

Public Allocation by Private Organizations: The Case of Finland*

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Research on government-group relations has primarily concentrated on policy stages related to agenda-building, consultation and negotiation. However, interest organizations also play an increasingly important role in the final stage of allocation as they have in several instances been entrusted with the execution of state authority. This is especially true in the field of so-called indirect public administration. The paper reviews various forms of public allocation by private organizations in Finland and presents some empirical data indicating the growth of this form of allocation.

Public, Semi-Public and Private

It is often suggested that the distinction between 'public' and 'private' is blurred and difficult to sustain. For instance, the concept of 'the public interest' is disputed by many who maintain that there is no such thing as 'the public' which can be said to have an 'interest', and that the concept is used emotively to add overtones to policies which are in fact merely to the advantage of individual or private group interests (Barry 1981, 201). Or, to take another example, it has been argued that the difference between producing public services and private goods is in fact negligible, since both cases involve the transformation of basic factors of production; 'factors of production are combined to produce police protection, motor cars, or dishwashers' (Breton 1974, 27). A satisfactory distinction between the 'public' and the 'private' sector is yet, it is claimed, to be found (Peters & Heisler 1981). We accept in this paper that the distinction between what is 'public' and what is 'private' may be difficult from analytical points of view. However, this does not mean that we find the distinction useless and not worthy of attention. On the contrary, it is the aim of this paper to penetrate the twilight-zone between public and private and to present empirical data which describe certain aspects of decision-making processes within this zone. Our empirical frame of reference is the political system of Finland.

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Table 1. Public and Private: Units and Decisions

	Public Units	Private Units
Public Decisions	1.	2.
Private Decisions	3.	4.

Our point of departure is given in Table 1. The table operates from a public-private dichotomy and makes two distinctions in this respect. The first is between public and private units, the cutting point being defined in terms of whether the unit is a part of the formal state apparatus or not; the second is between public and private decisions, the cutting point being defined in terms of whether the decisions are, in principle, binding for the society or not, that is, whether the decisions are expressions of state authority or not. When the dimensions are crossed, four combinations emerge. On the one hand we have public decisions by public units (cell 1); decrees issued by the Government may serve as one example of this combination. On the other hand we have private decisions by private units (cell 4); family decisions in private households or decisions concerning subscriptions in a chess-club are two examples of this combination. These two types of combinations remain outside our sphere of interest, and this applies also to private decisions by public units (cell 3), a category which may seem abstruse but certainly has empirical manifestations, one of which concerns governmental decisions to sell governmental property in the private market, in which case the decisions and their consequences do not carry the weight of state authority. In Finland legal disputes concerning such transactions are decided in civil courts of first instance. The fourth category (cell 2) finally comprises public decisions by private units, i.e. decisions which execute state authority although they are made by units outside the state apparatus. In this paper we focus on this category.

The category takes us to the field of *indirect public administration*, a concept denoting the totality of corporate bodies and persons entrusted with public functions which fall outside the state administration as well as local government and other territorial public entities (Rosas 1984, 967-968). This type of administration is in itself no novelty in the political life of Finland. It has historical roots, but it has developed in a heterogeneous and rather unplanned way and therefore forms a field which is difficult to survey (Merikoski 1971, 256-265). One method to approach this category is of course simply to discriminate between the different units that are active within this field. This method has been used in the so-called MOF-project,¹ which is carried out at the Department of Law at Åbo Academy, Finland, and aims at a comprehensive investigation of indirect public administration as a legal and social phenomenon. Special fields of investigation are the origin, expansion and differentiation of indirect public administration,

the steering and control of public administration, and the social and political consequences of indirect public administration. The project, which has generously furnished us with data for this paper,² uses a legalistic frame of reference and identifies on the basis of an analysis of Finnish administrative law four main categories of indirect public administration units:

1. Independent public agencies, by which is meant non-membership public corporations, mainly of a non-commercial type (e.g. the Bank of Finland);
2. Public associations, by which is meant public membership corporations (e.g. the Finnish Red Cross, the Central Chamber of Commerce);
3. Public enterprises, that is, public corporations of a commercial nature;
4. Private individuals or bodies entrusted with public tasks.

There are no doubt some problems with this classification. One concerns unambiguity; the border-lines between categories 1 and 2 as well as categories 2 and 4 are not always clear (Rosas 1984, 968). Another concerns coherence. The difference between, say, the Bank of Finland on the one hand and private individuals on the other hand is no doubt of a magnitude which justifies the question whether indirect public administration really forms an isolated and coherent entirety. These are, however, problems that do not concern us in this paper. Our approach to the category of public decisions by private units is different from the one pursued by the MOF-project which is both too extensive and too narrow for our purposes. We shall now turn to a presentation of our approach.

Corporatism and Allocation

'Neo-corporatism has spread like a disease through the footnotes of political science', Grant Jordan tells us. He goes on by stating that the 'epidemic tells us more about the weakness of the population than the strength of the virus' (1984, 137), the point of this argument being that the use of the term 'corporatism' is rather confused in contemporary political science, and may serve to convey an exaggerated view of the extent of corporatist procedures and features in modern politics. If low level definitions of corporatism are to be allowed, Jordan writes, 'an awful lot of corporatism is going to be found' (1984, 150). Jordan also refers to Leo Panitch, who has complained about the prevailing tendency to characterize all intimate interest group-state relations which have been accepted as legitimate as corporatist (Panitch 1979, 123).

While such complaints certainly stand out as justified demands for a conceptual clarity, there is little doubt that the interest in neo-corporatism reflects real changes in the working of contemporary political systems. 'There exists a common agreement that corporate political representation has assumed an increased importance in Western political systems', Jakob Buksti & Kjell Eliassen

write in an Editorial Note to a special issue of this journal on corporate pluralism in Nordic democracies (1979, 1995). The authors also emphasize that studies of interest organization participation in governmental decision-making have become increasingly popular among political scientists in Western Europe and America, and this statement is of course no exaggeration. The literature on the relations between government and interest groups is immense, expanding and even chaotic. However, one rather conspicuous feature of this literature is the focus on the input-side of the political process.

Government-group relations are in the main conceived of in terms of policy stages related to agenda-building, consultation and negotiation. For instance, the Norwegian scholars Tom Christensen & Morten Egeberg (1979) have described organized group-government relations as the structured selection of participants, problems, solutions and choice opportunities. Such a frame of reference holds much promise, but it overlooks the fact that the interest organizations often play an important role in the final stages of allocation and that they may even be entrusted with public allocation tasks. In other words, corporatist relations are about allocations as well as processes behind allocations.

It is the aim of this paper to contribute to such a shift in emphasis. We have earlier described and analyzed government-group relations in Finland from an input point of view (Helander & Anckar 1983). In this paper we have the ambition to take the analysis one step further and to look at interest organizations as public allocation agencies and as executors of state authority. Two channels can in principle be identified in this respect. On the one hand the right to make binding decisions can be delegated directly from the government, such that the state empowers interest organizations to act on behalf of the state and to decide on public allocations. In this case organizations then take the place of government and execute state authority within the frame of their authorization. On the other hand the delegation may be indirect in nature. This is the case when government provides arenas for a cooperation between the state and interest organizations and empowers these arenas to make binding decisions. In such cases interest organizations then become government partners and act side by side with the government in the establishment of public allocation.

Let us now come back to the categorization of indirect public administration suggested by the MOF-project. It is easy to see that the categorization partly fits our purposes and partly not. On the one hand there is a certain parallelism between the categorization and the channels we mentioned before. Interest organizations are associations of individuals or groups who band together for the defence of an interest; it follows that public associations are by definition interest organizations and that an authorization of public associations therefore is an authorization of interest organizations. In so far as public associations act on behalf of the state, interest organizations act in the role of authoritative decision-makers. On the other hand, the category of indirect public administration by public enterprises must remain outside our sphere of interest. It is

doubtful whether these enterprises can be said to handle public allocation in terms of state authority, and even if this were regarded as true for some sectors of price politics, the fact remains that the decision-making processes do not involve interest organizations to any significant degree. The categories of indirect public administration by independent public agencies and private bodies have a sort of in-between position in this respect. On the one hand, it is not self-evident that they deserve attention. On the other hand, they cannot be left out a priori from considerations concerning the role of interest organizations in public allocation. It is quite possible that the public agencies form arenas for interest-group participation and that private bodies entrusted with public allocation tasks are to be regarded as interest organizations; it therefore becomes an empirical question to what extent these categories deserve or do not deserve attention.

In some respect indirect public administration then covers and may cover areas that are outside our present research interest. There are, however, reverse situations. There are areas that must be included, although they reach beyond the field of indirect public administration. There are units that are neither public nor private in a strict sense. They are public in so far as they form a part of the formal state apparatus, and this attribute excludes them from the field of indirect public administration. At the same time they are private in the sense that they are arenas for collaboration between the government and the interest organizations; representatives of the state and of interest organizations decide jointly and as equal partners on behalf of the units. The units are therefore semi-public or semi-private. They are within the state organization, but the decision-making power is not reserved for government alone.

Our following presentation complies with the classifications given above. We shall first review cases where organizations are directly empowered to decide on public allocation; the third section of the paper is thus devoted to an analysis of the public associations. We then turn to the role of private indirect public administration bodies and to cases of indirect delegation. This section is by no means exhaustive. It offers illustrations and exemplifications only. Systematic empirical investigations are lacking in this field. Only scattered pieces of knowledge exist and this is especially true for the category of indirect public administration by private bodies.

The final fifth section of the paper briefly summarizes the findings and gives some concluding remarks concerning the meaning and impact of an eventual trend towards public allocation by private organizations.

Public Associations

Public associations are associations established by law or by other similar norms, such as governmental decrees, and which are not regulated by norms included in the Finnish Association Law. Their legal status is thus public, not private. This

distinction is of course rather formalistic and not necessarily very important in terms of power and influence. There are, as we shall see, private associations which certainly come out as powerful actors in terms of allocation and decision-making. However, the distinction between public and private associations is not an uninteresting one. The very fact that some associations are established by laws or decrees implies that they are recognized by the state as actors performing within the scope of state authority and that the state, for one reason or another, attaches a special importance to the tasks and functions carried out by these associations. Furthermore, they represent a sort of ideal case in terms of corporatism. They stand for a far-reaching interlacing of government and organized interests.

Information about the development of the institution of public associations in Finland is provided in Tables 2 and 3 below, which draw heavily on an unpublished report by Markku Suksi (1983). Table 2 reports the number of public associations at various points of time and indicates a slow but steady and continuous growth. The number was doubled between 1940 and 1960, and doubled again (almost) between 1960 and 1980. There has not been much dynamics in this development as the set of associations has not undergone any other changes than those related to growth. All in all, twelve public associations have been established during the time of independence in Finland; eleven still have this status and only one, the Civil Guard, which was disbanded for reasons of foreign policy in the aftermath of World War II, has disappeared from the scene. In terms of corporatism at the allocation stage, the trend has been towards a strengthened position for the organized interest.

How, then, has this strengthened position come about? Three methods or strategies are theoretically conceivable. One method is by *fragmentation*, meaning that units within the state machinery have gained a more independent position and have been able to liberate themselves, to some degree at least, from a state guardianship. This method then implies an erosion of the state apparatus and a possible trend towards institutional privatization. Another method is *integration*, meaning that associations that are active in the private sphere become attached to government and are integrated, on the government's initiative, into the governmental network. This method implies an expansion of the state apparatus and a possible trend towards institutional deprivatization. A third method is finally the establishment of totally new associations.

Table 3 clearly shows that most public associations have been created by means of integration. The trend has been towards deprivatization; the growth of the institution has been an outcome of efforts of the state to subdue various private sectors and fields of activity. The motives for these efforts are multifarious. Analyses of parliamentary materials and other documents which illustrate the reasons for the establishment of public associations thus reveal a variety of factors that have been considered important (Majoinen 1977, 12-13). Some associations have been established in order to promote the achievement of

Table 2. Number of Public Associations in Finland

Year	No.	Year	No.
1920	2	1960	6
1930	2	1970	8
1940	3	1980	11
1950	5		

Table 3. Public Associations in Finland: Year of Authorization and Strategy of Inception

Name of Association	Year of Authorization	Strategy of Inception
Central Chamber of Commerce	1918	Integration
Civil Guard	1919	Fragmentation
Association for Traffic Insurance	1937	Integration
Association for Subsidy Funds	1942	Establishment
Association for Reindeer Pastures	1948	Integration
Finnish Red Cross	1950	Integration
Finnish League of Lawyers	1959	Integration
Central Organization of Huntsmen	1962	Establishment
Slot Machine Association	1962	Integration
Association for Traffic Protection	1974	Integration
Association for Treatment of Offenders	1975	Integration
Central Office for Inspection of Electrical Supplies	1980	Integration

goals that are regarded important for the society; others have been established because of the need to concentrate activities and thus to avoid drawbacks and abuses or to restore a balance between the competence and the legal status of the association. This has been the case when the association has been given functions in the field of law surveillance. Still others have been established to improve the control of the association and the control of means allocated to the association.

The number of public associations is not in itself very impressive. One should, however, observe that most of the associations operate on a compulsory membership basis. This is of course a feature that emphasizes the corporate nature of the institution and also increases the level of representation. Before World War II the associations were financed by public grants to a considerable extent. Later on they became more independent in this respect, and they now appear as rather independent economic units. They operate mainly on a client basis: those who benefit from the services of the associations also pay for the services (Suksi 1983, 53). This factor makes it reasonable to expect an expansion of the public association institution in the future. The institution is not commonly conceived as belonging to the sphere of public administration, and in times when administrative expansion is looked upon with suspicion and criticism, the institution offers a concealed and also fertile ground for administrative

growth. Suksi, for instance, regards such private associations as the Finnish Rationalization Union, the Finnish Standardization Union, and the Finnish Foreign Trade Association as potential objects for integration (1983, 65).

Public Tasks, Private Actors

Turning from public associations to indirect public administration by private bodies means entering a field which is far less ordered and lucid. The number of units and bodies is much larger, and their composition is quite irregular, extending from large organizations to even single persons, as, for instance, chimney-sweepers. There is also much variation in the public tasks and functions ascribed to these units, and it is very difficult to decide on meaningful cutting points in terms of public-private dimensions. We already mentioned that the empirical knowledge of this field is sparse and scattered, and we are not in a position to expand this knowledge. Our ambition is to demonstrate the existence of public allocations by private units rather than to measure the extent of such allocations.

Private organizations may handle the authoritative allocation of values in two principal ways. Firstly, an organization may act as an institution which generates public services under the supervision of public authorities. By far the best example of this is provided by the school sector until the emergence of the present comprehensive elementary school system in Finland in the early seventies. Secondly, organizations may be given powers to decide on certain rights, profits or duties for the citizens. Several examples of this can be found, especially in the social policy sector, where voluntary associations perform public tasks in the social work sector as well as in the health care sector. The associations in these sectors have collaborated closely since the early 1950's. Some nationwide specialized associations then established a peak-organization, the Cooperation Association for Social Work and Health Care Associations, and in 1985 the number of member associations was 93 with 6,700 local branches and the total number of individual members exceeding 1.3 million (Vasama 1985). One rather common distinction is between expert associations, service associations and client associations (Mäntysaari 1982, 56); however, many associations have tasks and functions in all these areas which relate somewhat differently to public allocation.

Expert associations aim at the general development of their respective sectors and they advance this goal by supporting and practising research and publishing activities; it is perhaps rather difficult to define these activities as allocative. Service associations practise social work, and client associations act in order to help and support their members; these activities are more open to interpretations in terms of allocation. However, it largely remains a matter of definition to what extent such associations can be said to exercise state authority. The most clear-cut cases of allocation are when associations decide on the distribution of public

allowances and of services financed by public means. The Association for Invalids organizes adaptation courses for invalids and for the relatives and attendants of invalids, and the cost for these courses is paid by the government (Mäntysaari 1982, 94). In so doing, the association engages in activities that are close to allocation. The association in fact decides on who should receive state money. In this and similar forms private associations do handle public allocation in the social field. The extent to which this happens is not precisely known, but it is certainly remarkable.

There are several cases beyond the social policy sector which involve private associations and illustrate the dynamics of the interlacing of public and private. The Finnish Foreign Trade Association (FFTA) is a good example. The aim of the association was originally to promote the export activities of certain private associations and enterprises. The position of the association, however, changed rather radically in 1970. A reorganization of FFTA took place, and it now became a principal goal for the association to coordinate public and private efforts to promote foreign trade interests. The state authorities dispensed with some tasks in the field of foreign trade and transferred them to the competence area of the association; the authorities have also since the reorganization covered the costs of the association to a considerable degree. The service in return was that certain ministries were given the right to nominate members on the board of the association (Karvonen 1978, 10-11). The conclusion that this case illustrates how public activities are removed from the competence area of the state and how a privatization of the political decision-making proceeds may, however, be premature. If and when the FFTA is turned into a public association, the process has perhaps really been one of expansion rather than contraction. Private interests have then been subordinated to the state by means of an increased steering and control, and this increase has been accomplished on a basis of mutual benefits. The state has recaptured control while avoiding the restraints of large organizations and securing expertise involvement and commercial competitiveness; the association has retained the possibilities to promote private trade interests while gaining in importance, resources and legitimacy.

Any discussion of the role of private associations in public life in Finland must include the communal central organizations. They are to be regarded as private associations, which have communes as their members, and they have two main functions (Helander 1971, 23-25 and *passim*). They act, on the one hand, as representatives of their members and they try to advance the member interests by means of pressure politics, negotiation and consultation. On the other hand, however, they are also engaged in activities that are to be regarded as belonging in the government competence area and as expressing allocation. It is namely a task of the organizations to control and steer their member communes; this involves the issuing of directives and advice in matters of, for instance, law interpretation and law execution. It should be noted that the competence area of the organizations is general. This makes these organizations especially interesting

intermediaries between the public sector and the private, and they appear rewarding objects for case studies of how public interests are advanced by private bodies. Such studies have, however, not been undertaken so far.

Any review of decision-making bodies that include representatives of government as well as of interest organizations must pay due attention to the permanent committee system. The committees, which are boards and delegations, are as a rule established by statute, usually by law, and they vary considerably in position and composition. The amount of permanent committees has been growing conspicuously. In 1960 there were 74 committees, five years later the number was no less than 257. In 1975 the number rose to 341, and in 1983 the number amounted to 357. Some 3500 persons were engaged in the committees in 1983 as deputy members or as permanent experts. Interest organizations have a statutory-based representation in four committees out of five; in fact, representatives of one or more organizations are to be found in almost all permanent committees (Valtion pysyvät komiteat 1983, 12; Helander & Anckar 1983, 33-37).

The committees are assigned a variety of tasks, including (1) implementation of law; (2) administration of foreign affairs; (3) control assignments (for instance, the Board for Sea-Damages); and (4) issuance of administrative acts (Valtion pysyvät komiteat 1983, 11-12, Tuori 1983, 92-149). Systematic quantitative data on the role played by permanent committees in public allocation are unfortunately not available. In order to demonstrate that committees fulfill allocative tasks we must therefore resort to the strategy of pointing out some typical cases and examples. In the field of law implementation the Board of Labour should be mentioned as one important case. Most board members are representatives of labour-market associations, and the Board decides on implementation issues that concern working hours and working conditions. In a similar way certain boards in the insurance area decide disputes submitted to them; expert associations as well as client associations are represented on these boards. There are also committees that intermediate in disputes between salary earners and employers in the public sector. In foreign trade, especially trade with socialist countries, permanent committees, also called commissions, have decisive positions. The most important of these bodies is the Standing Intergovernmental Finnish-Soviet Commission for Economic Cooperation, which decides on the implementation of the foreign trade agreements made between the two countries. The majority of the members of the Finnish part of the commission represents organized interests in the field of economic life.

As for general control assignments, there are some committees with powers to grant licenses for trade to a person or a collective and with powers to bestow exceptional permissions in the field of industry and commerce. On the whole, however, the impact of organizations is not very impressive in this field, and the same is valid for the issuance of administrative acts. The Central Taxation Board, however, deserves to be mentioned. The interests of various groups of taxpayers

must be represented on this board, which has the power to issue binding pre-judgments in matters concerning tax enforcement.

Besides permanent committees there are several other arenas³ for output co-operation between government and organizations, such as the boards of the central offices. These offices are administrative agencies which exercise decision-making powers rather independently, although they are formally under the supervision of a ministry. In some cases representatives of organizations have got direct access to the collegial board that decides on behalf of the agency. For instance, the board of the State Granary, which is responsible for the satisfaction of the grain needs of the state, includes several representatives of producer organizations. It is often the case that the offices have special steering organs, called enlarged collegia, which decide on general policy matters; these collegia often include members from interest organizations.⁴

One category of units in the field of indirect public administration, singled out by the MOF-project, is formed by non-membership public corporations. There are a good dozen such units, among them the Bank of Finland and the Social Insurance Institution, both subordinated to Parliament. Some agencies are subordinated to a ministry and thus come rather close to the status of a central office. Client associations are represented on the boards of most agencies; and representatives of such associations in fact form a majority on the boards of agencies dealing with pension benefits. The Delegation for Communal Wage Agreements deserves special attention. The delegation is entrusted to act on behalf of the communes in the making of agreements on wages and working conditions with associations representing communal office-holder and workers; it has also been given powers to control that the communes comply with the agreements. The members of the delegations are appointed by the Government on proposals made by the communal central organizations, which are, in fact, interest organizations.

Interest organizations are also represented in some special courts and traits of corporatism can thus be found in the field of judicial allocation as well. The Market Court and the Labour Court are cases in point. The first deals with issues concerning fair marketing habits, whereas the second settles disputes concerning labour relations. Most members of both courts are in fact representatives of organized interests. Finally, mention should be made of the so-called out-of-budget funds. These are funds that are established by Parliament outside the annual state budget for the purpose of providing means for long-range needs. There are presently twelve such funds; the number has been decreasing. In 1950 the number was 22, in 1970 it was 16 (Isaksson 1983, 14). The funds are governed by a ministry, a central office, a special board or an institution. Interest organizations have a statutory representation in the governing bodies of most of these funds, which practically all function in one of the production sectors.

Discussion

In a paper published some years ago, Gerhard Lehbruch argued that corporatism is more than a peculiar pattern of articulation of interest. 'Rather', he wrote, 'it is an institutionalized pattern of policy-formation in which large interest organizations cooperate with each other and with public authorities not only in the articulation (or even "intermediation") of interests, but — in its developed forms — in the "authoritative allocation of values" and in the implementation of such policies' (1977, 94). Already some years earlier, in his famous paper 'Still the Century of Corporatism?', Philippe C. Schmitter had given an apposite description of the dynamics of the 'osmotic process' whereby state and organizations seek each other out: 'The modalities are varied and range from direct government subsidies for associations, to official recognition of bona fide *interlocuteurs*, to devolved responsibilities for such public tasks as unemployment or accident insurance, to permanent membership in specialized advisory councils, to positions of control in joint public-private corporations, to informal, quasi-cabinet status, and finally to direct participation in authoritative decision-making through national economic and social councils' (1974, 111).

Our review has certainly suggested that recent developments in the political system of Finland are close to these descriptions. We have shown that in Finland organizations do cooperate with public authorities in the allocation of values, and, furthermore, that there are instances when the organizations in fact allocate on behalf of the state. We have also demonstrated that the trend is towards an increase in cooperation and in the authorization of organizations. The number of public associations has been growing; the number of arenas for cooperation at the decision-making stage has likewise been growing; the representation of organizations in such arenas is considerable. Finland has during the postwar period been moving in a corporatist direction in terms of interest intermediation. This trend appears to manifest itself in the area of authoritative allocations as well.

Evaluations of such trends of course depend on what criteria are used. Lehbruch suggests that the mutual penetration of state and organizations leads to an integrated system of societal guidance which becomes a serious challenge to the traditional institutional and organizational framework of liberal democracy (Lehbruch 1977, 94). This repeats the usual complaint about corporatism, namely that corporatism distorts democratic patterns of influence and brings elements of misrepresentation into the political process. In the famous words of Stein Rokkan: votes count, resources decide (1966, 105). The numerical channel for political participation is complemented by and perhaps even outflanked by a corporate channel. We are not going to throw ourselves into the debate concerning pros and cons of corporatism for liberal democracy,⁵ but a few words need to be said about the significance of output-corporatism in this respect.

The grey zone between public and private has been expanding in Finland primarily because of the efforts of government to extend its means of steering and control to new areas. However, this does not imply penetration of the private by the public only. It is really a matter of a two-way traffic, a penetration also of the public by the private. Both angles offer arguments for and against the view that corporatism forms a threat to liberal democracy. It could be argued, on the one hand, that the state expansion proceeds under the control of Parliament and thus stands for a parliamentarization of the output stage, which in turn leads to a correction of a possible input bias in favour of the corporate channel, and thereby also to a strengthening of principles related to representative government and liberal democracy. On the other hand, it could be argued that an increased participation of organizations in allocative decisions in fact increases democracy; the basis for such an argument would of course be a conception of democracy that defines the population of democracy in terms of affectedness (May 1978, 1-14). Organizations represent those that are affected, and in so far as organizations manage to acquire positions that allow them to participate in the allocation of values directly related to their interests, they act for the realization of the principle that political decisions should reflect the wishes of the people affected by the decisions. The counter-arguments are of course obvious. The penetration of the private by the public may imply a parliamentarization of social life, but this, one could argue, also implies an expansion of politics which may be democratic but which is certainly not liberal. The notion of affectedness, one could further argue, bears a strong resemblance to the notions of segmentation, iron triangles and policy communities, and can hardly be detached from the democratic drawbacks usually ascribed to such notions.

These are no more than examples of assertions and objections. Others would centre on concepts like participation, accountability, efficiency, rationality, etc. The main thing to be learned from this review is, however, that discussions about the significance of the fact that private units may handle public tasks are seriously hampered by a lack of factual knowledge about the field. 'Quangos may, in fact, be an efficient and effective administrative innovation worthy of continued support. At this stage, though, how would we know?' John Langford asks in a recent essay on quasi-public service agencies in British Columbia (1983, 576). The question is very appropriate also for the case of Finland, where research on the many and varied organizations which stand between government and the private sector of society is still very much in its infancy. It should be stressed, however, that the lack of empirical knowledge can hardly be remedied until sound conceptualizations of the field have been achieved which regulate and inspire empirical research. The present state of the art is unfortunately very close to a conceptual mess, and there is no clear classification available of the units and bodies that make up the field of 'quasi-government', to use a term suggested by Anthony Barker (1984, 8). Established terms like 'quangos' or 'fringe bodies' are, as Barker points out (1983, 3), rather useless because they do

not discriminate analytically and to a sufficient degree between the various types of non-departmental public bodies. In fact, there is not even a uniform conceptualization of 'quasi-government'. Attempts at defining and identifying relevant bodies have departed from varying sets of criteria, and have therefore produced very different evaluations of the scope and importance of the field; this, of course, is a factor that renders it difficult to make comparisons between systems and to reach empirical generalizations on the basis of such comparisons. Attempts at explaining the emergence and growth of 'quasi-government' are likewise hampered.

The task of structuring this field of research is made even more problematic by the fact that the organizational network is very complex. There are, for instance, also in Finland, private associations that handle public tasks and that at the same time are members of public associations which deal with similar tasks. There are thus, in terms of impact, zones of cumulativeness which must be traced and investigated. There is also the question of interactions between the local, regional and national levels, largely neglected in this report which has focused on the national level.

NOTES

1. For a general presentation of the MOF-project, see Kulla & Rosas 1981.
2. Special thanks are due to Professor Allan Rosas who supervises the MOF-project and to Markku Suksi, M. Pol. Sci., who is a research assistant on the project.
3. The incomes policy system, introduced in Finland in the late sixties, of course represents an extremely important arena for collaboration between government and the labour-market organizations, and this arena certainly related closely to allocation. In this review we shall however leave out this arena. We have dealt with the incomes policy system at length elsewhere (Helander & Anckar 1983, ch. 5; Helander 1982, 163-187).
4. A survey on some central offices indicates that interest organisations were represented in 16% of these offices in 1960, whereas the corresponding figure was 33% in 1974 (Ståhlberg 1976, 74).
5. A good summary of the argumentation is given in Ruin 1983, 13-17.

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not discriminate analytically and to a sufficient degree between the various types of non-departmental public bodies. In fact, there is not even a uniform conceptualization of 'quasi-government'. Attempts at defining and identifying relevant bodies have departed from varying sets of criteria, and have therefore produced very different evaluations of the scope and importance of the field; this, of course, is a factor that renders it difficult to make comparisons between systems and to reach empirical generalizations on the basis of such comparisons. Attempts at explaining the emergence and growth of 'quasi-government' are likewise hampered.

The task of structuring this field of research is made even more problematic by the fact that the organizational network is very complex. There are, for instance, also in Finland, private associations that handle public tasks and that at the same time are members of public associations which deal with similar tasks. There are thus, in terms of impact, zones of cumulativeness which must be traced and investigated. There is also the question of interactions between the local, regional and national levels, largely neglected in this report which has focused on the national level.

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