

Governance in Regional Development—Between Regulation and Self-regulation

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Abstract This article examines the relationship between regulation and self-regulation in network governance. The comparative analysis is based on quantitative data collected in regional development networks in the Nordic countries. The theoretical debate, in which this analysis is embedded, focuses on the paradox in the way the relationship between regulation and self-regulation is described in network governance approach; the networks are seen to be self-organising, and yet the steering role of governmental bodies is emphasised. The results indicate that regulation and self-regulation are more than counterforces: they can coexist and affect the operations of the networks simultaneously.

Keywords Network governance · Regulation · Self-regulation · Regional development networks

Introduction

Approaches to network steering, such as network management and meta-governance, suggest that government and (network) governance are not so divergent after all; instead they form a hybrid tool of guiding social processes.

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Without a question, this activity can be considered as a very challenging one: networks are supposed to be self-governing and very sensitive to interventions from outside. Yet, they often have difficulties in contributing to the efficient governing of society resulting from lack of mandate, resources or other facilitating elements from local and state government. Governance failure and success are probably directly in connection to the equilibrium between these two forces.

Regional development is a field, where actors from various institutions and levels have been recently seeking new forms of governance. Nordic countries can be described as forerunners in these cooperation-oriented activities and thus provide an interesting field to study this phenomenon. (see e.g. Bogason 1998) What, then, is the relation between regulation and self-regulation in regional development networks in the context of different countries? How do the different Nordic countries take advantage of the governing capacity of networks? And are they still able to ensure the requirements and needs of the national state?

We approach these questions using a quantitative data collected in Finland, Sweden, Norway and Denmark. Our focus is on theorems which, on one hand, reflect the networks' ability to define their agenda and members and, on the other, deliberate restrictions set for the networks by governing bodies. These dimensions represent the studied networks' active and passive role in relation to regulations and governance. The active, self-regulation side illuminates network's ability to determine its operational environment, the *network's power to govern*. Passive side, for its part, represents the *governing bodies' power over the network*.

Our survey data is collected from actors in similar networks operating in the field of regional development in all four countries. In Sweden, the target networks are Regional Partnerships that constitute a central part in the work of regional growth programmes. Finnish networks under scrutiny are the Regional Management Committees that are responsible for coordinating and financing Regional Strategic Programmes. In Denmark four types of networks are in focus: Regional Councils, Regional Forums for Growth, Health Coordination Networks and Municipal Contact Councils. In Norway, the target networks are the Regional Development Programmes.

Three approaches on how to regulate the "self-regulated" networks presented by Neil Gunningham (2009) provide the theoretical framework for the empirical analysis. *Definitional guidance* refers to a form of regulation, where the state defines the nature of collaborative governance arrangement, e.g. its composition and tasks. *Participatory incentives* consist of inducements and punitive sanctions for the actors set by the state. *Enforcement capability* refers to state-provided enforcement role to ensure that regional development networks fulfil their obligations. Background information on the networks and on the governing systems of the countries in question plays an essential role in this contemplation.

Approaches to network regulation and self-regulation

Neither regulation nor self-regulation solely dominates the operations of governing networks. In practice, they operate on different levels of autonomy, disparities existing both between the networks and in different parts of their activities. Dependency between participants and shared resources makes networks self-

organising, albeit also the self-organising networks with extensive power to govern recognise the need for coordination (Parker 2007; Schout and Jordan 2005).

Hence, governance inherently includes the regulative side as well. Steering is a form of direction. Direction involves the bipolar dimensions of those who govern and those who are governed, even if networked governing bodies have undoubtedly shaped and changed the forms and means of steering. (cf. Kooiman 2003, 115–117.) The regulative side forms the governing bodies' power over the networks.

Theoretical approaches to networks' power to govern

In network governance research, the emphasis is mainly on the self-organising side of regulation—self-regulation axis. Dependency between the members ensures that the entities they form are autonomous and self-governing. Any single superior actor can not control the operations. Even the government lacks the power to exert its will over the other actors in the networks (see e.g. Klijn and Koppenjan 2000, 140–142; Rhodes 2000, 61; Kickert 1993, 275). As a result, the participants in the networks only have sufficient power if they operate together. This enables the networks' power to govern.

Schout and Jordan (2005) and Parker (2007) have, among others, presented similar approaches, where networks are defined based on how much self-steering ability they have. In this viewpoint, networks can be set on a continuum depending on their character and organisation. At the one end, there are strong networks with fixed organisations, a structured network. In the other end, there are weak informal networks, which can simply be regarded as networking (Schout and Jordan 2005, 209–211; Parker 2007, 118–119).

Networking represents the informal, weak end of the continuum, and it can be passive by nature: networking only requires people to be in a given place at the same time (Parker 2007, 118–119). Weak networks do not have a steady organisation, pre-arranged appointments or formal decision-making patterns. These networks necessitate management to show what needs to be changed (Schout and Jordan 2005, 209–211).

Strong, structured networks demand an active orientation. They also have the ability to produce new ways of thinking and acting, since they challenge people to think differently. A network structure can fulfil the steering role, as it is able to influence one's behaviour and "set directions". To achieve this, the network has to be both broad and dense. Breadth ensures the capability to perceive the pursuit of all the different actors and institutions acting in the network, who have an impact on the governance outcomes. Density, again, secures the flow of information and the possibility to negotiate inside the network (Parker 2007, 118–119; Keast et al. 2004, 368). Pre-arranged schedules, regular participants and shared goals are also essential features of strong networks. The extent of the strength varies from a secretarial role to moderate, and eventually, to the strongest kind of influence, where the network has the ability to affect the strategic tasks. These tasks include e.g. calling of new participants and auditing the operation of the network (Schout and Jordan 2005, 209–211).

This kind of view to networks focuses on the self-steering ability from the networks' point of view. Strength and weakness are seen as characteristics of the

networks. However, also the steering bodies can be considered active and their operations can be itemised based on different forms and means of regulation.

Theoretical approaches to governing bodies' power over the networks

When approaches focusing on networks and networked governance mainly emphasise the networks' self-steering ability, meta-governance approaches underline the regulative side, the governing bodies' power over the networks. Meta-governance refers to the 'governance of governance' focusing on how political authorities are engaged in guiding the 'self-organisation of governance' through rules, organisational knowledge and other political strategies (Jessop 2003a; Whitehead 2003, 7).

Meta-governance approach suggests that government and governance form a hybrid form of governance that operates in the shadow of hierarchy (Scharpf 1994). The public bodies play a major role in governance by providing the ground rules and a regulatory order in and through which the governance partners can pursue their aims. They also define the organisational forms and objectives, and organise the conditions for self-organising (Jessop 2003b, 15). The public managers and politicians are responsible for making governance networks functional since they are the ones to make strategic decisions and defend public good. Meta-governance can be seen as a reflexive direction process in which the coordinator must constantly bear in mind that networks aren't supposed to loose their self-regulation ability in the process (Sørensen and Torfing 2009, 235–246).

Compared to the views presented in the context of networks' power to govern, the whole perspective of meta-governance approach differs significantly: the former stresses the networks' strength or weakness defined by their self-steering ability solely from the perspective of the networks, whereas the latter focuses on networks from the public bodies' point of view. Not only is it allowed for the governing bodies to participate in the networks' operations, but it is their duty as watchdogs for the public good. In this paper, the manifestations of these dimensions in the examined networks are discussed in a framework of three forms of meta-governance.

Three forms of meta-governance

In order to review the characteristics of the networks they have to be researchable. This was also a criterion for the selection of the networks in this study. Researchable networks are unavoidably more regulated than self-regulated as the latter ones are basically unattainable. Hence, a theory that focuses on the regulative side and its forms and manifestations is practical in analysing the different dimensions of regulation and self-regulation of Nordic regional development networks.

We utilise a framework presenting three steering roles of the state as a tool to analyse the different dimensions of network regulation. These dimensions were originally presented by Neil Gunningham (2009), but we have adapted the content of these three forms of metagovernance slightly to better serve our purposes. Another difference with Gunningham's original approach is that he does not consider the different dimensions directly as meta-governance, but only refers to three roles of state in governance.

In this paper, *definitional guidance* refers to the state describing the nature of the collaborative governance arrangement. This dimension includes, for instance, what issues are to be addressed, who is able to participate, what are the geographical boundaries, what is the networks' legally defined status, what performance outcomes are expected, what funding arrangements are to be established and what is the operational relationship to other institutional structures. In this paper, we focus on spectrum of dictated matters—which matters are regulated?

Enforcement capability refers to state-provided enforcement role to ensure that regional development networks fulfil their obligations. In our contemplation, it completes the prior regulatory role by specifying the means that the steering bodies use to direct the networks: What are the means of enforcement and how coercive are they?

Participatory incentives consist of inducements and punitive sanctions for the actors set by the state. In this study, we concentrate on the positive incentives. How do the actors in the networks perceive the nature and the amount of power that the networks have according to their mandate. We concentrate on the positive incentives set by the governing bodies focusing on different forms of power given to the networks, for example a mandate to make decisions and allocate resources and an ability to influence in implementation.

Even if the three dimensions of steering seemingly only cover the governing bodies' power over networks, the networks' power to operate is also included implicitly. For example, if the composition of the networks is defined by the law, the network does not have the ability to define its members.

Regional development in the Nordic countries

Regional administration has been reorganised lately in all the studied countries. In most of them, major changes are still underway (see e.g. Viinamäki and Salminen 2008, Neubauer et al. 2007, 4). Swedish regional policy has shifted from being a highly centralised, national government policy aimed to lag or decline regions into a more decentralised one promoting growth and vitality in all regions (Östhö and Svensson 2002). In Finland, a similar shift from state-centred and sector-based regional development towards a more decentralised model started in mid-nineties, when the responsibility of regional development was transferred from provincial state offices to joint municipal authorities. Although the decision-making has been directed closer to the regions, there is still a competitive relationship between the state level and municipal level concerning the power in regional development. (Valle 2002, 11.) Danish regional policy and its regional administration are currently undergoing a process of substantial change. From the beginning of 2007, the previously existing 14 counties were replaced by five regions, which, among other tasks, are responsible for regional development (Viinamäki and Salminen 2008, 58). In the autumn of 2006 the Norwegian Government presented a White Paper concerning the distribution of responsibilities between the different levels of government. The aim of this reform is to establish stronger and larger regions by decentralising power from central government to new regions. The intention is to implement the reform in January 2010 (Ministry of Local Government and Regional Development 2008).

There are certain similarities concerning the basic structures and tasks of regional level institutions. Similar goals are set within regional policy in different Nordic countries: economic growth and regional competitiveness are sought in regional development plans and programmes. These plans are formulated to help the coordination of different initiatives within various sectors to meet the local and regional needs and conditions. In the programmes, regions define their objectives and priorities and also develop a plan for financing, implementing and evaluation of the initiatives. Aim of the programmes is to coordinate the relatively fragmented governmental structure (Gjertsen 2002).

At the same time there are a number of important differences between the Nordic Countries concerning the implementation systems and governmental bodies working on regional policies as well as divergences in administrative and political cultures (See e.g. Viinamäki and Salminen 2008; Neubauer et al. 2007). In Norway, Sweden and Denmark, there are directly elected bodies in the regional level, whereas in Finland, there are direct regional elections only in one region, where a regional self-government experiment is under way. Generally, the municipalities in Finland select their representatives for the regional bodies. The three EU Member States (Finland, Sweden, and Denmark) are clearly influenced by the EU's own Regional Policy and the revised Lisbon Agenda focusing on innovation and entrepreneurship (Neubauer et al. 2007).

The networks selected for this article are involved in formulating and/or implementing the crucial plans or programmes aiming to steer the regional development. Deriving from that, they can be considered as important actors in the field of regional development in the Nordic Countries.

Studied networks in the framework of three forms of governing networks

Our contemplation of three state governing roles is based on the background information of the networks and the governing systems of the countries in question. First, we describe the state and recent changes of regional development in each country. Then, we define the studied networks' position in relation to each of the three dimensions based on background information in each country. Finally we compare this information with the research data. Does the relationship between the background data of regional development networks in the respective countries and the survey data appear as consistent?

Sweden

In Sweden regional policy is a responsibility of The Ministry of Industry, Employment and Communications. There are also many governmental agencies involved within the area of regional policy, e.g. The Swedish Business Development Agency, The National Rural Development Agency, and The Swedish Institute for Growth Policy. At the regional level the 21 County Administrative Boards or municipal co-operation bodies are responsible for regional development. There are also two self-governing regions with elected regional parliaments, and 18 County Councils.

The target networks of this study in Sweden are Regional Partnerships. According to the guidelines for the programmes, regional partnerships are supposed to

constitute a central part in the work with regional growth programmes. The guidelines state that the partnerships' composition should reflect all the different actors that work with questions concerning sustainable growth. Representatives for private, public—including State authorities—and non-profit sector should therefore be included. This way, a coherent view and collaboration around common growth questions can be created in the partnerships (Nutek 2004). As a result, the definitional guidance directed to Swedish regional development networks is quite remote. There are guidelines that describe the purpose of the networks and the groups that should be included. However, steering is not very far reaching in its nature. The enforcement capability follows the same lead. Guidelines for the programmes are rather consultative than compelling.

The structure of the system appears elusive in a sense that the regional development has roots in several regional bodies. The County Administrative Boards, representing the state at the regional level, have traditionally been responsible for regional development activities, including programmes of this kind. However, in some regions the County Administrative Board is nowadays responsible only for coordinating and running the regional growth programme process. In regions where regional self-government bodies or municipal coordination bodies have been formed they have inherited the responsibility for the growth programme from the County Administrative Board.

In the case of Sweden, the positive participatory incentives are also quite bland. The responsibility to develop and implement the Growth Programmes lies within the entire partnership, but the partnership has no formal mandate to make decisions. The network has no power over the participants. Instead, each actor decides on different measures independently (Statskontoret 2004; Nutek 2004). This means that regional authorities have loyalties both within their sector (sometimes through a supervisor central authority) and vis-à-vis the other members in the partnership (see also Airaksinen and Åström 2009).

In total, the Swedish regional development networks are not very strictly governed. This does not mean, though, that the self-steering role is strong either. Based on the background data of the networks, their power on implementation is also restricted.

Finland

In Finland the regional level consists of two overlapping structures: Regional State Administration and Regional Municipal Administration. Regional State Administration signifies authorities functioning within the administrative sectors of ministries. They enable ministries to carry out their responsibilities at a regional level. Authorities responsible for regional administration can be characterised as expert organisations. In addition, each ministry has several district authorities within its sector of administration. They are responsible for the administration of their own operations as well as various tasks involving research, guidance, supervision, information and reporting. Regional Municipal Administration in Finland is conducted by nineteen Regional Councils, which are statutory joint municipal authorities. They operate as regional development and regional planning authorities.

In Finland, the networks under study are Regional Management Committees, which are pointed by the Boards of Regional Councils. Finnish Regional

Management Committees represent a highly regulated form of networks working in the field of regional development. Both enforcement capability and definitional guidance of the state are strong. When it comes to the definitional guidance, the composition, tasks, decision-making principles etc. are defined in the Act on Structural Funds (2006/1401). Due to the statutory nature of the networks, the enforcement role of the governing bodies is also solid.

The Regional Management Committees are responsible for coordinating and financing the Regional Strategic Programmes. They contribute in preparing the annual Implementation Plans and are also responsible for executing EU programmes. Their power in coordinating the monetary transactions from the EU and their role in implementation indicates a high degree of inducements set by the steering bodies. The Regional Management Committees consist of representatives from three equally important groups: municipalities, state authorities and private and third sector representatives (Valle 2002). Based on the background information, Finnish regional development networks thereby differ significantly from the Swedish networks, when it comes to the regulation—self regulation axis and its three studied dimensions. Finnish networks are subject to stricter directions, but there again, have a stronger mandate.

Denmark

Denmark has made a name for itself in respect of its decentralised model of governance. It has also distinguished with a number of innovative solutions in relation to public management (Neubauer et al 2007). Danish political system consists of three levels: national, regional and local level. At the national level general policies are conducted, providing the overall framework within which the regional and local governments act relatively autonomously. There are five self-governing regions, although they don't have taxation power. The five regions, each headed by their directly elected Regional Council, are responsible for the health sector, regional development and larger operation tasks for the municipalities. Following the Danish reform, a range of new networks has been established: The Regional Forums for Growth and the Health Coordination Networks have been put in place to increase communication and cooperation between the local and regional level, with the state as meta-governor. Local Government Denmark has established the Municipal Contact Councils in each of the five regions to strengthen the organisation in relation to the regions.

In Denmark, we studied four types of networks: The Regional Councils, The Regional Forums for Growth, Health Coordination Networks and Municipal Contact Councils. Deriving from inclusion of several different types of networks, a clear definition of the operation of the networks as an entity is hard to construct. However, the self-steering ability of the networks appears similar to the Finnish regional development networks. Solid definitional guidance and enforcement capability are ensured by statutory status of the networks. The tasks of the Regional Councils are very specifically defined in “L 65: Law on regions and on the dismantling of counties, the Capital's Development Council and the Capital's Hospital Community of June 9th 2005”. Regional Forums for Growth have been established by law in each of the 5 new regions to strengthen the industrial and commercial development

in the regions across municipal borders. The main tasks and the composition of the Regional Forums for Growth are defined in Law on promotion of trade, business and industry. Each forum is to consist of 20 members, appointed by the respective Regional Councils. Coordination Network includes representatives from the region, the municipalities in the region as well as the practice sector, established in all five regions with the overall aim of strengthening the coordination and cooperation in public health, especially in regard to patient groups that need service in the hospital sector, practice sector and municipalities. They are formed by the respective Regional Council in cooperation with the County Councils.

With the national structural reform, the role of the municipalities has grown in the area of regional policy has grown. The Municipal Contact Councils have been established in each of the five regions to coordinate the cooperation of County Councils in the respective regions. They function as forums for meeting and dialog, where representatives from the municipalities in the region discuss, consider and coordinate viewpoints on areas with a regional political dimension, comprising public health, public transportation and the development of regional conditions for growth. The Municipal Contact Councils do not have the mandate to make formal decisions, but their recommendations are to be followed up by formal decisions in the Regional Council and the County Councils.

Due to several networks being studied, the decision-making power of the networks is not unified. However, as an entity, the networks strike as influential bodies possessing authority on implementation, thus being subjects to positive governing incentives.

Norway

Norway is often cited as one of the best examples of a country where the balance between urban and rural areas, geographical core and periphery is consistently emphasised in regional policy (Neubauer et al. 2007). The Norwegian political system consists of three levels, which all play important roles in regional development. The Ministry for Local Government and Regional Development bears the responsibility for co-ordinating overall governmental activities influencing regional development. The national level maps out the general policies and guidelines for the regional and local level, but the regional level has also become increasingly important in shaping development policies (Gjertsen 2002). In Norway, the regional state agencies as well as the nineteen regionally elected County Councils are important public actors. The municipalities are central to the implementation of the regional development projects formed at regional level.

Regional Development Programmes studied in this paper are negotiated agreements, in which the content varies according to the negotiation power of the participants in the working groups formulating the programme. Several actors are included in the process of formulating the annual programme, as well as in financing and implementing the programme. As the Regional Development Programmes include projects that are implemented and co-financed by a wide range of actors, for example companies. The networks are in practice mandatory. In 1997/8 the Ministry of Local Government and Regional Development recommended all counties to develop Programmes of Regional Development, and gave clear instructions who to

be invited into these programmes. So, the representation is to a certain extent regulated, even if the counties have the opportunity to include other actors as well. In comparison to other countries scrutinised, we interpret that the definitional guidance in appointing members to the network is stricter than in Swedish networks but not as firm as in Finland and Denmark. Means of enforcement are limited, since they are not based on legislation.

Various actors are expected to bring financial resources to the table in the networks. Public sector actors are the most important financiers, but when private interests are involved, private actors co-fund the development and the implementation of projects (Gjertsen 2002). In the framework of power as a form of positive incentive, the participants' role as a resource provider ensures them a solid position in resource allocation and in implementation.

Data and measurement

The survey was carried out by a team consisting of researchers from each of the Nordic countries, connected by Nordic Network of Democratic Network Governance Research. The same researchers were responsible for the actual conduct of the survey in their particular countries. The questionnaire was first written in English, and then translated to the respective Nordic language by national teams of researchers. The survey was conducted in all the five countries between July 2007 and January 2008. In most of the countries, there were two rounds of following-up. General information on the survey is presented in the next table.

The size of total sample selected for this study is 1911 and the size of final group of respondents is 653, which gives a response rate of 34%. As seen in Table 1, the

Table 1 Technical information of the survey

Technical information				
Country	Responses	Response rate	Time of conducting the survey	Target networks
Norway	81	28%	July 2007–September 2007	Programme of Regional Development
Sweden	269	38%	December 2007–January 2008	Regional Growth Plans = Regional partnerships.
Finland	138	30%	August 2007–November 2007	Regional Management Committees
Denmark	165	36%	December 2007–January 2008	The Regional Forum for Growth, The Regional Council; The Municipal Contact Council and the Health Coordination Network
Total	653	Average 34%		

response-rate is relatively low in every country, but quite similar. To enhance the reliability of the results, an analysis on the non-responses was conducted in every country.

In Denmark, the respondents consist of politicians, administrators and private entrepreneurial representatives acting in four selected regional development networks: The Regional Forum for Growth, The Regional Council; The Municipal Contact Council and the Health Coordination network. Coordination of the Danish Regional Development Plan includes all four networks, and the administration and development of structural Funds is primarily a task of the Regional Forums for Growth and the Regional Council. The highest response rate (45%) in the Danish survey is in the group of administrators and the lowest rate (34%) is from the politicians. Still, the group of politicians is the biggest in the group of the Danish respondents, they represent 70% of them. The group of politicians is also the biggest group in the Danish sample.

In Norway, the respondents are participants in the Regional Development Programmes. They include both administrators and politicians from local and regional level institutions. In addition, there are respondents from regional state agencies, universities and research organisations, organisations of employers and employees, the Norwegian Association of Local and Regional Authorities and other interest organisations. The study was conducted in 18 of the 19 Counties. The response rate is highest among organisations of employees and employers (57%) and lowest in county government politicians (14%). The representation of the regional state agencies and the organisations of employees and employers in the survey is higher, whereas the representation of the networks, while the representation of county government politicians is lower than their expected representation in the networks.

The Swedish respondents consist of participants in the Regional Growth Plans in 19 regions. The sample includes politicians and administrators in local and regional level agencies and administrators in regional state agencies. In addition to that, Swedish sample includes third and private sector actors. In the case of Sweden,¹ the group of respondents is quite representative. The local level representation is a little lower and the representation of respondents in universities and private companies is a little higher than in the compared sample.

In Finland, the respondents of the survey are participants of 19 Regional Management Committees (RMC). The sample includes local and regional level politicians and administrators, administrators of regional state agencies and actors from universities and third and private sector organisations. Compared to the average representation of the RMC's,² the group of respondents seems fairly representative, although the local and regional level representation is a little lower and third sector is a little higher than in RMC's. The response rate is highest among third sector respondents and lowest among private actors, universities and municipalities. At first

¹ With the Swedish survey we have compared the respondents with those in Nutek's annual evaluations, which had 75 percent responses in 2005 and 62 percent in 2006. This analysis indicates that our respondents might be fairly representative for the whole population, despite the low response rate.

² The representation is defined in the Act of structural funds (1401/2006).

glance it seems that local level representation is very low: only 15 of the 94 municipal respondents responded. Yet, that all the regional level politicians are also municipal representatives.

The analysis of the non-responses shows that the data is not homogenous, neither between the countries nor between the categories of respondents. Still, the final group of respondents can be evaluated to be fairly representative with respect to the networks studied in this article. The data has some restrictions deriving from the fact that a data collected from international organisations and actors can't be standardised as comprehensively as one collected in regularised environment. However, this "insanitary" nature always exists in studies conducted in a scope wider than just one administrative structure. To avoid incorrect interpretations, we have controlled the background variables in every step of our statistical analysis (See also Airaksinen and Åström 2009).

Analysis

The scrutinised variables are presented above in the left column (Table 2). Variables were selected based on their relevance to the research question. The variables were originally formed using two different six-level Likert-scales (Table 3).

Use of such a multi-levelled scale was not expedient, mainly due to the size of our data. To clarify the analysis, we deleted "mixed opinions" and "don't know, not relevant" from the variables in agree-disagree scale. Then we combined "strongly disagree" with "disagree" and "agree" with "strongly agree". Basically, this means that we created an agree/disagree response task in hind sight.

The variables that were on a scale between "To a great extent"—"Not at all", were also dichotomised. Choices "To some extent" and "don't know, not relevant" were excluded in this scale, too. "To a great extent" and "To a considerable extent" were combined, as well as "To little extend" and "Not at all". As a result, the responses consist simply of "yes" and "no". This scale was reversed in order to harmonise the dichotomies, so that the first row percentage stands for "disagree" and "no" and in proportion "agree" and "yes" are placed in the second row percentage. For the interpretation, we have also condensed the variables into shorter versions in order to ease the reading (See Tables 2 and 3).

General features of the selected data

In addition to the division to three forms of governance presented above, the selected variables can also be divided into ones that emphasise the self-organising side of the networks and others focusing on meta-governance. Since the data is collected from the members of the networks, meta-governance aspect is defined as regulation. Impeding management structure and narrow mandate describe the limitations of the networks: the governing bodies' power over the networks. National and European restrictions refer to the source of this regulation. Influence on implementation, self-defined goals, self-defined agenda and ability to include participants describe the self-steering ability, the networks' power to govern. This differentiation is useful, because even if regulation and self-regulation are conceptual opposites, in our data,

Table 2 Selected variables and their core content

Variable	Core content
The objectives of the network could be obtained in a more efficient manner by less top-heavy methods of management	Impeding management structure
The regional network is usually able to influence the manner in which individual projects are carried out	Influence on implementation
The members of the network have a too restricted mandate for efficient decision making	Narrow mandate
The network has common goals and aims which it has defined itself	Self-defined goals
The network works under strong, national government restrictions	National restrictions
The network works under strong European restrictions	European restrictions
The network has the ability to set it's own policy agenda	Self-defined agenda
The network has the ability to include new participants from outside	Ability to include participants

there are differences between the countries in a more distinguished level as well (Table 4).

First, we focus on the variables concentrating on the general alternation of responses in the data: How do the countries vary in regulation—self-regulation axis. After that, we ponder the main features that define the responses of the respondents in each of the scrutinised countries in the context of the three governing roles of the state. Herein, we also lean on the background data of the Nordic countries in order to create a comprehensive understanding on the differences and similarities in the Nordic regional development networks.

Overall, the Finnish respondents consider their networks to be the most regulated and restricted. In five of the eight studied theorems, the Finnish respondents consider that their hands are more tied than the respondents in other countries. Norwegians represent the opposite opinion: in half of the scrutinised theorems, the Norwegian respondents stand out as they see that their networks are able to operate freely, without afflicting restrictions set by the steering bodies. In this setting, Sweden and Denmark are placed in between the extremes. When focusing on different aspects of regulation and self-regulation in all studied theorems, the alternation between countries is not as simple, though. The countries form a setting with more complex variations.

Table 3 Original values and their content

Value	Two alternative contents of the value	
1	Strongly disagree	To a great extent
2	Disagree	To a considerable extent
3	Mixed opinions	To some extend
4	Agree	To little extend
5	Strongly Agree	Not at all
6	Don't know, not relevant	Don't know, not relevant

Table 4 Distribution of responses in selected variables

	The objectives of the network could be obtained in a more efficient manner by less top-heavy methods of management		The regional network is usually able to influence the manner in which individual projects are carried out		The members of the network have a too restricted mandate for efficient decision making		The network has common goals and aims which it has defined itself		The network works under strong government restrictions		The network works under strong European restrictions		The network has the ability to set it's own policy agenda		The network has the ability to include new participants from outside	
	Dis-agree	Agree	Dis-agree	Agree	Dis-agree	Agree	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Norway	58.9%	41.1%	23.4%	76.6%	73.8%	26.2%	20.4%	79.6%	54.5%	45.5%	91.1%	8.9%	21.8%	78.2%	14.8%	85.2%
Sweden	41.6%	58.4%	61.0%	39.0%	31.5%	68.5%	18.1%	81.9%	36.3%	63.7%	52.7%	47.3%	17.5%	82.5%	26.3%	73.7%
Finland	29.6%	70.4%	68.9%	31.1%	63.6%	36.4%	69.0%	31.0%	70.5%	29.5%	77.8%	22.2%	59.5%	40.5%	49.5%	50.5%
Denmark	48.0%	52.0%	18.6%	81.4%	73.0%	27.0%	25.8%	74.2%	29.2%	70.8%	87.7%	12.3%	21.0%	79.0%	31.6%	68.4%

Norway

When it comes to impeding management structure and narrow mandate, the variables that describe the regulatory side of regulation—self regulation axis, the Norwegian respondents see their regional development networks as least restricted. Norway also distinguishes in scrutiny focusing on the sources of restrictions. European restrictions are not considered to have an effect on the networks' operations. This is expected, since all the other studied countries are members of the EU except for Norway. However, the national government restrictions aren't regarded as restricting either.

When it comes to variables describing the self-regulation ability, Norway no longer stands out as the forerunner. The ability to include new participants from outside is the only theorem, where the self-steering capacity is the highest. However, even if the self-steering side of Norwegian networks is less outstanding than the lack of regulation, they still are able to influence in their operations widely. Even in theorem concerning networks ability to set its policy agenda, where the Norwegians' responses are placed only after Swedes and Danes in their definition capacity, they are set within five percentage units of both of them.

Denmark

In general, the Danish networks are placed at the self-regulation side on the regulation—self-regulation continuum. Mandates are not regarded as too restrictive nor management structures too impeding. Agendas and aims are self-defined. The strong position of the networks shows particularly in the way they are able to influence the project implementation.

The regulation is not completely absent, though. The European restrictions are not considered strong, but the networks are considered to operate under strong, national government restrictions. Attitude towards national restrictions is intriguing, since it's the only variable, where the Danish respondents consider their networks somehow more controlled than the others. Also the lack of ability to include participants deviates from the overview of responses of the Danes. In comparison to other countries, the sphere of Danish networks is relatively restricted in this sense.

Sweden

Swedish networks are the clearest example of a case, where self-steering and regulation can not be simplified as opposite extremes. According to the respondents, the networks are counted as influential in defining their policy agenda, but at the same time they are also highly regulated. The constraints show in all of the variables that describe regulation over the networks. Together with low influence on implementation, the Swedes also see top-heavy management as an impediment for the networks' efficiency. The restrictedness of the Swedish networks shows most evidently in theorem concerning narrow mandate: More than two thirds of Swedes consider their network's mandate to be too restricted, the other countries representing a considerably different viewpoint with much less limited mandate. Swedes situate their networks under strong, national government restrictions and even stronger European restrictions.

When concentrating on variables describing the self-steering ability, Sweden stands out: The Swedish networks have the highest self-regulation percentage in two theorems, self-defined agenda and self-defined goals. The networks are also able to call new members relatively freely. Yet, the influence on project implementation is low in Swedish networks.

Finland

Finnish networks share the regulative nature of their Swedish counterparts. However, generally the Finns' responses distribute in a way that diverges from the Swedes' responses. The limitations of the network also reflect to different forms of self-organising ability of the network. The Finns differ significantly from the other respondents, when it comes to networks' ability to set their own policy agendas. Less than a third of Finnish respondents see that their networks has the ability to set its own goals, whereas more than two thirds of the respondents in all the other countries think accordingly. Networks' ability to set their own policy agenda follows the same lead: twice as many respondents in other Nordic countries consider that they are able to set their network's agenda. The networks' ability to influence the implementation is also seen weak in Finland, but here, the Swedes also assess the ability to effect the implementation as being relatively low.

Altogether, Finland is the most regulated and least self steering country. In all but one theorem Finland is the most or second most restricted country. Surprisingly, the Finnish respondents don't see their networks to operate under strong national restrictions.

How are the three forms of governance manifested in the data?

As stated before, enforcement capability refers to state-provided enforcement role to ensure that regional development networks fulfil their obligations. What are the means of enforcement and how coercive are they? This dimension is completed by definitional guidance. It points to state describing the nature of the collaborative governance arrangement. Which matters are regulated by the governing bodies? In this study the participatory incentives refer to inducements for the actors set by the state. What kind of power incentives do the networks have?

Finland and Denmark—strong definitional guidance through legislative enforcements?

Based on the background data, the enforcement capability in the form of statutory junctions is firmest in Finland and in Denmark. The networks' status, tasks and members are defined legislatively. Nevertheless, in the data these two countries differ significantly. Even though the Finns see their network to operate under strong national restrictions, whereas the Danes don't, the Danish networks have much stronger say in matters concerning self-steering ability.

Theorems concerning self-defined goals and self-defined agenda share the same distribution of responses. All the other networks are considered to be able to set their

own aims, except for the Finnish ones. When revising the order, in which the countries are set in the latter theorem, the Danes are set closest to Finns. Still, the difference is so outstanding that any conclusions drawn about the significance of legal restrictions in Finland and Denmark would be an overstatement.

Ability to include participants from outside is the only theorem, where one could deliberate the possibility that legal mandate has an effect on how Finnish and Danish networks operate. In Finland, the networks are not able to change their composition, since they are set by the Boards of Regional Councils. In Denmark, the situation is similar: the scrutinised networks are formed by the respective Regional Council alone or in cooperation with the County Councils, depending on the type of network. In conclusion, the only thing separating Finnish and Danish statutory networks from Norwegian and Swedish networks, is the composition, more precisely, the ability to change it.

Sweden and Norway—countries of mild enforcements?

The fact that the representation in Norwegian Regional Development Programmes is regulated only up to a certain extent shows in the data. The networks are able to initiate actors from outside. All the other theorems concerning self-organising ability follow the same lead. Still, Norway stands out even more as a country of low regulation than as a country of high self-regulating ability. In general, the presupposition of Norwegian networks as both loosely restricted and firm in self-steering applies to the data.

The relation between Swedish networks' self-steering and regulation is less in tune with the background information than in the case of their Norwegian counterparts. Self-regulation is relatively strong, as expected. However, in the background data regulative side appears less strict than in the data.

Power incentives—conformities and divergences with the background data

In the background information, Finland, Denmark and Norway seem to have inducements set by the state, whereas Swedish regional development networks appear relatively weak in this sense. In the data, we interpret that impeding management structure, narrow mandate and influence on implementation are the theorems to best describe the realisation of power incentives.

Restricted mandate supports the frame of the background information. Swedish respondents regard that their mandate is too strong in relation to power to make decisions. However, the entity formed by the three theorems scrutinised here, diverges from the background information about the networks. The Finns consider their management structure to be most impeding even though the background information implies to stronger power incentives. Influence on project implementation shows the mutual similarity in the power to affect the ends in Denmark and Norway—and the lack of it in Finland and Sweden.

Overall, Norway is the country, where the regional development networks best fulfil the expectations of the background data. They are able to operate without impeding restrictions and definitional guidance. They also have a strong say in implementation, so the power incentives are substantial. In all the other countries the

presuppositions and the data differ in one way or another. Sweden is more restricted than expected. However, in the end the networks fulfil the expectations, when all the dimensions are covered. Even if the networks are able to influence e.g. in their composition and agenda, they are not able to steer the outcomes in the form if influencing the implementation of the projects at hand. Finnish networks are as restricted as expected, but when it comes to power incentives, the networks are weaker than expected. In the background information Finland and Denmark appear alike, but in the data, the Finnish networks are much more alike with the Swedish networks in most of the variables. Danish networks fail the expectation in an opposite manner: they appear more self-steering in the data than could be assumed based on the information of the networks, but are as influential in implementation as expected.

Conclusions

Based on the results of this study, certain tentative conclusions can be drawn. The relationship between regulation and self-regulation has more dimensions than its bipolar nature suggests. As in cases of Sweden and Denmark, the network can be regulated and self-regulating at the same time. The way that the simultaneous appearance of the opposites shows in these two countries reveals that the emphases on regulation and self-regulation can manifest in various manners. The practices acquired play an important role in defining the nature of network regulation together with the legislation. There again, the networks' ability to influence the practices does not mean that their self steering ability is strong all the way. Considerable scope in some area does not necessarily mean that the network has actual power to govern.

Based on these conclusions, we differentiate the continuum of regulation and self-regulation into two independent factors that are not exclusionary. These dimensions and their manifestation in the respective Nordic countries are presented below (Table 5).

In the studied countries, the regulative side leans strongly on the legislative status of the networks, whereas self-regulation is based on the networks' executive power. If the regulation over the networks is strict and the state has a strong and instructional role, this can lead to low execution power in the networks. This can also create a situation, where regulation becomes impeding. In our data this is seen in the case of Finland. The members of the networks feel that their hands are tied, and they have no real possibilities to influence. In another environment, the regulation can be empowering. The enabling regulation seems to give the networks

Table 5 Dimensions of regulation and self-regulation

	High regulation	Low regulation
Extensive executive power	Enabling regulation (Denmark)	Power to define both ends and means (Norway)
Limited executive power	Impeding regulation (Finland)	Power to define the means rather than the ends (Sweden)

more power to act and to set the agenda and influence the implementation in Denmark. This way, the legislation gives the networks a stronger mandate by authorising their work.

Networks that have power to define both ends and means, and operate in an environment of low regulation have the most extensive say over their operations, as the case of Norway illuminates. When the networks' executive power is limited but regulation over the networks is low, the networks can be described as ones having power to define the means rather than the ends. This is the case in Sweden, where networks have a say over the goals of the network, but not in how to get there. Their power to influence on the actual implementation is restricted and the actors feel that their hands are tied, when it comes to the important decisions and tasks.

The above-mentioned dimensions of regulation and executive power appear in the data gathered in the Nordic countries. We believe that these dimensions can be found in other governing networks as well. The simultaneous existence of the two dimensions illustrates the complexity of regulation—self-regulation axis in general, and it also questions the unidimensionality of this axis. As a result, the possibility of unconnected appearance of regulation and self-regulation also supports the idea that they are not just counterforces that override one another with the logic of zero-sum game.

Discussion

When combinations of regulation and self-regulation are discussed on a conceptual level, the conversation can be paralleled with the discussion on success and failure of governance and meta-governance. In this contemplation, the countries and the way the networks operate have to be seen as ideal types, hence the discussion can no longer necessarily be restored to the actions of the actual networks. In this model, Norway can be seen as governance success and Sweden as governance failure. Denmark is an example of meta-governance success whereas Finland can be seen as a country of meta-governance failure.

According to Jessop (2003a, b), failure is a central feature of all social relations. Therefore also governance is necessarily incomplete—and as a necessary consequence—it must always fail. Governance and meta-governance can be judged to have succeeded, because there are multiple criteria of satisfactory results and the actors have interests to support one or another outcome: at least some aims will be realized to a socially acceptable degree for at least some of those affected (Jessop 2003a, 4–5). Governance can only be interpreted to have succeeded in a situation, where each participant is committed to information exchange and dialogue, and in building new kinds of horizontal and vertical relationships. In the examined countries the success has different sources. The success of Norwegian networks can be interpreted to follow this idea of openness and communication. The functionality of Danish networks is founded on meta-governance, coordination and steering through regulative legislation (Jessop 2003b, 12–13).

The governance failure, again, derives from different level co-ordination problems or sudden alterations in operational environment. (Jessop 2003b, 16.) At least two levels of failure can be found: the failure of particular attempts at governance using a

particular governance mechanism and the more general failure of a mode of governance (Jessop 2003a, 5). We focus on the failure of a certain mode of governance, since we have examined the self-regulation and regulation of the examined networks in general, not the success or failure of a certain project or a task.

One of the potential sources of governance failure concerns the contingent insertion of self-organising arrangements into the more general state system. (Jessop 2003a, 4). If Sweden is considered to be an example of governance failure, a reconciliation of two different kinds of structures can be seen as an important factor in the failure. The Swedish networks with power to define only the means, not the ends, are self-organising and autonomous in many ways. However, the self-steering ability only applies to a level, where the networks' decisions are not competing with the ones of the previously established decision-making bodies. These kinds of networks fail to be an integral part of the entity of decision-making bodies, and therefore can be interpreted as examples of governance failure.

The nature of the failure of Finnish regional development networks is different. As Jessop remarks, even if governance takes place in the shadow of hierarchy, this should be understood in terms of socially inclusive hierarchy organised around the problematic of responsible meta-governance rather than unilateral command (Jessop 2003b, 19). In Finland the hierarchical array can be seen to be too static. Hence, the top-down command cripples the efficient activity of the networks, which leads to meta-governance failure.

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Legislation

Finland:

Act on Structural Funds (2006/1401)
The Local Government Act (1995/365)
Regional Development Act (2002/602)

Denmark:

L 65: Law on regions and on the dismantling of counties, the Capital's Development Council and the Capital's Hospital Community of June 9th 2005

Sweden:

Government Bill 2001/02:4 En politik för tillväxt och livskraft för hela landet

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