

## Why Are the Citizens Reluctant to Respond to the Administrative Reforms: Metaevaluation of the Strategies and Trends of the Public Management Reforms in Finland in the 1990's

Markku Temmes

University of Helsinki  
Department of Political Science  
P.O.Box 54 (Unionikatu 37), Fin-00014 University of Helsinki, Finland

*The tensions between the administrative reform plans and their impact on effectiveness and legitimation of the politico-administrative system have both theoretically and practically been important and interesting questions in administrative sciences. The aim of this article is firstly to give a comprehensive evaluation summary of the profile and success or failure of the administrative reforms in the 1990's in Finland. Heavy economic depression and changes in international environment with the collapse of Soviet Union and membership in the European Union caused an active reform wave in the Finnish public administration. The main target of the reformers was to modernise the structures, steering systems and administrative culture of the administrative machinery to meet new challenges of administration. The international New Public Management (NPM) doctrine had clear impact on Finnish reform activities. These reforms have been successful in causing many real changes in Finnish administration. In spite of that, the citizen reactions have been passive and even negative concerning legitimation of the modernised administration. In this article there are some considerations of the reasons and backgrounds of citizen response and trust in the NPM-type administrative reforms. Partly the citizen response seems to be slow and depending more of real changes in every day life than political reform decisions. Partly it seems to be a "winners' and losers' game" in which the losers' response is loud and even aggressive and winners are mainly passive. In fact the case of Finland shows how much NPM-type reform programme can be described as a structural and cultural renovation of systems which can create more efficiency and service-orientation in the administration, but these impacts are instrumental, indirect and time taking.*

Raktažodžiai: *administracinė reforma, piliečių dalyvavimas, naujoji viešoji vadyba.*  
Keywords: *administrative reform, citizens participation, new public management.*

### Introduction

We can start with two real-life cases from the life of Finnish administrative reform experts. The first happened in the beginning of the 1980's when, for the first time in the history of the Finnish central administration, some debureaucratization activities were started. The minister in charge, when she at last approved the reform plan, added as a general advice to the civil servants that they must remember that she is not any "goddess of bureaucracy". The second case is more recent. Concerning the preparation work of the administrative reforms in the ministries, the

minister who is responsible for the reform and chairing its planning gave an interview to the media in which she emphasised how important it is to keep the permanent secretaries and other high civil servants out of the reform preparations because of their narrow sectorial views and reluctance to make necessary reforms in their environment. These cases tell of tensions not only between citizens and administration but also between all three main actors: citizens, administration and politicians. This triangle drama seems to be unsolved and always shadowing the work of the administrative reformers.

This article consists of two main elements. Firstly, it includes a comprehensive description of the evaluation activities implemented in Finland in order to analyse the profile and impact of the administrative reform wave of the early 1990's. Secondly, the article tries to answer and seek preliminary explanations to

---

Markku Temmes – Helsinkio universiteto Politikos mokslų departamento viešojo administravimo profesorius.  
El. paštas: temmes@valt.helsinki.fi  
Straipsnis įteiktas redakcijai 2003 m. sausio mėn.; recenzuotas; parengtas spaudai 2003 m. kovo mėn.

the paradox of fairly successful reform programme and the reluctant citizens who do not give their response and approval to the reforms.

## 1. The Administrative Reforms in Finland in the 1990's: a Brief Introduction

Finland's public administration has gone through a major process of structural and cultural changes which started in the end of the 1980's and have continued in the 1990's. The heavy economic depression in the beginning of the 1990's and the greater demand for the quality and effectiveness of public service have been reasons for the emerging of new structural models and modes of operation into the use of the Finnish administrative machinery (Kekkonen, 1994). The increasing international co-operation and especially the Anglo-Saxon New Public Management-type reform doctrine (later the NPM-doctrine) have had great impact also on directing the Finnish administrative reform policies (see for more details, Temmes, 1998).

There are three main reforms of the 1990's which follow the NPM-doctrine. Firstly, a considerable part of state and municipal administrations has been reorganised into public enterprises and companies. Secondly, Finland has adopted the management-by-result-system as the main steering system for the state administration. Thirdly, the economic relationship between the state and the municipalities has been developed from a heavily regulated system of ear-marked appropriations and the steering of the central administration to a more flexible allocation of lump sums, which gives the local authorities more room for manoeuvre and greater accountability. Under the umbrella of these main trends there have been plenty of minor reforms concerning organisation structures, steering systems, deregulation and personnel policies etc.

## 2. Main Strategic Evaluations of the Administrative Reform Policies

The evaluation culture in the Finnish state administration was not very active until the end of the 1980's. The administrative reform wave of the 1990's has, however, activated evaluation activities as a part of the developing management culture in the ministries and agencies. Together with the main administrative reforms, some comprehensive evaluation programmes have been organised in order to receive feedback and achieve deeper analysis of the processes and impacts of the administrative reforms. These evaluations are the basis of the empiric data of this article. I have chosen seven evaluation areas, some of these include several evaluation reports, to describe the reform strategies and trends in the 1990's. The main issue summarising the impacts of the reforms is

the negative criticism emerging from those evaluation reports. The evaluation reports tackle the following areas:

- structural changes in the administrative machinery,
- change toward service-orientation,
- changes in personnel policies,
- changes in management and leadership,
- changes in the management boards of the agencies,
- impact of the management-by-result-reform,
- changes in the committee-type preparation activities in the ministries.

Additionally a special focus is given to the development of service-orientation in relationship with the other development issues. The main question in that relationship is the tension between service-orientation and the basic development of the steering systems which in the 1990's has been moving from bureaucratic steering towards modern management and leadership.

**Structural changes in the administrative machinery.** Structural changes have been one of the most dominant types of reform in the Finland state administration in the 1990's. Some of this reorganising follows clearly the NPM-doctrine, as the former agencies have been transformed into public enterprises or companies. Most of these reorganising activities have aimed at modernising agencies and rationalising regional and local administrations. Altogether these structural reforms greatly profile the Finnish administrative reform policies (Pollitt, 1997; Bouckaert and Pollitt, 2000). The main evaluation programme of the Finnish administrative reforms consists of 12 subevaluations and includes a summary report from the year 1997 (Temmes and Kiviniemi, 1997). These evaluation reports are the main source of data concerning the structural changes of the reform wave of the 1990's. The international evaluation report on the implementation of the Finnish public management reforms (Pollitt, 1997) is the other important source of information in that field.

**Change toward service-orientation.** Increasing service-orientation in the Finnish public services was one of the main targets already in the beginning of the 1980's. Innovations and models to develop service-orientation came to Finland from Sweden together with the OECD PUMA committee, which organised a number of conferences to support national development under the theme of the relationship between citizen and administration. After this orientation phase service-orientation has been one of the main targets in many NPM-type reforms in both state and municipality levels in Finland.

The main evaluation report (Asikainen, 1998) concerning the impact of the service-orientation related reforms has been written as one subreport of the general evaluation programme organised in 1994-1997 by the Ministry of Finance. It was a comparison in which changes in service activities were compared in many state, municipal and private organisations between the years 1987 and 1996 (see also Setälä, 1988).

These evaluation reports do not give much information of the impact of the reforms on the tension between service-orientation and the NPM-type management. The focus of the reforms has, however, changed in the 1990's from strong emphasis of service-orientation toward reforms emphasizing effectiveness and economic performance. In the end of the 1990's the quality and fair regional distribution of the services has again increased its role in political and administrative reform debate. Thus, there has been a clear up and down movement in appreciation of service-orientation as a goal of the administrative reforms.

**Changes in the personnel policies.** Finland's public sector has adopted a strong and specific public civil service status and legislation in line with the Nordic legal tradition. This system has been one of the main obstacles in developing modern managerism in the administration. The negotiation system, which connects working terms of the administration with the national level collective bargaining system, was adopted in 1971. The main evaluation programme of the development needs of the personnel policies was implemented in 1998 by an evaluation group consisting of five domestic experts (Temmes, Kivinen, Lumijärvi, Mertano and Moilanen, 1998).

**Changes in management and leadership.** This area of development has had a central role in modernising the steering systems in the state administration. Several evaluations concerning the development processes and impacts of management and leadership reforms have been implemented. The latest and widest one will be published in this spring. This evaluation analysis (Temmes, Kiviniemi and Peltonen, 2001) is built on the survey directed at the former students in the main management training course of the senior civil servants and on several interviews of the key civil servants and experts of public and private management and leadership. It includes criticism concerning leadership skills and attitudes of the top civil servants and makes proposals to develop recruiting and career planning and to localise manager potentials in the administration.

**Changes in the management boards of the agencies.** The main reform to modernise the management boards of the agencies was implemented in the beginning of the 1990's by reorganising the internal colle-

ges of the agencies into management boards. This reform was rapidly and effectively implemented on a formal level. The main problem of the new system seems to be the real status and role of the management boards in supporting and, if necessary, controlling and directing the executive management of the agencies. There are also problems in the relationship between the management boards and the ministries. The role of the management boards in supporting the ministries in steering the agencies is incoherent because of an unclear division of tasks between the management board activities and the management-by-result-system. The specific evaluation report in which the role and status of the management boards of the agencies was compared with the ideal model of the private sector's corporate governance models was published in 2000 (Temmes and Moilanen, 2000). The criticism of the new board system came from the bigger agencies and it emphasised the unclear and weak role of the new management boards.

The model of the management boards doesn't include client presentation. One of the alternatives could be to replace the management boards with the client councils which will present views of the relevant client groups.

**Impact of the management-by-result reform.** The management-by-result reform has been the main reform in modernising the steering and budgeting system of the Finnish state administration. Impacts of this reform are naturally seen on many levels and, because of that, the general evaluation report of the administrative reform programme (Temmes and Kiviniemi, 1997) can give an evaluative overview of the reform. The positive picture given in that report can, however, be explained by its general level of inquiry, so that more detailed evaluations made in some ministerial sectors (see Krogars, 2000) and on a regional level (Lumijärvi and Heikkinen, 1997) have given a more specific and, at the same time, more critical analysis of the impacts of the management-by-result reform.

The tension between managerism and service-orientation includes the impact of the management-by-result system. In all relevant aspects the evaluation reports tell of positive development in more effective implementation of the public services which also means more active and flexible recognising of client needs. At the same time there is increasing criticism concerning poor ability of managerism to guarantee the quality of services. This paradox seems to be a typical problem of development in the public administration which has went through the NPM-type reforms.

**Changes in the committee-type preparation activities in the ministries.** The latest of my personal evaluation experiences aims at analysing the ad hoc

preparation (the so called committee preparation) functions in the Finnish ministries. This one man's evaluation report (Temmes, 2001) was a part of the wider reform project aimed at supporting development of decision making and strengthening co-ordination capacity in the Finnish government and ministries. The basic analysis of these development needs was made by international experts (Bouckaert, Ormond and Peters, 2000); it also included a comparison of the central administrations in 14 countries as preliminary data.

I have been an evaluator in most of these evaluation programmes. I have also been involved in planning and, in some areas, in implementing of these reforms in the end of the 1980's and at the beginning of the 1990's. According to my experiences, these evaluations reports can, when put together, give a rather good comprehensive picture of the strategic changes in the Finnish administration. I am interested most in a summary-type analysis of the strengths and weaknesses of the administration which has gone through the reforms of the 1990's. This kind of an analysis can give some hints for the planning of future development activities.

Our special focus issue, service-orientation, has many connections to almost every other relevant issue of the administrative reforms. Especially clearly this multidimensional character of service-orientation emphasises its connection to the NPM-type reforms. The good development of service-orientation is a final outcome of the administrative reforms. If we compare it as a goal of the reforms with those more internal goals of the administrative reforms which aim at strengthening the effectiveness of administration, it is regarded as more popular by the politicians.

The problem is what we mean by service-orientation. A narrow definition of service-orientation means that more and more attention has been paid to the customer viewpoint and that the quality of public services is the main focus in development. A broader definition emphasises citizenship and the trust of citizens and the rights and role of the citizens in increasing their possibilities in having more influence in the society. The narrow definition is very consistent with the NPM-type development doctrine which includes better customer orientation as one of its main goals of modernisation. The broader definition brings to the forum many other issues of development which have political and sectoral impact. The development of service-orientation in the narrow definition has been mainly left to the agencies which are responsible of those services. The broader definition means reforms in whole political-administrative system to increase political control of administration, influence of citizens and citizen

groups, improving the availability of services for instance with electronic communication etc.

### 3. The Most Important Results of the Evaluations

I have collected plenty of material from those evaluation programmes presented above. This material includes a lot of critical information of impacts and procedural achievements of the reform policies. At the same time, the general technocratic picture of the success of the reform policies has been quite positive. This paradox is connected to the phase of the Finnish administrative machinery in the end of the 1980's. At that time the Finnish welfare state development had reached its culmination point. At the same time, Finland started greatly to open up internationally so that wider (also from outside the Nordic countries) international influences had an increasing relevance in directing the Finnish administrative reform policies. The impact of the international NPM doctrine had in that new situation such a central directing role in these reform policies, that we can use the viewpoints which follow the NPM-doctrine as criterions for analysing the impacts of the administrative reforms. These criterions can be simplified into the following seven critical viewpoints:

- the use of strategies, visions and long-time planning in the state central administration,
- the preconditions and use of managerism,
- changes in the relationship between centralisation and decentralisation,
- the development and use of accountability,
- the use of market-type mechanisms,
- the development of service-orientation,
- the development of the preparation capacity.

Service-orientation is again a special viewpoint which has connections to the other viewpoints and which can only restrictively be managed independently. In fact, the changes in all the other viewpoints mean also changes in service-orientation. The results in developing service-orientation depend on these other viewpoints very concretely because these are the tools in developing service-orientation. Of course these other viewpoints which are mainly elements of the modern NPM-type managerism can be used to gain other goals such as better governance, economic gains etc.

*The use of strategies, visions and long-time planning in the state central administration.* These elements are relevant when evaluating the preparation and decision making capacity of the units of central administration. In practise this means, for instance, more strategic thinking and management, shared policy development and more effective project

management. All this can also create preconditions for overcoming ministerial stovepipes and for developing better co-ordination between the ministerial sectors (Bouckaert, Ormond and Peters, 2000, p. 2-3). The evaluation reports reveal clear obstacles for strategic capacity of the ministries as well as on the level of governmental decision making.

***The preconditions and use of managerism.*** Managerism is a key term when we are describing the cultural changes which can modernise the management systems in countries like Finland. Managerism is not in this context a synonym for business economy or private sector management. In fact, the ideal model for describing what the modernising of public management can be, connects private sector management knowledge to the claims and environment typical to public organisations. Because of these multilevel challenges (including responsibility for the legal aspects, for the knowledge intensive aspects and for the result oriented aspects) the public managerism must be a combination of private and public management knowledge. In fact, the demands and challenges which the public managers meet are many times more demanding than normal management in private enterprises. The evaluation reports emphasise the role and relevance of managerial development. There are different observations concerning success of managerial reforms, but generally some breakthrough has taken place.

***Changes in the relationship between centralisation and decentralisation.*** This is one of those everlasting issues, which belongs to the core of administrative sciences. In the fast development of the steering systems this balance is normally changing. Sometimes the impact of these changes can be surprising. In the Finnish case, in which the administrative machinery has traditionally been very centralised, this balance between centralisation and decentralisation can change even radically. There are also good reasons to follow up this balance also because it can reveal changes in power relationships between the administrative layers. In the Finnish case, there seems to be a threat of increasing problems in getting a sustainable balance between the responsibilities and freedoms in the agencies and especially in the municipalities.

***The development and use of accountability.*** According to the international evaluation report on the reform profile of the Finnish administrative reforms, the Finnish administration is suffering of a chronic lack of personal accountability among the senior civil servants and top public managers (Pollitt, 1997, p. 67-68). The reforms which follow the NPM-doctrine are based on personal accountability among

the senior civil servants. It is important to evaluate how the systems of organising preconditions for accountability have been progressing. In the Finnish administrative environment the changes to increase the personnel accountability of the public managers seem to be difficult to implement because of bureaucratic civil service tradition.

***The use of market-type mechanisms.*** The use of market-type mechanisms is also one of the key indicators in telling how deep and sustainable the utilizing of the options of the NPM-doctrine has been. The evaluation of the use of market-type mechanisms meets difficulties when using international comparison data because of different preconditions in various countries. In Finland, the use of market-type mechanisms differs greatly between the state administration and the municipalities. In the state administration the use of these mechanisms, including reorganising of the former service agencies according to public enterprise or company model, has been carefully planned and restricted only to those cases which certainly can manage it at the market. Because of this carefulness in planning and reorganising, the new service companies have managed well at the market. In the municipalities, which have their strong self governance, the development in using market-type mechanisms has been much more uneven, and there have also been plenty of examples of unsuccessful cases in this field.

***The development of service-orientation.*** The service-orientation is also a key indicator of successes or failures of the NPM-type reform policies. In the Finnish case the municipalities have been the pioneer sector in developing service-orientation in the public sector. Also the National Social Security Institute (KELA), which has in Finland an independent position directly subordinate to the parliament, has been in the front line in this area of public service development. In the state administration this viewpoint seems to be difficult to evaluate and develop because of its unclear position among many other state functions. In spite of these problems the successes or failures in creating service-orientation are quite revealing indicators in describing the profile of the reform policy, and in some specific agencies there can be seen a clear success in customer feedback (Asikainen, 2000).

The deeper analysis concerning the impact of the administrative reform policy on service-orientation needs conclusions in which we can evaluate the weight of service-orientation among and inside the other development viewpoints. We try to do this kind of summary in chapter 5.

***The development of the preparation capacity.*** The level of the preparation capacity is one of the

most concrete challenges of the ministries and agencies in the central level administration. Paradoxically, the measurement of these activities in the evaluations is exceptionally demanding. In the Finnish case, the traditional and legal-oriented administrative culture has been an obstacle in developing of managerial effectiveness in the ministerial decision making and preparation activities. On the other hand, increasing freedom in organising preparation activities has certainly activated and diversified these procedures. The cultural change in the ministries has started, but its direction seems to be still unclear and difficult to evaluate. On the other hand, the traditional Swedish-type committee institution has almost totally disappeared.

It could be possible to create a comprehensive summary of the metaevaluation of the Finnish reform policies in the 1990's by using these criterions. These criterions tell mostly about the progress of the NPM-type reforms, but partly they tell also about a slow change in the Finnish administrative structures, procedures, personnel policies and culture. An ongoing shift of generations in the senior civil service will speed up this change during the next 5-15 years.

If we look from the viewpoint of NPM, the best evaluation results can be found in the relationship between centralisation and decentralisation. The Finnish administration has gone through a massive decentralisation. The other point in which there is also a clear change is managerism. The organisation and management structures have changed considerably in Finland in the 1990's toward supporting managerism. A same kind of development has taken place in service-orientation also. In chapter 5 we try to show why the development of service-orientation has been so uneven and vague in spite of heavy decentralisation and many reforms aiming at increasing the preconditions for better management.

The weak points seem to be the use of strategies, visions and long term planning, accountability, the use of full options of the market-type mechanisms and the preparation capacity of the central administration, especially the ministries. We can also see in all NPM-viewpoints that the preparedness and the grass root success of implementation of the reforms has not fully followed the general direction of the reforms.

If we look at the specific development areas of administrative reforms, it can be seen that a clear success in the structural reforms, in introducing the management-by-results-system and partly in developing of public services has taken place. The biggest problems seem to be in personnel policies, introducing of the management boards into the agencies and ad hoc preparation in the ministries. The last development area is exceptional because of its incremental nature

without any specific reform plans and their implementation.

The general analysis of the future challenges concerning the Finnish administrative reform policy seems to emphasize three points. Firstly, it shows that the development of the ministries and their preparation capacity have not followed the general development of the administration. There is a clear management deficit at that level. Secondly, the top-down architecture of the Finnish administrative reform has caused many implementation problems on the grass root level which will demand long term development to adopt the options of the NPM-reform policies in a sustainable way. Thirdly, the Finnish reform policy in the 1990's has culminated around the international NPM-doctrine because of an urgent need to decrease the problems of the heavy welfare state bureaucracy. In fact this reform policy has behaved like a narrow bottleneck which has hastened the development, after which there is more peaceful opportunities to continue the deeper development.

Capacity to produce and use strategic analysis to support governance and planning of the reform policies seems to be a weak point in the Finnish governance. The reform wave of the 1990's mainly passed over the development of the ministries and the government level decision making. It is now a main target of administrative development of the present government. On the other hand, the real changes in these issues presume deep changes in the Finnish administrative culture, which is mainly waiting for the generation shift of the next years. The older civil servant planners and contractors of the Finnish welfare model are not easily motivated to change their traditions.

The clear success of the managerial thinking as a part of the reform wave of the 1990's is, however, restricted, but the progress has been clearly stronger than in the 1970's when the first attempts to increase managerism in the Finnish administration were made. The general trend and success of implementation of these kinds of reforms seem to follow the changes in structures and systems, but with some delay and troubles in achieving even development in different parts and levels of the administration and in administrative culture.

The partly uncontrolled development concerning the freedoms of the agencies and municipalities which has moved mainly to the direction of decentralisation has not showed any serious evidence of unexpected development until now. The economic depression of the beginning of the 1990's and strict policy concerning the public expenditures has mainly probably caused very financially controlled activities in the agencies and municipalities. The real impact of this threat is perhaps seen in better economic condi-

tions. Some marks of this discussion are already seen in the political debate.

The accountability of the public managers is a traditional problem in the Finnish legal administrative culture. These problems are mainly caused by the civil service legislation and practise which do not include clear rules for strengthening the accountability of the top civil servants. A centralised system of the civil service status and working conditions has worsened possibilities to increase accountability.

There is not any clear common trend in utilizing market-type mechanisms in Finnish public sector. In some parts of the administration, like in the sector of public transportation and telecommunication, the use has been very active and successful, in some other sectors such as in the social and health sector, these results have been more modest. Because of this uneven development, also the policies of the government and the ministries concerning market-type mechanisms are left uneven and reactive. The difficulties in using the options of the market-type mechanisms seem to have connections to the slow and difficult change of the Finnish administrative culture.

The most advanced impact of the NPM-type reforms has been the clear increase of service orientation in the Finnish public services. On the other hand, this development has been perhaps left too much to the responsibility of a single agency or municipality. The general evaluation and quality systems following the national level of public services have not followed closely enough the decentralisation of the new freedoms.

The old-fashioned preparation culture in the ministries and partly in the agencies has been the sole heritage of the Finnish legal tradition. In the environment of welfare state development this preparation culture succeeded quite well. This success has, however, caused many problems today. In an environment of much more dynamic changes in globalization and international integration together with turbulent changes in European and global politics, this old-fashioned preparation culture is a problem for governance of state and society.

The brief analysis of the strengths and weaknesses of the Finnish administration after the reform wave of the 1990's seems to emphasize two points. Firstly, the main source of today's obvious governance problems is due to the weaknesses of the ministries and the governmental planning and decision making. Secondly, these problems are mainly administrative cultural. The better results achieved in developing managerism, balance between centralisation and decentralisation, accountability, market-type mechanisms and service-orientation are in connection to the

better level of strategic planning and preparation capacity in governmental and ministerial levels.

#### **4. Operationalising the Results of the Evaluation Reports into an Outlined Summary Concerning the Results and Future of the Finnish Administrative Reform Policies**

On the strategic level, the administrative reform policies create the tools for reaching the politically set reform targets and for following the general reform trends, which today are more and more international. The evaluation programmes concerning reform policies can reveal how well these targets and trends have been implemented in reality. The main role of strategic evaluation or metaevaluation, which uses the other evaluations, is an interpretation of change and especially the weaknesses of the processes and impacts of the reform policies. The last point emphasized in this chain of causation is the using of the evaluation results and planning of the correcting measures as well as knowledge of how to continue the reform policies.

As a some kind of comprehensive result of our analysis we can first describe the developmental phase of the Finnish state administration today, after the reform wave of the 1990's. The Finnish administration is living an intermediate era. Most of the reforms have been formally implemented, but it is not yet possible to see their real grassroot effects clearly enough. The generation shift of the personnel and especially among the top civil service also increases this impression of an intermediate era. Mainly the problems lie in transferring the centrally planned reform ideas and solutions to the performance level.

The view to the comprehensive success of the reform policies has a connection to managerial changes in the practices of the administration. The term managerism is not simple to use in the environment of public administration. As was mentioned above, it is especially difficult to reach managerial success in developing the management practices in the national level ministries. There are many critical points in introducing managerism into the state administration. Firstly, managerism of the shape of the NPM-doctrine can be implemented in many ways. In Finland, the limits of managerism are perhaps narrower than for instance in the Anglo-Saxon countries because of Nordic legalism and the institutional welfare state model adopted in the Nordic countries. In spite of that, we can see how unsatisfactory the real implementation of managerism has been, and how open its implementation yet is. We can describe the phase reached in developing managerism in the Finnish state administration as a preview or an

introductory phase in which the most necessary reforms on the structural and formal level of the steering systems (the central planning and budgeting systems) have been implemented. At same time the evaluation with managerial NPM-type criteria gives an analysis of plenty of weaknesses in the management of the ministerial sectors and the agencies. Typical to this preview phase is the far reaching decentralisation of responsibilities to the ministries and agencies without enough increase in their real managerial capacities. A second example of difficulties in following the so-called logics of managerism are the accountability problems of the top civil servants.

There are several reasons to this gap between the managerial development targets and badly developed managerial reality in the administration. One explanation typical to the Nordic countries is the unclear borderline between managerism and legalism which also produces tensions between the key civil servants with degree in law and those with other educational backgrounds. This borderline has partly caused the deficits in using the potentials of managerism. Especially the marketising and contracting out reforms have divided unevenly and have been implemented partly too carefully when compared to the other developed European countries. The threat of corruption which seems to increase with NPM-type reforms has been used as a reason to limit managerial reforms. On the other hand, the high level of legal tradition in the Nordic countries should bear quite a lot managerial freedom without real increase of corruption because of the well developed basis of the legal society and state.

The next viewpoint to the comprehensive picture of the developmental phase of the Finnish administration can be taken from the evaluation findings concerning different kinds of knowledge deficits. These deficits are due to the development targets of the reform programmes. The evaluation results concerning implementing of the managerial reforms tell about a relevant deficit in managerial skills. More specific analysis also tells about a lack in skills of information technology, telecommunication and international skills, especially among older civil servants. The most dramatic deficit in managerial skills seems to be in leadership skills in managing personnel. Part of this can be explained by a typical Finnish phenomenon of a certain leadership style adopted in the Finnish society. The Finns do not communicate too eagerly and never without real reasons. On the other hand in today's Finnish society together with the public administration there is a rather democratic climate which should offer good preconditions for high quality leadership of personnel. Maybe these

problems are also due to the highly legalistic steering tradition which has neglected leadership issues.

The next group of deficits includes problems in services, service-orientation and partly quality of public services. Especially many often heavy processes of the public service production need professional development using modern process management tools. These evaluation results were surprising also to the evaluators. On the other hand, this evaluation result may tell more about the intermediate era than the final impact of the NPM-type reform in public service production. However, the widely uneven development of public services tells about problems in using managerial reform ideas in the public administration and services.

The last group of deficits can be found in the changing values and missions of the civil servants. The heavy managerial reforms in the administration have created new situations, in which there is a real need to interpret the traditional values in the new environment created by the reforms. We can call this "the problem of the tideway" in which public legislation and rules have been substituted by private laws. The discussion around these problems has been difficult because of different professional views to these values.

At the same time, the missions which have directed the work and innovations of the civil service are changing. The construction era of the welfare state in its traditional model with the "missionary" civil servants, who had their ideological and political backgrounds, is over. The legal and moral tradition of the bureaucratic administration can give only insufficient answers to the basic questions of meanings and targets of the modern society and public administration and its development. The membership in the EU and co-operation with the supranational EU organs has also changed the mission of the Finnish civil service.

The next viewpoint in the comprehensive metaevaluation of the Finnish administrative reforms in the 1990's can be described as an active side of the internationalisation of the country. Finland has been a member of the EU since 1995 after a very short preparation time. This has meant many heavy changes especially in the central administration. The EU has brought many new and sometimes surprising pressures and challenges into the work of the administration (Temmes, 1995). Some of these changes can also be threats to the managerial development.

The other sources of internationalisation of the Finnish administration are the changes which have taken place in the so called transition countries (see Salminen and Temmes, 2000; Temmes, 2000). These changes, which started in Russia and in other post-communist countries at the beginning of the 1990's

have had exceptionally wide impact on our administration. The sources of these challenges are in the wide co-operation of our public administration with colleague organisations in the transition countries. Another sources of internationalisation are those challenges and pressures caused by the future EU membership of some of those countries. All this has meant more active mutual international influences with many European countries. Most of these transition countries have earlier been distant to Finland. The co-operation with the transition countries has also created some new internal challenges and needs to develop new skills in the work of the Finnish administration. There are, for instance, needs to create mentor-type relationship with the colleague organisations in the transition countries, as well as to increase knowledge of the European national administrative cultures.

The last viewpoint to this metaevaluation concerns the allocation of the administrative reforms. In the Finnish case, the reform activities in the 1990's have been most intensive on the agency level as well as on the regional and local levels. The reforms in the ministries and governmental level have been modest until now. The second finding is the concentration of the reforms into reorganising of the structures and steering systems instead of personnel policies and cultural changes. The logic of this order is difficult to explain and evaluate but perhaps it is due to the centralised architecture and planning of these reforms (see Pollitt, 1997, p. 38). One argumentation to explain this order could be the confidence in the spill-over phenomenon in which centralised planned general reforms and trends can gradually spread throughout the administration.

## **5. Service-Orientation, Citizen/Customer Demands and Trust Among Citizens in Focus**

Above presented analysis of the administrative development in Finland in the 1990's leaves open many relevant questions. Among them the deeper analysis of changes in service-orientation and in legitimisation of the administration is one of the most important and at same time a typical one. As mentioned above, development of service-orientation is difficult to evaluate because of its character as a final outcome of the reforms a realisation of which takes time and is always connected to other development elements or changes in the environment. As mentioned above, it is not quite unexpected that the development result in service-orientation has been uneven and vague in spite of many heavy and mainly successful reforms to decentralise and create preconditions for better management and services in the Finnish administration in the 1990's.

The most confusing elements in debate concerning service-orientation as an NPM-origin reform target and citizen trust as a change in attitudes and thinking of the citizens can be found in the results of those recent researches in which the changes in the attitudes of the citizens has been analysed (Harisalo and Stenvall, 2001). The ideal of good governance and public services has not got any clear positive response according to these research results. On the contrary, the best citizen trust can again be found in those administrative sectors which have been most passive in reforms, such as the police administration, the defence forces, the courts etc. The citizens rely mostly on the institutions like the president of the republic, the church, the universities etc.

Perhaps the funniest paradox in these results is the trust on the police forces which all the experts of administrative reform policies know as the "bad boy" in budget steering, whose money is every year spent in September and who is co-operating with media in a way which at many times is outside the range of good behaviour. In spite of this reputation among the experts the police forces continues to be the favourite of the citizen trust.

The evaluation programme gives only little information for a deeper analysis (following a broader definition of service-orientation) concerning changes in satisfaction and trust among citizens. Of course the main idea in improving public services has been the causalities between improved quality of services and citizen satisfaction and improved trust of administration. The trust of government and general governance seems to be a phenomenon which does not directly follow these causalities. Although the evaluation results were at this point scare, there were some interesting remarks which show connections between public service development and general reform policies.

Firstly, at those sectors of the administration in which were implemented radical changes in service production models (company model or contracting out) the reactions of citizens were clearly either positive or negative and there was also public debate concerning these reforms. Secondly, those politicians who were directly responsible for the administrative reforms indicated their strong support to the managerial reforms in interview researches. They could not see any other alternatives to debureaucratisation by managerial tools. On the other hand, wider political debate has during the last 2-3 years been increasingly directed towards problems of welfare state and its future.

The easy answers to this paradox between public service reforms and citizen satisfaction and trust cannot be found out from our metaevaluation analysis. There are many lacks, unimplemented options and

gaps in managerial profile of the Finnish administrative machinery which can be recovered in some years of positive development of the administration which has gone through heavy structural and procedural development. These problems are, however, so much administrative cultural and deeply rooted in the profile of the Finnish administration that development must for a long time go on to reach results which really can produce better public services. The main concept of further development is quite clear and follows the NPM-doctrine. The agencies and the municipalities which are mainly responsible for public services have reached a more autonomous position and have adopted modern methods of quality management including customer feedback, quality awards and self-evaluations etc. One possible view to the paradox between citizen trust and success of the administrative reforms is a clear gap between business-like feedback studies of the agencies and more general citizen trust researches. In the feedback studies the customers of the service agency normally give positive feedback if the services have been developed. This development must be made deeper with benchmarking and continuing development and also the ministries must be involved in it. The already implemented NPM-type reforms have created a good basis for this grass-root development.

The broader definition of service-orientation including both citizen and customer views requires a broader development concept including the trust of citizens concerning the goals and operations of government and administration. The goal of achieving and maintaining the trust of citizens requires a good development in the quality of public services but it is not enough if the citizens feel their possibilities to influence in the political issues too limited. The trust-building networks have traditionally been built in the country like Finland on the party political system which has succeeded to channel the citizen expectations well until today in a quite satisfactory way. It is also clear that NPM-type marketising and contracting out activities had created more networking between private and public sectors. After the changes of the 1990's there are more and more conceptual vagueness in that area.

The evaluation material used above cannot much open this broader theme of citizen satisfaction. The plans and timetables of the reforms, as well as the main goals of them date from the beginning of the 1990's when the problems and development goals of the reforms were natural to build in order to meet the heavy bureaucracy problems of the Finnish welfare state and public administration. The evaluations show that these problems seem to be mainly solved, at least

concerning the preconditions of the better management.

The main message of the evaluations of the Finnish administration has been that there has been some success in modernising public sector structures and steering systems and creating better basis for the further development of public services. The citizen-directed government through quality, satisfaction and trust in government has been in fact behind these goals and problems which directed the administrative reforms in the 1990's. After many successful reforms of the 1990's these new goals following the broader definition of service-orientation can be the main development goals in the next decennium.

If we look at the tension between citizen trust and success of the administrative reforms, we must take a wider view. In the society following the principles of liberal democracy, the citizen trust seems to be a target which cannot be reached easily and which takes a long time to develop. The citizenship seems to mean that the citizen takes good governance and services granted like children who wait that their parents take good care of them. Perhaps they are active only if there are relevant problems in public services. The attitudes and role of the modern media is emphasising this individualistic development. There seems to be also in political culture of the country some movement from collective towards individualistic attitudes.

The NPM-type reforms seem also to have some characteristics which catalyse negative attitudes against NPM-type reforms. The most important is their character to create clearcut "winners" and "losers" in the reforms. The "losers" are mainly those who lose the former politically gained benefits when public activities are privatised or contracted out. On the other hand, NPM-type reforms can at many times create new networks and possibilities to the former totally public organisations. In the Finnish case, those negative feedback examples are mainly from the rural areas in which the services have decreased, when at the same time the service level can be improved in the urban areas. The example of the postal services in which the number of the post offices has decreased since the end of 1980's from 4000 to under 300 has catalysed exceptionally lively debate of the impact of the NPM-type reforms in Finland.

The positive impact of the NPM-type reforms is not so easy to recognise. Perhaps the most relevant case from Finland in which the new NPM-type company model has opened challenges which really have changed the role of the former state agencies is the case of Sonera (the name of which was yet three years ago the Finnish Telecom Company). The introduction of the company model for Sonera was a big success which widened Sonera's activities to many

other countries and the value of company grew rapidly until two years ago when it was so high that the Finnish state could pay almost 10 percent of its national debts by selling a part of Sonera's shares. The public debate did not give, however, any notable recognition to those who had created by the administrative reforms this success. After the telecommunication branch came internationally down and had some economic losses, there has been a lively and partly evil-minded debate around the bad management of Sonera.

How can we analyse these experiences? Firstly, there is an old Finnish proverb: "the bad bell sounds more far away". In the open society the negative pieces of news especially concerning public activities move much easily and have their channels in the media. This is one explanation but certainly there are also others. Perhaps it is also a question of different levels of consciousness in the minds of the citizens. Perhaps the negative and normally loudly and aggressively demonstrated criticisms against public activities is today normal every day information in modern society but those many positive impacts, for instance on networking and new challenges, are working on a different level of consciousness of the citizen. It is, however, clear that the active part of citizens have normally capacity to analyse the development of the society much better than the politicians or political scientists can figure. But the debate around this kind of phenomenon can be lacking or is active only among experts especially in a country like Finland with small, homogenous and silent population.

#### References

- Ahonen, P. and Salminen, A.. *Metamorphosis of the administrative welfare state*. Frankfurt: Peter Lang, 1997.
- Asikainen, T. *Julkisen palvelun kuvan muuttuminen 1987-1996* (The changing picture of the Public Administration). Ministry of Finance. Helsinki: Edita, 1998.
- Bouckaert, G., Ormond, D., and Peters, B.G.. *A Potential Governance Agenda for Finland*. Ministry of Finance. Helsinki: Edita, 2000.
- Bouckaert, G. and Pollitt, Ch.. *Public Service Reform*. London: Sage, 2000.
- Harisalo, R. and Stenvall, J. *Luottamus kansalaisyhteiskunnan peruskivenä- kansalaisten luottamus ministeriöihin* (Citizen trust towards the ministries). Helsinki: Edita, 2001.
- Harisalo, R. and Stenvall, J. *Luottamus johtamiseen ministeriössä* (Trust towards management in the ministries). Helsinki: Edita, 2001.
- Kekkonen, S. *Developments in Finnish Public Management in the 90's*. In *Public Administration in Finland*, ed. Tore Modeen. Helsinki University Printing House, Helsinki: Helsinki University Printing House, 1994.
- Krogars, M. *Tulosajattelu puolustushallinnossa* (The management by result-system in the defence forces), Ministry of Defence. Helsinki: Hakapaino, 2000.
- Lumijärvi, I. and Heikkinen, E.. *Tulosopimusmenettely valtion-hallinnon alue-ja paikallistasolla* (The management by result agreements at the regional and local levels of the state administration). Vaasa: University of Vaasa, research report No 19, 1997.
- Pollitt, Ch., Hanney, S., Packwood, T., Tim, R. Sandra and Roberts Simon. *Trajectories and Options: An International Perspective on the Implementation of Finnish Public Management Reform*. Ministry of Finance. Helsinki: Edita, 1997.
- Salminen, A.: *Organized welfare: The Case of Finland's Welfare Bureaucracy - A Nordic comparison*. Frankfurt: Peter Lang, 1991.
- Salminen, A. and Tmmes, M.. *Transitioteoriaa etsimässä* (Seeking the transition theories). Helsinki: Kikimora Publications, 2000.
- Setälä, M.-L. *Julkisen palvelun kuva* (The picture of Public Service). Helsinki: Valtion painatuskeskus, 1988.
- Temmes, M., Kivinen, J., Lumijärvi, I., Mertano, S., and Moilanen, T.. *Henkilöstöpolitiikan uusi tuleminen* (The new challenges of the public personnel policies). Ministry of Finance. Helsinki: Edita, 1998.
- Temmes, M. and Kiviniemi, M.. *Suomen hallinnon muuttuminen 1987-1995* (The changes in the Finnish administration in 1987-1995). Ministry of Finance. Helsinki: Edita, 1997.
- Temmes, M., Kiviniemi, M., and Peltonen, P. *Hallinto uudistuu, uudistuuko johtaminen?* (The public administration is developing - what about public management and leadership?). Ministry of Finance. Helsinki: Edita, 2001.
- Temmes, M. *Määräaikaisen valmistelun kehittäminen* (The development of ad hoc preparation). Ministry of Finance, 2001.
- Temmes, M. and Moilanen, T. *Johto-organisaatiot tienhaarassa* (The management boards in development), Ministry of Finance, Helsinki: Hakapaino, 2000.
- Temmes, M. *Finland and New Public Management*. *International Review of Administrative Sciences*, 1998, Vol. 64, 441-456.
- Temmes, M. *Hallinto puntarissa* (Weighting the Administration). Helsinki: Edita, 1994.
- Temmes, M. *The EU and Finnish Administration*. *Hallinnon tutkimus*, 1995, 4, 258-263,
- Temmes, M. *State Transformation and Transition Theory*. *International Review of Administrative Sciences*, 2000, Vol. 66, 258-268.

Markku Temmes

### Kodėl piliečiai nenoriai atsiliepią į administracinę reformą: Suomijos viešosios vadybos reformų 1990 - aisiais strategijos ir krypčių meta vertinimas

Reziumė

Prieštaravimų tarp administracinės reformos tikslų ir jos įtakos politinės-administracinės sistemos efektyvumui ir teisėtumui analizė yra teoriškai bei praktiškai svarbi ir būtina tolesnei administravimo mokslo raidai. Šio straipsnio

svarbiausias tikslas – pateikti Suomijos administracinių reformų, vykdytų 1990-aisiais, apibendrinantį vertinimą, išryškinant sėkmes ir nesėkmes. Tas reformas sąlygojo sunki ekonominė depresija ir išoriniai pokyčiai, susieti su Sovietų Sąjungos žlugimu ir naryste Europos Sąjungoje. Pagrindinis reformuotojų siekis buvo modernizuoti administracinės sistemos struktūras, kontrolės metodus ir administracinę kultūrą, atsižvelgiant į naujuosius iššūkius. Tai reformai ryškiai įtaką darė tarptautinį pripažinimą įgyjanti naujojo viešojo administravimo doktrina. Tačiau, nepaisant daugelio sėkmingų pokyčių Suomijos administravimo sistemoje, vertinant modernizuotos administracijos teisėtumą, piliečių reakcija buvo gana pasyvi ir net negatyvi. Straipsnyje vertinamos tokios piliečių elgsenos priežastys. Iš dalies, atrodo, lėta reakcija siejasi su tuo, kad daugiau reaguojama į realius kasdienio gyvenimo pokyčius, o ne į politinių reformų sprendimus. Be to, kiekvienoje reformoje būna laimėjusių ir pralaimėjusių. Paprastai pralaimėjusių reakcija būna garsesnė ir net agresyvi, o laimėjusių – pasyvi. Suomijos pavyzdys rodo, kad naujosios viešosios vadybos įgyvendinimo reformos gali būti vertinamos kaip sistemos struktūrinė ir kultūrinė renovacija, kuri gali sukurti efektyvesnę ir paslaugas orientuotą administravimą, bet jų įtaka yra instrumentinė, netiesioginė ir reikalaujanti laiko.

DOI: 10.5755/j01.ppa.0.5.27252