, where the use of normal theory approach of statistical inference is susceptible (Hayes, 2013). In bootstrapping, the original sample is treated as a miniature representation of the population originally sampled, and observations in this sample are then “resampled” and some statistics of interest are calculated in the new sample constructed through the resampling process. Repeated over and over, 1,000 times in this case, a representation of the sampling distribution of the statistic is constructed empirically and used for the inference of effects. Bootstrap confidence intervals can better respect the irregularity of the variable’s sampling distribution and thereby produce inferences that are more likely to be accurate than when the normal theory approach is used (Hayes & Matthes, 2009).

The study thus also operationalizes a new method in the field of public governance that answers to the more general epistemologic argument that the focus needs to be shifted from studying direct effects to depicting more in detail the complex constellations in the modern public sector (Sayer,

2010). In effect, this means analyzing the causal mechanisms, consisting of interdependencies of institutional, organizational and agency factors producing and reproducing certain outputs, instead of asking to what extent a factor affects the output.

The impact of government agencies on collaborative performance

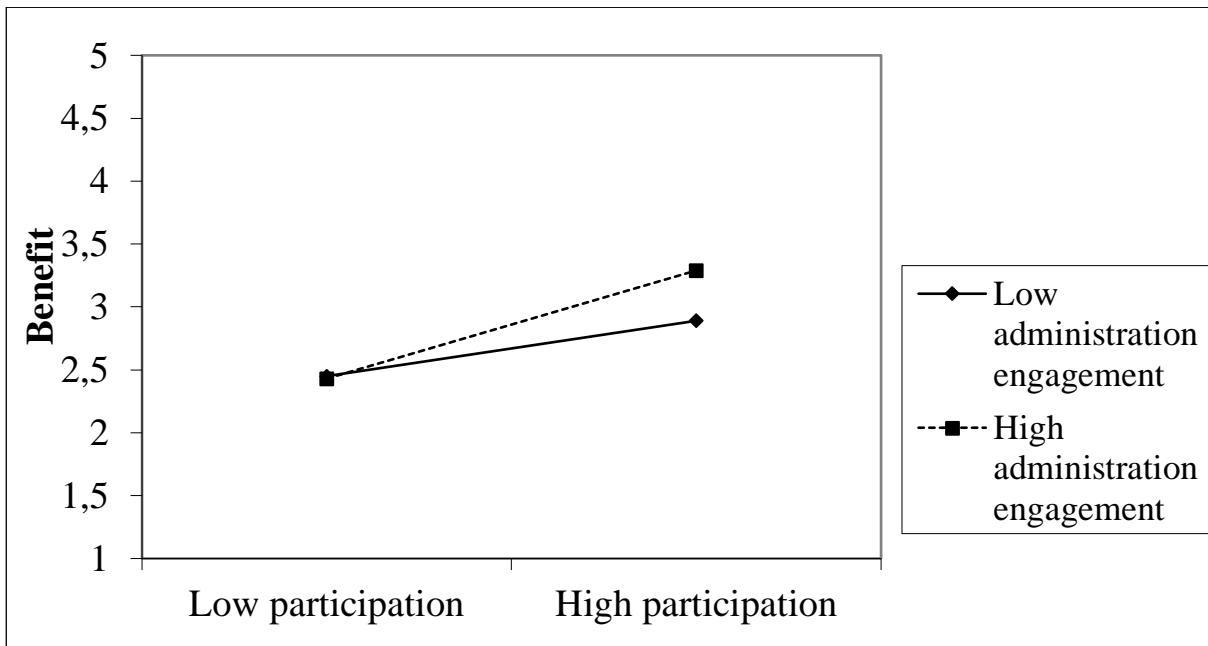
It is clear that the extensive regional and local level project activities represent a considerable potential for increasingly place-based and spatially integrative regional development processes. In the theoretical section, we argued that collaborative actions can be expected to have beneficial impacts on policy implementation by decrease in conflicts and implementation resistance, and that participatory actions can be beneficial for the performance of collaborations by creating a joint responsibility, which facilitates an effective generation of solutions to the policy problem in question. The essential question is, however, what impact the government agencies, or the administration, have on the collaborative and participatory policy implementation. Theoretical arguments were raised both in favour and opposition for the effect that the government agencies have on collaboration and participation, leaving the judgement to an empirical scrutiny. According to our analysis of regional development projects, the government agencies seem indeed to increase the performance gains from collaborative and participatory actions in the projects (Table 3, Figure 2 and Table 4, Figure 3).

Table 3. The moderating effect of administrative engagement on the relationship between participatory actions and project performance.

Model	coefficient	se	t	p	LLCI	ULCI
Constant	2.762	.045	61.071	.000	2.673	2.852
Administration engagement	.032	.016	2.047	.042	.001	.065
Participation	.046	.007	7.000	.000	.033	.059
Participation * administrative support	.005	.002	2.733	.007	.002	.009
Dependent variable: Project benefit	R ² =.33, p<.000, F(3, 171) = 28.52					

Conditional effect of X on Y at values of the moderator:						
Administration engagement	Effect (B)	se	t	p	LLCI	ULCI
-2.8502	.0308	.0091	3.3733	.001	.0128	.0489
0	.0459	.0066	6.9999	.000	.0329	.0588
2.8502	.0609	.0079	7.6941	.000	.0452	.0765

Figure 2. The moderating effect of administrative engagement on the relationship between participatory actions and project performance.



The regression analysis of the moderating effect of administrative engagement on the relationship between participatory actions and project performance ($n=175$) was significant and explained 33% of the variance of the dependent variable, $R^2 = .33$, $F(3, 171) = 28.52$, $p < .001$. Both independent variables and the interaction were significant. The significant interaction is described in detail in table 3 and depicted in figure 2. As can be seen, when administrative engagement is low the effect of participation on performance is relatively small ($B = .031$, $p < .01$). However, when administrative engagement is high the beneficial effect of participation on benefit is larger ($B = .061$, $p < .01$).

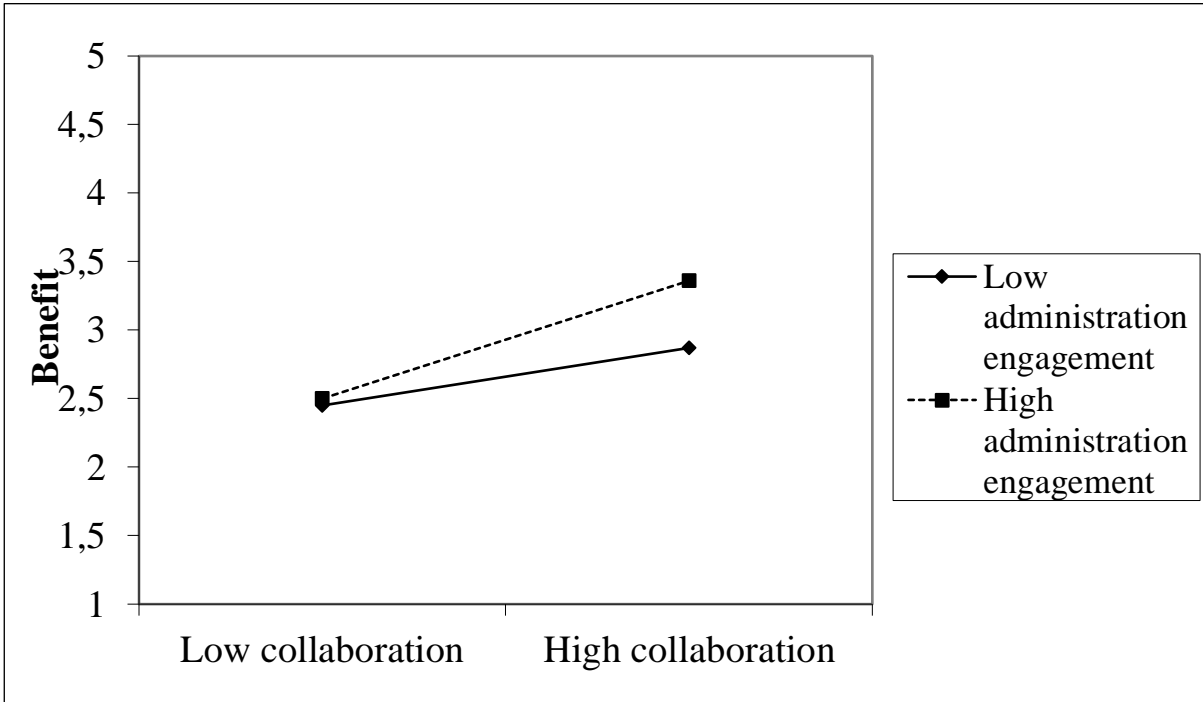
Table 4. The moderating effect of administrative engagement on the relationship between collaboration and project performance.

Model	Coefficient	se	t	p	LLCI	ULCI
Constant	2.797	.043	65.527	.000	2.713	2.882
Administration engagement	.048	.015	3.158	.002	.018	.078
Collaboration	.716	.010	7.271	.000	.052	.091
Collaboration * administration engagement	.009	.003	2.831	.005	.003	.015
Dependent variable: Project benefit	$r^2=.35$, $p<.000$, $F(3, 177) = 31.63$					

Conditional effect of X on Y at values of the moderator						
Administration engagement	Effect (B)	se	t	p	LLCI	ULCI
-2.8373	.0472	.0144	3.2722	.0013	.0187	.0756

0	.0716	.0098	7.2707	.000	.0521	.091
2.8373	.096	.0116	8.2637	.000	.0731	.1189

Figure 2. The moderating effect of administrative engagement on the relationship between collaboration and project performance.



A second regression analyzing the moderating effect of administrative engagement on the relationship between collaboration and project performance reveals a similar pattern. The regression (N=181) was significant and explained 35% of the variance in the dependent variable, $R^2 = .35$, $F(3, 177) = 31.63$, $p < .001$. Both independent variables and the interaction were significant. The significant interaction is described in table 4 and depicted in figure 3. As can be seen, when administrative engagement is low the effect of collaboration on project performance is relatively small ($B = .047$, $p < .01$). When administrative engagement is high the effect of collaboration on benefit is remarkably larger ($B = .096$, $p < .01$).

The above analyses show that neither extensive collaboration nor participatory actions as such necessarily are beneficial with respect to project performance if the engagement of the administration in governing the project is low. The potentially beneficial impacts of participation and collaboration increase considerably when governmental agencies are highly engaged in the project activities. It thus appears that governmental agencies at least within a state centered administrative tradition have a considerable influence on the projects by facilitating the activities towards the target area of the regional development policies, which raises the question to what extent the actors involved in the activities of such a system need to operate according to a bureaucratic logic also in a collaborative project context. The following analysis indicates that this is the case.

The third regression analyzing the moderating effect of project manager's belief in the project logic (N=175) was significant and explained 42 % of the variance in the dependent variable, $R^2 = .42$, $F(7, 167) = 17$, $p < .001$. Both independent variables and the main interaction with the moderating variable were significant. The effect of the moderating variable is further scrutinized on levels of low, medium and high project logic belief. As can be seen, when the PM's belief in the project logic is low, the effect of the interaction of administrative engagement and participation on project performance is higher ($B = .0124$, $p < .001$) than when the PM's belief is on a medium level ($B = .0069$, $p < .01$). The mediating effect when PM's belief in the project logic is high, furthermore, is not statistically significant ($B = .001$, $p = .545$).

Table 5. The moderating effect of project manager's belief in the project logic

Model	Coefficient	se	t	p	LLCI	ULCI
Constant	2.776	.043	64.086	.000	2.691	2.862
Administration engagement	.042	.016	2.597	.010	.010	.073
Participation	.046	.006	7.124	.000	.033	.059
Participation*administration engagement	.007	.002	3.182	.002	.003	.011
PM project logic belief	.099	.024	4.137	.000	.052	.146
Participation * PM project logic belief	.003	.003	.906	.366	-.004	.010
Administration engagement * PM project logic belief	-.007	.010	-.682	.496	-.026	.013
Participation * administration engagement * PM project logic belief	-.003	.001	-2.953	.004	-.005	-.001
Dependent variable: Project benefit	$r^2 = .42$, $p < .000$, $F(7, 167) = 17$					

Conditional effect of administration engagement * participation interaction at values of PM project logic belief						
PM project logic attitude	Effect (B)	se	t	p	LLCI	ULCI
(Low) -1,8603	.0124	.0033	3.739	.0003	.0059	.019
(Medium) 0	.0069	.0022	3.1818	.0017	.0026	.0112
(High) 1,8603	.0014	.0023	.6072	.5446	-.0032	.006

The analysis confirms that government agencies are capable of moderating participation towards effective project driven policy implementation. Furthermore, the administration also enhances performance gains from collaboration between different actors involved in the projects. The facilitating capabilities of the administration are, however, dependent on the project manager's responsiveness to the bureaucratic rationale of the administration. If the project manager have strong believes in the project logic, administrative engagement does not have a significant moderating influence on the ways in which collaborative and participatory actions affect project performance.

Conclusions

Approaches to collaborative governance in the EU, and in particular in the Nordic welfare states with an extensive public sector, rely heavily on a widening of the distribution of resources through enforced interactions between state and non-state actors. The states however also face the challenge of managing tensions between bureaucratic and collaborative ideals. Thus cross sector collaborations vary, not only depending on the explicit motives of the involved actors, but also due to confrontations between the different rationales, traditions and procedures that the actors represent.

The results presented in this article show that government agencies, by influencing collaborative procedures, have a considerable impact on the performance of collaborations. Collaborative and participatory actions are indeed facilitated towards performance gains by means of an extensive involvement of government agencies. Conversely, performance gains from collaboration and participation are lower when their involvement is limited or non-existent.

Assumptions presented in some interpretations of collaborative governance (cf. Donahue and Zeckhauser, 2011, 286) about government agencies decreasing collaborative gains, for instance by stiffening collaborative and participatory activities or by simply playing the wrong game in discriminating among potential collaborators, are not as such supported by our results. However, government agencies expect non-state actors to play the *right* game. It is clear that government agencies have a considerable moderating influence on the relationship between collaboration and performance and, more importantly, the influence is further strengthened if project managers are responsive towards the bureaucratic rationale of the administration.

These collaborative patterns may very well be beneficial for achieving policy objectives in a narrow sense, i.e. objectives close to the target area of the respective policies. It is, however, questionable to what extent they facilitate innovation, change and other payoffs beyond the policy targets, that is benefits which project organisations are usually expected to generate provided that they are granted sufficient discretion. Collaboration always means shared discretion but government agencies appear rather reluctant to sharing discretion extensively. They maintain their managerial role also in a collaborative context. Future research should increasingly scrutinize the effect of facilitated collaboration on public innovation.

Even though it has not been possible to explicitly include system specific contextual factors in the analyses presented in this article, the Finnish administrative structure and tradition are important for understanding subnational collaborative patterns, especially the significance of government agencies. We have particularly emphasized the significance of the state centered features of the system, i.e. the strong ministerial powers supplemented by a pronounced top down tradition as for administrative reforms, high level of trust in public institutions and a fragmented regional level administrative structure causing incentives for coordination and control. Somewhat paradoxically, EU Structural Fund programmes have strengthened the central state's representation in the regions (cf. Kull, 2009). It appears that the fragmented administrative structure has had similar consequences. Future studies should scrutinise the question by comparing the facilitative capacity of the State in collaborative public policy implementation within different administrative traditions.

More generally, the study proves further evidence on the importance of a more holistic approach for analyzing the complex collaborative constellations in the modern public sector. Instead of asking to what extent organizational or procedural factors influence performance, the focus needs to be shifted to the causal mechanisms, consisting of interdependencies of institutional, organizational and agency factors producing and reproducing certain outputs. Especially in transformative public policy, where the State has a strong mandatory governing role, the interactions must be accounted for to understand variations in performance. New computational probing approaches, such as the OLS regression based PROCESS macro, offer robust and comprehensive tools for analyzing these interactions.

Many studies of collaborative public governance, of which some in the Cohesion Policy implementation, have shown that there is considerable variation both between and within states, and that administrative traditions and pre-existing relations still play an important role cf. (Hooghe, 1996; Bache, 2012; Charron 2013). Finland is no exception in this respect. There is still an evident need for comparative analyses for explaining these variations, particularly the effects that collaborative patterns have on performance as well as on policy implementation in a wider sense.

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Appendix

Table 3. Descriptives of independent and dependent variables.

	Administration engagement	Participation	Collaboration	PM project logic	Benefit
N	210	272	305	315	272
Missing	518	456	423	413	456
Mean	6.55	24.22	17.26	10.18	34.27
Median	8.00	24.00	17.00	10.00	35.00
Std. deviation	2.95	7.27	4.61	1.98	8.45
Range	14	32	22	11	46
Min	4	12	6	4	12
Max	8	44	28	15	58

Table 4. Descriptives of the composition of the independent and dependent variables.

Composite variable	General survey question	Specification	N	Mean	SD
Administration engagement	Estimate the influence by the organization that has been represented in the steering group over the activity of the project (1=very low influence and 5=very high influence):	Regional cooperation group	227	1.8	1.184
		Regional council	280	3.32	1.377
		ELY centre	247	2.61	1.528
		AVI centre	222	1.61	1.078
Participation	Estimate the influence of the following channel for participation in the project (1=no influence and 5=very high influence):	Social media (Facebook, Twittter etc.)	293	1.66	1.149
		Campaigns and petitions	289	1.29	.824
		Discussion events, seminars and panels	306	3.33	1.361
		Cooperation with local councils and town meetings	297	1.53	1.003
		Cooperation with organizations and associations	297	2.02	1.347
		Customersurveys	292	2.46	1.516
		Voluntary work	289	1.4	1.023
		Press releases	308	2.97	1.341
		Direct contact to trustees	297	2.4	1.394
		Direct contact to public officials	304	3.05	1.373
		Direct Contact to government bodies	289	1.63	1.108
		Appeals	284	1.11	.471
Collaboration	To what extent did the following actors cooperate with the project? (1=not at all and 5=to a very high	Local inhabitants	311	2.47	1.290
		Organizations and association	312	2.79	1.395
		Companies	314	3.61	1.262
		Municipal officials	314	3.28	1.284

	extent)	Regional officials	313	3.09	1.199
		Politicians	311	2.03	1.134
PM project logic	Please answer the following claims (1=Strongly disagree and 5=Strongly agree)	Projects are a good way to increase the local inhabitants opportunity to participate in regional and local matters	316	3.66	.986
		The results of the projects are capitalized on in the regional and local decision making	316	3.08	.886
		Projects are the most efficient way to get things done	316	3.43	.969
Benefit	How beneficial was the result of the project for the following group or actor? (1=very low benefit and 5=very high benefit)	Local inhabitants	303	3.02	1.313
		Local associations	299	2.59	1.311
		Special groups (elderly people, the youth etc.)	298	2.4	1.377
		Own organization or company	303	3.71	1.307
		Other company	304	3.5	1.158
		Research institutes	298	3.12	1.295
		Organizations or coalitions	295	2.41	1.208
		ELY centres	294	2.59	1.3
		Regional development bodies	294	2.9	1.318
		Local administration	297	3.1	1.277
		Regional council	296	2.99	1.232
		The ministry of employment and economy	289	2.19	1.161