



Organising for EU Enlargement

A challenge for member states and candidate countries

MANAGING EUROPE FROM HOME

The Europeanisation of the Finnish Core Executive

OEUE PHASE I

Occasional Paper 3.1 – 09.03

Jussi Kinnunen

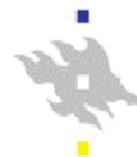
Centre for European Studies
University of Helsinki



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Dublin European Institute
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CENTRE FOR EUROPEAN STUDIES
UNIVERSITY OF HELSINKI

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Jussi Kinnunen
Centre for European Studies
University of Helsinki

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assisted by Colin Shaw
Dublin European Institute
University College Dublin

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MANAGING EUROPE FROM HOME:
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Jussi Kinnunen

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ORGANISING FOR EU ENLARGEMENT:

Challenge for the Member States and the Candidate Countries

The Dublin European Institute, University College Dublin,¹ was awarded, in 2001, a research contract under the EU's Fifth Framework Programme² to carry out a comparative study of the impact of the EU on the structures and processes of public policy in six small countries: **Ireland, Greece, Finland, Estonia, Hungary** and **Slovenia**. The Project's partnership, under the direction of Professor Brigid Laffan, Dublin European Institute, University College Dublin³, includes: Professor Dr. Wolfgang Drechsler, University of Tartu; Professor Teija Tiilkainen, University of Helsinki; Professor Calliope Spanou, University of Athens; Professor Attila Ágh, Budapest University of Economic Sciences and Public Administration; and Professor Danica Fink-Hafner, University of Ljubljana.

The aim of the research project was to deepen our understanding of the processes of Europeanisation in a number of the existing member states and some of the candidate states.

The research project encompassed the following three objectives:

- The conduct of research which offers immediate policy relevance to key stakeholders in the enlarging Union;
- The conduct comparative, theoretical and empirical research on the management of EU public policy making in three existing member states – Ireland, Greece and Finland – and three candidate states – Estonia, Hungary and Slovenia;
- The shedding light on the capacity of smaller states to adjust and to adapt to the increasing demands of Europeanisation on their systems of public policy-making and thus to identify the barriers to effective, efficient and accountable management of EU business.

Research Strategy

The research design consisted of two phases and within each phase, two levels of analysis. **Phase I** analysed the management of EU business at the macro level of the core executive and was complemented by a micro case study of a recent policy negotiation using decision analysis. **Phase II** of the research broadened the analytical focus to encompass other levels of government – the EU and sub-state – through multi-levelled governance. Here attention was centred upon the emergence of policy networks and the interaction between public actors and the wider civil society in specific, discrete policy sectors.

¹ National University of Ireland, Dublin (University College Dublin).

² European Commission, Community Research Fifth Framework Programme (Socio-Economic Research)

³ This project forms part of the Governance Research Programme, Institute for the Study of Social Change, University College Dublin, www.ucd.ie/issc/ and www.ucd.ie/govern/intex.htm.

Methodology

The study employed two specific methodologies: historical institutionalism and rational institutionalism in a new and innovative fashion. The use of combined perspectives provided a theoretically innovative and new approach to the study of the Europeanisation process. Both approaches could be used as they were applied to different elements of the empirical research.

Academic and Policy Implications

This study's findings provide insight into the manner in which diverse state traditions, institutions and political and administrative cultures influence national adaptation to EU governance and how the interface between national policy processes and the Brussels arena is managed. It is expected that these findings will assist those making and managing policy, thus facilitating adjustments to the changing European Union while also contributing to the growing academic debate on Europeanisation.

At various stages during the course of this project the research findings and analysis were presented to a range of stakeholders and academics to facilitate feedback and enhance the analytical process. Further details about the Organising for EU Enlargement (OEUE) project are available on the project web site www.oeue.net, along with i) the Project Report, ii) the OEUE Occasional Papers and iii) a selection of papers by the research partners which draw on various aspects their project research.

AUTHOR

Jussi Kinnunen

Jussi Kinnunen, Licentiate of Political Science, is a researcher with the Centre for European Studies, Department of Political Science, University of Helsinki. In addition to his interest in European Union politics Jussi Kinnunen has conducted research on the issues for business stemming from environmental matters in the region of the Baltic Sea.

ABSTRACT

A Highly Institutionalised System

The management of European affairs in Finland interacted with constitutional changes to Finland's politico-administrative system, especially the enhancement of the role of the prime minister at the expense of the previously dominant president. Engagement with Europe was part of the rationale behind the constitutional change and the Finnish prime minister and office have come to play a central role in the co-ordination of European affairs. The Finnish system for managing Europe is highly formalised and institutionalised. The Finnish parliament and interest groups are fully integrated into the system prior to inter and intra ministerial policy making that extends from the capital to the permanent representation in Brussels. Finnish administration strives for transparency, clear rules boundaries and codes. The responsible civil servants need to analyse issues carefully and argue their positions well on the domestic level. The negotiator in Brussels practically always works with domestically coordinated positions.

INTRODUCTION

This paper analyses and interprets the effects of Europeanisation on the Finnish politico-administrative system from an institutionalist perspective.⁴ Europeanisation can be defined as the impact of European integration on the national level politics, polity, policy-making and domestic institutions of government (Bulmer and Burch 1998a, 1998b). However, a member state is not only an object of Europeanisation but also a subject that influences developments at the European Union⁵ level. Thus, one can talk of a two-stage response; reception and projection (Bulmer and Burch 2000: 47-48). Europeanisation can produce both convergence and divergence (see Héretier and Knill 2000; Hanf and Soetendorp 1998; Harmsen 1999). The focus in this paper is on the changes in the institutional structures, processes and agents associated with the management of EU business in Finland. Institutional change is often gradual. One could say that developments are path dependent, that history matters. New institutions are seldom created but the old ones are transformed in order to cope with novel situations (March and Olsen 1996). However, at times it is possible to pinpoint key moments when new institutions and processes are established. Likewise, there are critical junctures that are specific periods in time with far reaching consequences (Thelen and Steinmo 1992: 27; Collier and Collier 1991: 29).

Junctures in Finnish integration history

It is important to understand the historical context of change, which in the case of Finland's integration with Europe, can be discussed as a series of phases (see Box 1). During the first phase, Finland recovered from war and her trade with other countries was primarily of a bilateral nature. Over the course of the cold war Finland's foreign policy was based on the pragmatic recognition of its geographical proximity to the Soviet Union and neutrality. Legally relations between the Soviet Union and Finland were based on the Treaty of Friendship, Cooperation and Mutual Assistance signed in 1948. While Finland did not accept Marshall aid in 1947 nor join the Organisation for European Economic Co-operation (OEEC) the late 40s and 50s were marked by an increasing engagement with international trade and economic bodies of cooperation, Finland joined the GATT and the World Bank in 1949-1950 and assisted in the establishment of the short lived Nordic free trade cooperation 1955-1959. (See Antola-Tuusvuori 1983:119ff; Antola 1991 and Rehn 1993: 166ff.)

The second phase of Finland's integration began with signing in 1961 of a critical Association Agreement, the FINNEFTA Agreement, with the European Free Trade Association. It was a critical moment in Finnish integration history. The foundation of the European Economic Community prompted the establishment of EFTA and its development and enlargement to

⁴The author wishes to thank all those who cooperated in the research and preparation for this paper. He is also grateful to Dr. Teija Tiilikainen, Professor Tapio Raunio and other colleagues for their comments on earlier drafts of this paper.

⁵ In 1987, the European Economic Community (EEC) became known as the European Community (EC). Following the ratification of the Treaty on European Union, the EC was renamed the European Union (EU). For the sake of consistency the term EU will be used throughout this study to refer to the EEC, EC and EU.

include the United Kingdom, Denmark and Ireland impacted on the Association's membership and the approaches adopted. In the interest of its economic development Finland signed a *Free Trade Agreement with the EEC* in 1973 and provided similar benefits to the COMECON countries. These arrangements were stable until 1984, but the start of the EC's internal market programme revealed the differences in the nature of integration being pursued by EFTA and the EU. When Jacques Delors, President of the European Commission, suggested the creation of the European Economic Area (EEA) in 1989, the EFTA countries were only too eager to accept. (Antola-Tuusvuori 1983; Rehn 1993; Preston 1997: 13-34.)

Finland's involvement in the EEA from 1990⁶ was to prove significant as it marked the start of the Europeanisation of its politico-administration. The structures and systems established in the context of EEA membership provided the basis for the management of European business requiring only minor changes when Finland joined the EU (Mattila 2000: 138-139). The pre-membership period was formative for the post-membership organisation of the Finnish core-executive. While Finland's participation in the EEA proved to be important in paving the way for EU membership some national policies notably that of neutrality had to be addressed before the formal application could be made. The collapse of the Soviet Union, the lapsing of the Treaty of Friendship, Cooperation and Mutual Assistance in 1991, facilitated the reinterpretation of Finnish neutrality to allow for EU integration. The combination of national economic depression, Sweden's application for EU membership and the deepening of the integration process put pressure on Finland to ensure that it was well placed to submit its own application. (See Antola 1991; Raunio and Tiilikainen 2003.)

Box 1. Three phases in Finland's European integration

- 1) Participation in bilateral trade but moving towards free trade:
End of WW2 – FINNEFTA agreement (1945-1961)
- 2) Participation in economic integration but encapsulation of political integration:
FINNEFTA – EU membership application (1961-1992)
- 3) Participation in both economic and political integration but remaining a militarily non-allied state: EU membership application - (1992-)

A government report to the Eduskunta (Parliament) launched the debate on EU membership in 1990. The debate gained momentum in late 1991 and the Eduskunta supported the membership application submitted in March 1992. The accession negotiations started in February 1993 and were completed in thirteen months. This relatively swift process was facilitated by the EEA agreement regarding the internal market *acquis* and Finland's desire to participate fully in the EU including EMU. Only its status as a militarily non-aligned state limited its participation in any European defence policy. In October 1994 a consultative referendum was

⁶ Finland's involvement with the EEA commenced in 1990 and it became a full member in 1994.

held in which 56.9 % of voters supported membership. The Eduskunta ratified accession in November 1994. Finland became a EU member 1 January 1995, together with Sweden and Austria (For more see e.g. Arter 1995 and 1997; Preston 1997 and 1998; Raunio and Wiberg 2000:9ff.)

Table 1. Key dates in Finland’s engagement with the EU

Year	Event
1962	Association Agreement with EFTA
1973	Free Trade Agreement with EEC
1986	Full membership in EFTA
1989	Finland joins Council of Europe
1990	EEA negotiations begin, debate for the EU membership begins
1992	Finland leaves the EC membership application
1993	Finland starts membership negotiations with the EC in February
1994	Finland joins the EEA, membership negotiations were completed in March, an advisory referendum about EU membership is held
1995	Finland joins the EU
1999	Finland joins EMU (third stage) and holds EU presidency, significant administrative changes
2000	New constitution (influenced by integration) enters into force
2002	Markka is replaced by the common currency euro

(See Raunio and Tiilikainen 2003)

Over the course of the first five years of Finland’s membership of the EU the country experienced demanding national economic conditions and constitutional change while fulfilling the procedural and policy requirements under the EU’s institutional structures and policy processes. The country experienced its worst economic recession while seeking to comply with the EMU criteria and a new Constitution adopted in March 2000 marked the end of twenty two years of reform.

I STRUCTURES

Analysis of the Core Executive – Structures and Roles

Examination of the national core structures begins with the roles of the president and the prime minister. The tasks of both have changed considerably over time. Moreover, all ministers and ministries are involved in the handling of EU affairs - but to varying degrees⁷. Finland's new constitution came into force in 2000 after a process of constitutional reform that started in the 1980's and resulted in significant changes to executive and legislative powers. Section 3 of the new Constitution states

The governmental powers are exercised by the President of the Republic and the Government, the members of which shall have the confidence of the Parliament.

Researchers have difficulties categorising the Finnish system as noted by Raunio and Tiilikainen (2003: 96-98). Nevertheless, most scholars agree that it is closer to a parliamentary system than a presidential one. (See Anckar 1999; Arter 1999; Nousiainen 2000; Lijphart 1999 and Paloheimo 2002.) The president held a lot of formal power when Finland joined both the EEA and the EU. However, President Koivisto (1982-1994) was strongly in favour of parliamentarism and consistently promoted efforts to this end. Therefore, the constitution was gradually changed during the 1980's.⁸ The domestic powers of the president were limited considerably; with the results that the president alone no longer had the power to dismiss the government or the parliament. The use of an electoral college or a mixed system, like that used in 1988 to elect the President, was replaced by direct elections and no president could be elected for more than two terms. In 1994 the Constitution (section 33a) brought foreign policy into the sphere of the government's activities for the first time. While the president maintains a leading role in respect to foreign policy it is undertaken in cooperation with the government. (Raunio and Tiilikainen 2003: 101-102).

The demarcation between the president's and the prime minister's fields of competence were, in 1994, the subject of a constitutional rift between the President and the Constitutional Committee of the Eduskunta. This rift involved differences of opinion as to who should represent Finland in the European Council, the president or the government in the person of the prime minister. The compromise reached resulted in dual representation whereby the prime minister attends all meetings of the European Council while the president attends those meetings dealing with second pillar issues. In practice the president decides which meetings he/she participates in (interview material). This division of labour was stabilized during the first government (1995-

⁷ A much more detailed analysis of all ministries can be found in the full report 'Managing Europe from Home – National report Finland at <http://www.oeue.net>

⁸ Before the constitutional reforms of the late 1980s supreme executive power belonged solely to the president. The president had the right to influence the legislative process, the appointment of governments, the party composition of governments, the dissolution of the parliament and the government and the calling of elections during the official term of office. Also, the president directed foreign policy, was head of the armed forces, granted pardons and has wide powers of appointment (Raunio and Tiilikainen 2003).

1999) led by Prime Minister, Paavo Lipponen⁹ and since then the division of labour has worked quite well. Although the key figure in Finnish politics is now the prime minister, all those interviewed in the course of this research concurred that the president still has a role in foreign policy.

Identifying the core ministries

There are different ways to categorize the involvement of the thirteen Finnish ministries in EU business¹⁰. Spence (1995) talks about lead ministries, that is, those that are in direct contact with the European Commission, the examples given are the Ministry of Finance, the Ministry of Agriculture and the Ministry of the Interior. As Rehn points out most ministries in Finland can be called 'lead ministries' (1998: 17). An alternative categorization provided by Laffan (2001) involves over-arching ministries, horizontal ministries and ministries with one policy domain. In the case of Finland it is easy to identify three over-arching ministries; the Prime Minister's Office, Ministry of Foreign Affairs and Ministry of Finance. In the context of this study these ministries constitute the coordinating ministries. These ministries have policy domains that involve high EU exposure. One indicator of this involvement is the sections within the ministries that reflect EU council structure (Table 2)¹¹. The sections are sub-committees dealing with horizontal policy issues. There are forty sections within the Finnish system. Responsibility for chairing a section and membership of sections is a useful indicator of the domestic ministries' EU responsibilities.

⁹ Paavo Lipponen, Social Democratic Party.

¹⁰ The core is identified through the normative base, previous studies, interviews and statistics. Some 22 interviews were carried out for this project of which 8 were in depth theme interviews.

¹¹ Sections form the basic structure of the co-ordination work of civil servants. When preparations for membership were in progress, section chairs were positions for which ministries competed. Therefore, in the beginning there were 55 sections. The system soon proved to be too "heavy" and the number was cut down to 36. (Murto 1996: 70ff.) At the time of writing there is a 40-section system reflecting the structure of the EU Council.

Table 2. Ministries and their involvement in co-ordination of policy positions

Ministry	Section chair	Participation in others
Prime Minister's Office (EU-secretariat)	1	39
Foreign Affairs	5	n.a.
Finance	7	31
Trade and Industry	7	19
Interior	2	n.a.
Social Affairs and Health	6	27
Agriculture and Forestry	2	20
Transport and Communications	2	n.a.
Justice	1	13
Labour	3	18
Education	3	4
Environment	1	25
Defence	0	7

n.a. = not available

The Prime Minister's Office

The main tasks of the Prime Minister's Office (PMO) involve assisting the prime minister in directing the work of cabinet and in ensuring a consistent decision-making process by the president and the government. The Office is also responsible for keeping the president and the Eduskunta informed of the government's actions. Moreover, in EU affairs the Prime Ministers Office has a pivotal role. It prepares the general guidelines for Finnish EU policy in cooperation with the relevant Government ministries.¹² Generally the coordinating role of the Prime Ministers Office was relatively weak until the constitutional reforms of the 1990's. The Office's influence has grown in parallel with that of the Prime Minister's powers. In keeping with the Office's unprecedented influence¹³, the staffing has increased significantly¹³.

¹² Government Standing Orders Section 14)

¹³ Until early 1960's only 10-20 people worked in the Prime Minister's Office. The growth started during the 1960's and in the 1970's political secretaries were introduced to the system. Currently they are called special advisers. In 1997 there were about 165 people working in the PM's Office. By the end of 2001 the number had risen to 235. There (Action Reports 1997 and 2001.)

Responsibility for the work of the Prime Minister's Office at the time of writing is divided between the Prime Minister and the Minister of Trade and Development, who is accredited to the Prime Minister's Office. The Minister of Trade and Development is responsible for matters covered by the Government Secretariat for EU affairs¹⁴, and effectively serves as a minister of European affairs¹⁵. Since 1990 the Prime Minister has been assisted by both a politically appointed secretary of state and a permanent under secretary from the civil service responsible for the administration of the Prime Minister's Office; previously these roles were undertaken by one permanent secretary.

As of the autumn of 2003 the Prime Minister's Office has seven functional units of which the Government Secretariat for EU Affairs is the most significant in respect to the management of EU business (See Annual Report 2001.). The Government's EU-secretariat was transferred to the Prime Minister's Office from the Ministry for Foreign Affairs in the summer of 2000 after a delay intended to avoid compromising Finland's EU presidency in 1999. Although, the Ministry of Foreign Affairs was formally responsible for co-ordination during the early days of EU membership, in practise the Prime Minister's Office was already playing a role. As EU matters came to increasingly involve domestic policy matters the transfer of responsibility was seen to be logical. In addition, other ministries did not trust the impartiality of the Ministry for Foreign Affairs and institutional disputes furthered the case for the transfer (Lampinen – Rehn – Uusikylä 1998: 136. Interview material). The Government Secretariat for EU Affairs has a full time staff of more than twenty and is responsible for EU co-ordination in Finland. Its co-ordinating role involves working with various government ministries, preparing positions for the European Council and ensuring that policy positions adopted on European issues are in line with Finnish policy objectives. Both the Cabinet Committee for EU Affairs and the Committee for EU Affairs are assisted by the Secretariat with its Secretary of State chairing the latter committee.

The Ministry for Foreign Affairs

The Ministry of Foreign Affairs' responsibilities in respect to EU business cover the preparation, monitoring and determination of Finland's positions regarding EU policies on enlargement, external relations, third country agreements and development cooperation.¹⁶ In recent years the Ministry of Foreign Affairs has experienced changes to its administrative and functional structures which have influenced its handling of EU business. In response to the challenges posed by globalization the management of policy issues was concentrated in vertically constructed regional divisions. More recently the scope and profile of the Ministry's coordinating role were relinquished to the Prime Ministers Office when it became host to the General EU Secretariat in 2000.

While the handling of EU matters penetrates the whole organisation of the Ministry of Foreign Affairs there are certain units that specialize in EU matters and their coordination. Under the

¹⁴ Except for matters related to the European Council

¹⁵ For organisation see <http://www.vnk.fi>

¹⁶ See Government Standing Orders Section 15 and the Ministry for Foreign Affairs' Mission Statement <http://www.formin.fi> [consulted 6 May 2004]

Ministry's Regional Division, the Division for European Affairs currently includes five units¹⁷ responsible for matters relating to the general development of the EU, co-ordination and enlargement. Moreover, the Unit for European Correspondent (under the Ministry's Political Department) is responsible of Common Foreign and Security Policy issues and the head of this unit is a member of the European Correspondents Group. The Unit for EU Law within the Ministry's Legal Department takes care of judicial issues. In a similar vein the Ministry's Departments of External Economic Relations and International Development Cooperation handle those EU matters that fall within their policy remits (See Tiilikainen 2002; Räsänen 1998; Annual Report <http://www.formin.fi>, interview material).

In 2002 the Ministry for Foreign Affairs had four and a half ministers from four different political parties¹⁸. Following the appointment of the new government in June 2003, there are currently three ministers. A feature of the Finnish core executive is the multiple accreditation of ministers to one ministry. The permanent secretary of state is the highest civil servant in the Ministry of Foreign Affairs¹⁹ the person holding the post participates in the meetings of the Government Committee for EU matters as an expert. The post also endows them with membership of the Committee for EU matters.²⁰ When the permanent secretary cannot attend meetings the director of EU division substitutes. Since Finland joined the EU the Permanent Secretary of State has had important role and belongs to the core group of decision-makers on key EU matters due both to position and expertise. Under-secretaries of State assist the permanent secretary and the ministers in there respective roles (See Annual Report 2001).

In summary, globalisation and Europeanisation have had a considerable impact on the Ministry of Foreign Affairs. There are more actors in international affairs than before. The creation of regional divisions and the ongoing project to set up a Department of Globalisation are answers to the new challenges. The aim is to promote consistency and co-ordination. Also constitutional change has had a significant effect and the responsibilities of ministries have grown and in turn this has increased the need for over-arching co-ordination. As EU matters have become increasingly issues of domestic politics the Prime Ministers Office has taken on more responsibility over time. This change has taken place hand in hand with the constitutional reforms. Nevertheless, by its very nature the Ministry of Foreign Affairs remains an over-arching ministry.

¹⁷ Units of the Division for European Affairs: Unit for Western Europe, Unit for General EU Affairs and Coordination, Unit for Central and Southeastern Europe, Unit for EU Enlargement, Unit for Western Balkans.

¹⁸This is the best example of what the division of labour and efforts to find a balance of power in Finnish government can produce. The Ministry of Foreign Affairs had three accredited ministers from other ministries in addition to the actual Minister of Foreign Affairs. The strangest issue was the unofficial "half" minister in the Ministry of Foreign Affairs. This stemmed from the fact that Minister of Transport and Communications held on to part of his previous portfolio as a Minister for European Affairs while also maintaining responsibility for the Russian Trade Commission Affairs in the Ministry of Foreign Affairs. In August 2002 a decision was taken that after next elections Ministry of Foreign Affairs would have only two ministers (Helsingin Sanomat 20 August 2002), however, since the appointment of the new government in April 2003 there are three ministers.

¹⁹ A short history and organisation can be found at <http://www.formin.fi/>

²⁰ For details of the co-ordinating body of ministries, see Government Standing Order Section 49, 591/2000).

Ministry of Finance

The Ministry of Finance (MoF) is clearly an over-arching ministry. In general, the Ministry is responsible for the preparation and implementation of Government's economic, finance and tax policies, the efficient functioning of financing markets, development of public administration and planning as well as implementing state policies as an employer (Government Standing Orders Section 19). In respect to EU matters the Ministry of Finance operates in the same policy areas as it does at the national level. It prepares the Finnish positions on the EU budget, its implementation and monitoring. The Ministry represents Finland in negotiations pertaining to its policy remit including tax, customs, financial services and subsequently plays a role in the implementation and monitoring of EU measures in these areas. The Ministry of Finance is responsible for financial market related issues. Also, it is the Ministry of Finance, which participates in the development of EU administration. (See Juvonen-Räsänen 1999: 60).

The Ministry of Finance has two ministers.²¹ The principle civil servant is the Permanent Secretary of State aided by two Permanent Under-Secretaries of State. The Permanent Secretary of State represents Ministry of Finance in the Committee for EU matters. The under-secretary's post for Economic Affairs was created in 1995. Currently the Ministry of Finance has six departments: Economics Department, Tax Department, Budget Department, Financial Markets Department, Personnel Department (includes the State Employers Office that represents the State in labour market negotiations) and Public Management Department. In all, about 320 people work in the Ministry of Finance. (See Annual Report 2001.). EU membership brought changes to the Ministry's organisational structure. An EU Secretariat was established within the Ministry in 1994 to coordinate the internal preparations on EU matters and support the ministers and senior civil servants. While this role includes responsibility for planning and co-ordination for ECOFIN Council meetings it is the Ministry's departments, which are responsible for the substantive policy preparation. In addition, the Secretariat facilitates co-ordination among sectoral ministries where the Ministry of Finance chairs inter ministry policy development or management meetings.

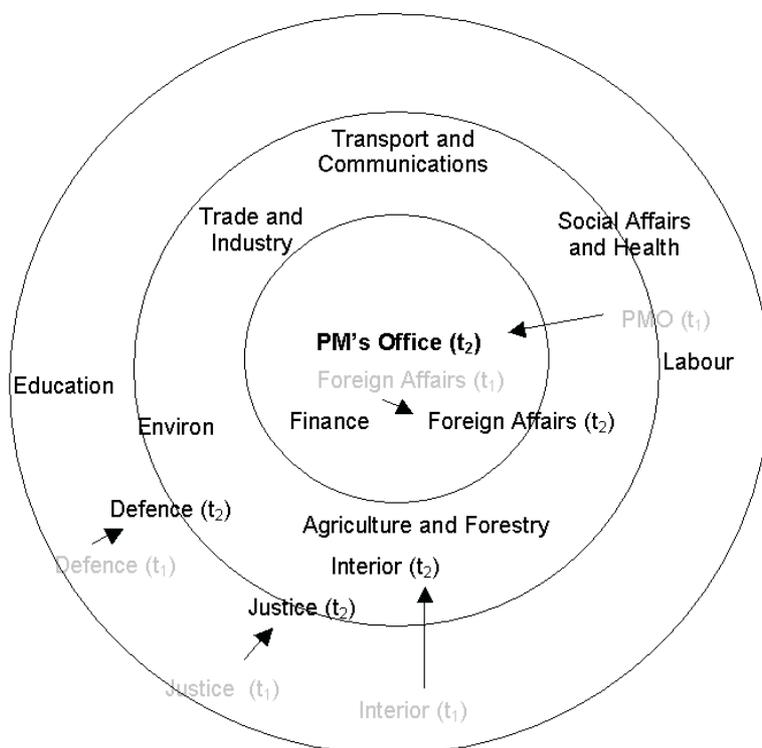
A special unit, established in 1997, within the Ministry's Budget Department was also set up to manage specific EU matters and involves a significant level of EU expertise (See also Juvonen & Räsänen 1998: 61ff.). Most recently membership of the EMU and the establishment of the European Central Bank (ECB) has required significant change to the institutional structures associated with Finland's financial management as decision-making powers have been transferred to the supranational level. Over the course of the preparations for membership of EMU the Bank of Finland and the Ministry of Finance cooperated closely. While the Bank of Finland has been redeveloped to serve in an expert advisory capacity²² it would appear that Finland's EMU membership placed greater emphasis the role of the Ministry of Finance.

²¹ See <http://www.vn.fi>

²² See Act on the Bank of Finland www.bof.fi

With Finland’s membership of the EU came an increasing involvement in EU business for all ministries in the core executive. The Prime Minister’s Office along with the ministries of Foreign Affairs and Finance are immediately identified as belonging to the overarching category. While the three serve a co-ordinating role in the management of EU affairs their significance in serving that role has been seen to change since the mid nineteen nineties as the prime minister came to formally take a leading role in co-ordination based on constitutional developments which were part of the Europeanisation process (see Figure 1).

Figure 1. National core (ministries) on EU affairs
(t_1 = in the beginning of membership, t_2 = situation 2003)



The inner core

The ministries of Trade and Industry; Transport and Communications; Agriculture and Forestry; the Interior and Justice are located in the inner core representing the next degree of involvement in European affairs. The Ministry of Trade and Industry has been very involved in EU matters under the Community pillar. Organised along horizontal lines the Ministry serves an expert role. Ministerial responsibility at the time of writing is divided between the Minister for Trade and Industry and the Minister for Foreign Trade and Development²³. Both Ministers are members of the Cabinet Committee on EU Affairs. As previously noted the Minister for Foreign Trade and Development, appointed in April 2003, also functions as the Minister for European

²³ See the Division of labour among ministers in the Government of Prime Minister Matti Vanhanen www.government.fi

Affairs within the Prime Minister's office. The Ministry of Trade is subject to frequent lobbying by a variety of interest groups, with the result that the Ministry of Trade typically interacts with many policy actors during the preparatory phase of decision-making. Within EU policy process the ministry is responsible for representing Finland's position at the Energy and Industry, Research, Internal Market, Consumer Affairs and Tourism Councils.

Community pillar issues also engage the Ministry of Transport and Communications resulting in it being responsible for an immense amount of technical legislation involving considerable paperwork. The Ministry's three departments, General Affairs, Transport Policy and Communications deal with EU business. Having experience of slow decision making on EU matters, which it found to impact on domestic policy the Ministry was critical of the EU Secretariat while it was based in the Ministry of Foreign Affairs (Räsänen 1988: 85-86). However, the movement of the EU secretariat to the Prime Minister's office in 2000 illustrated the government's recognition of the domestication of EU business.

All departments in the Ministry of Agriculture and Forestry have an expertise in EU matters. It is perhaps the Ministry on which EU membership has had the most impact requiring a shift in perspective from the domestic to the supranational. Generally the Ministry tends to be domain specific with many departments working independently of each other (Interview material). The Ministry's preparatory work is influenced by the EU decision making procedures. The Minister for Agriculture and Forestry is a permanent member of the cabinet EU Committee while the Secretary General attends meetings at the highest level of the Committee for EU Affairs.

By the time the time the Ministry of the Environment began to participate in the EU policy process there was a substantial body of legislation and revision of the Treaties had provided legal competence. In respect to EU matters there is within the Ministry a coordinator, experts and a specialist group under the International Affairs Unit. The Ministry also has a desk in the Permanent Representation. Reflecting the necessity for all policy decisions to take account of environmental issues the Ministry's administrative structure is horizontal involving direct contact with other ministries and a variety of interest groups.

Matters arising from EU cooperation in respect to policies under Justice and Home Affairs belong to the policy domains of the Ministries of Justice and the Interior. As the EU's activity in this area intensified from the late 1990s the involvement of these ministries increased significantly. The Ministry of Justice has all along provided expert advice on EU law to the government and prepared the Finnish position for cases before the European Court of Justice. Of the Ministry's four departments the Law Drafting Department and its European Law Unit are the most actively involved. Issues on Justice and Home Affairs involve the Ministry working closely with the Ministry of the Interior but otherwise the Ministry's is in command of its field and has very limited contacts with other Ministries while receiving no representations from interest groups with the exception of consumer protection (Juvonen 1998: 48-49). The Ministry of Interior's involvement with EU matters came into effect following the Amsterdam Treaty and the Tampere

summit. No specialist EU units were established in the Ministry but EU expertise is found through all its departments. While the Ministry's two Ministers can attend the Cabinet European Union Committee they are not permanent members. The Ministry has three desks in the Permanent Representation. Justice and Home Affairs' matters are handled jointly with the Ministry of Justice but the Ministry of Interior is responsible for issues relating to Schengen and it hosts interdepartmental preparatory meetings at departmental and ministerial levels. The Ministry of Interior's responsibility for the administration of the Structural Funds has also contributed to its move closer to the co-ordinating centre.

The Outer Circle

The ministries of Education; Social Affairs and Health; Defence and Labour are placed in the outer circle of Figure 1. This generally indicates a less encompassing involvement in EU business and the predominance of domestic matters in their respective policy fields. However, this representation cannot be definitive as even these ministries are on occasion involved in the horizontal co-ordination of EU business. Specific EU policy initiatives in respect to employment, education and health have impacted on the ministries of Labour, Education, Social Affairs and Health. Most pronounced has been the increase in the workload of the Ministry of Defence due to the deepening of Common Foreign and Security Policy, particularly in respect to Military Crisis Management²⁴.

II PROCESSES

The Finnish preparatory system for EU business is formalised and structured when compared with that of other Member states²⁵. However, while the membership and responsibilities of the Ministries, the EU Secretariat and various committees are defined, Finland is a small country and the formal system is complemented by informal interaction where necessary. The government's and the parliament's responsibilities in respect to EU matters are specified in the Constitution²⁶. The mapping of the path of proposed EU policy or legislative measures illustrates the structures and processes along with the nature of the decision making responsibilities vested in various actors.

²⁴ Article 17, Treaty of Amsterdam

²⁵ For more detailed accounts and examination of 'processes' see Rehn 1998: 20-24, Mattila 2000: 138-142 and Laffan 2001: 83-86. For international comparison see Kassim & al. 2000.

²⁶ See Section 93 (2) and Section 96.

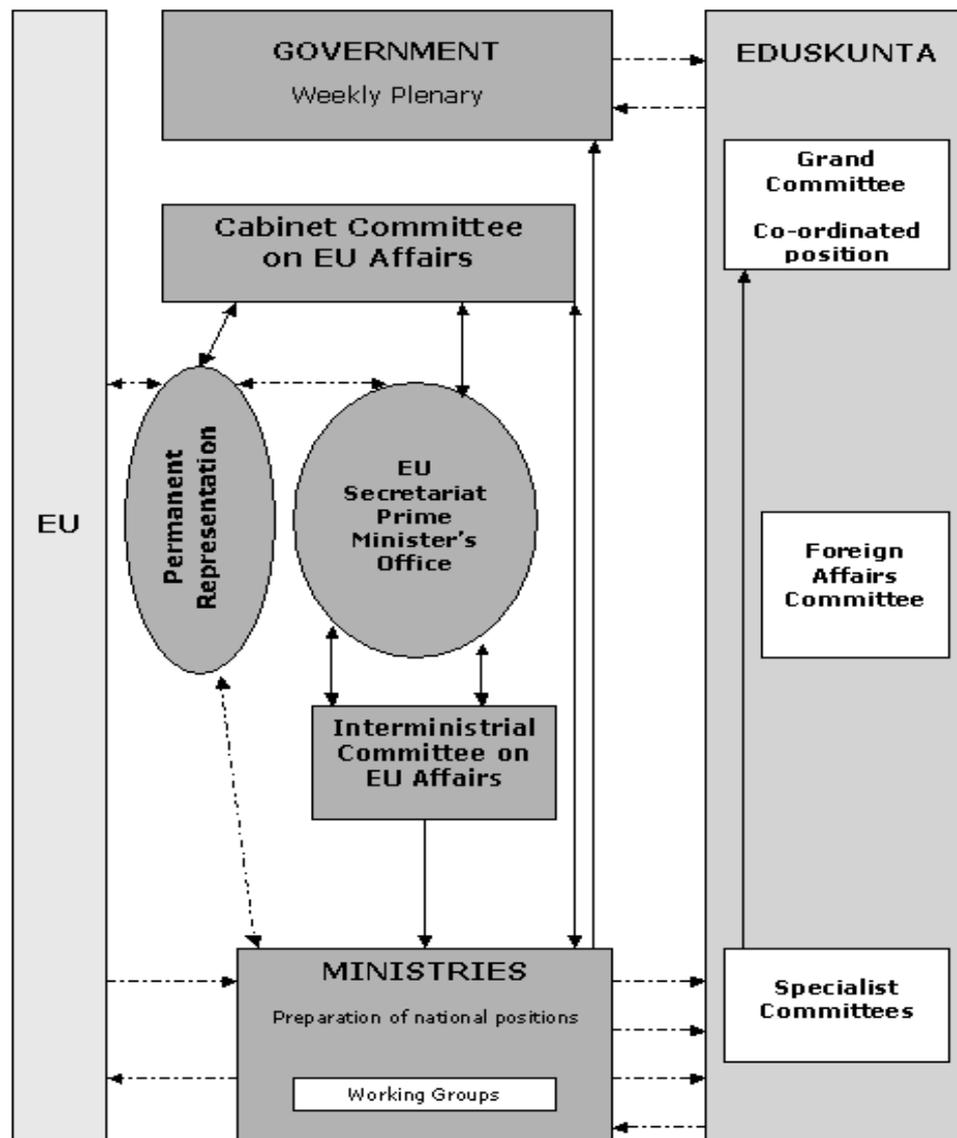
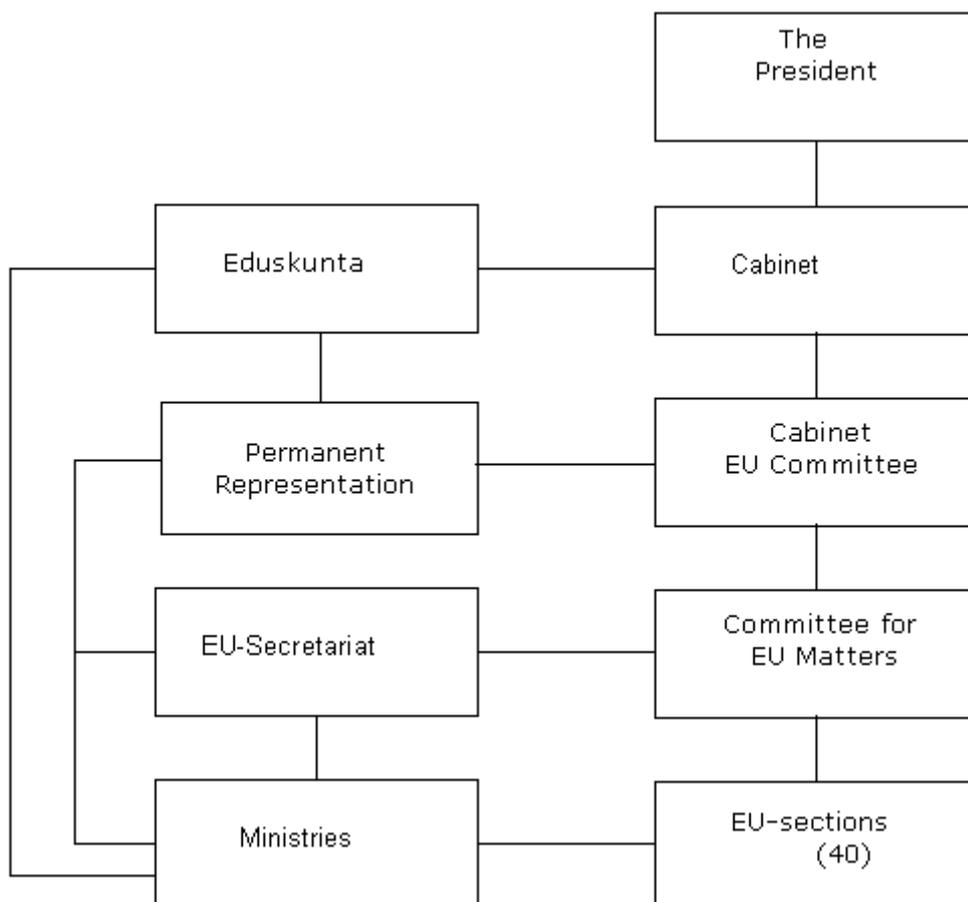


FIGURE 2: The path of EU policy and legislative measures through the Finnish Core Executive

Figure 3: Institutions involved in formulation and co-ordination of National EU Policy

Source: Compiled from information in Mattila 2000: 40; Raunio and Tiilikainen 2003.²⁷

After the European Commission informs the relevant ministry of a new legislative proposal, the preparatory process commences. The responsible civil servants in the ministry undertake preparatory tasks and discuss the proposal with senior officials. At this stage the national position is tentatively considered and the necessary course of action decided upon. Also, meetings of specialist working groups are often convened at this stage to consider the issue (Rehn 1998: 20-24; Mattila 2000: 138-142). When the responsible ministry decides on its position, the issue is brought before the relevant sub committee, also known as 'sections', of the Committee for EU Affairs. Most importantly the sub committees facilitate horizontal co-ordination particularly in respect to EU legislation. Given the interdisciplinary nature of EU policy a variety of ministries and interest will be represented at meetings of any one of the sub committees. These sub committees meet in two forms, in the first case, attendance is confined to civil servants while the in second case, interest groups are also present, in accordance with the Finnish system of government (see Mattila 2000: 138-142). In the event of the sub

²⁷ A list of the sub-committees or 'sections' under the Committee for EU Affairs is available on the Finnish government's web site www.government.fi [consulted 10 May 2004]

committees failing to reach agreement the issue will be brought before the Committee for EU Affairs.

The Committee for EU Affairs, which is responsible for facilitating co-ordination at the highest level among ministries,²⁸ is chaired by the EU Secretariat and is composed of high level officials from the ministries, the office of the President, Chancellor of Justice, Bank of Finland and the autonomous Provincial Government of Åland. Although the Committee's role was initially seen as vaguely defined (Mattila 2000: 141) it has been clarified since 1998 and it is now deemed to function effectively. The expertise necessary for the most frequently discussed technical issues is held by mid level civil servants and the Committee is only attended by the most senior officials once or twice a year. In the event that the Committee being unable to resolve differences on issues of significant importance to Finnish policy it is the responsibility of the Cabinet to find a solution.²⁹

The Cabinet EU Committee is chaired by the prime minister and its members are: the Ministers of Foreign Affairs, Justice; Trade and Industry; Agriculture and Forestry; and Trade along with three other ministers selected by the prime minister, furthermore all members of the Cabinet are entitled to attend the Committee's meetings. Also entitled to attend are the following EU experts, advisors and senior officials: the State Secretary from the Ministry of Foreign Affairs, the Permanent Representative, the prime minister's special adviser, and from the Prime Minister's Office: the (political) secretary of state, the deputy state secretary and a deputy director of information. Prior to the convening of meetings of the committee a group of Special Advisors meet lead by the prime minister's political advisor and attended by representatives of all the parties in government (Rehn 1998: 22 and interview material). Earlier surveys have found the Cabinet EU Committee to play an important role in the decisions on broadly significant matters including, issues of a political nature, the boundaries within which the responsible minister operates at a Council meeting³⁰ and the countries final negotiating position, however, the Committee is less involved in legislative detail (Lampinen 1998:134; Mattila 2000: 142-143, Raunio and Tiilikainen 2003).

Both the Committee for EU Affairs and the Cabinet Committee on the European Union are assisted by the Secretariat for EU Affairs. The necessary documentation, guidelines and information are prepared by the Secretariat for distribution to all ministries with written codes guiding the preparation of materials for the Cabinet Committee³¹. Furthermore, the Secretariat is pivotal to the exchange of information on EU business between the national ministries and Finland's Permanent Representation to the EU.

²⁸ The Committee consists of members from all ministries, office of the President, Chancellor of Justice, EU Secretariat, Bank of Finland and of the autonomous Provincial Government of Åland. Members of the Committee are appointed for three-year terms. Ministries are represented by the chief secretaries and representative of the EU Secretariat chairs the meetings.

²⁹ Government Standing Order Section 48, 500/1999.

³⁰ See Government Standing Order Section 48, 500/1999.

³¹ Government Secretariat for EU Affairs Code of Conduct 4.6.2002.

Finland's Permanent Representation to the EU

Established during Finland's accession negotiations the Permanent Representation is under the direction of the Permanent Representative (Ambassador to the EU) and their deputy. Over the last five years or so the number of officials attached to the Permanent Representation has ranged between 94³² and 130 (Mattila 2000) of which in the region of a third come from the Ministry of Foreign Affairs. The remaining officials staff the desks of the national ministries who consider experience in the Permanent Representation as valuable training. The structure of the Permanent Representation involves a relatively flat and unique management style with only the permanent representative and their deputy serving leadership roles representing Finland on COREPER II and COREPER I respectively. The desk officials provide expertise in their respective policy domains while monitoring or sitting on the various EU policy committees. Many of the stakeholders interviewed for this paper thought favourably of this structure and management style, which emphasises expertise and the delegation of responsibilities,

At a European level the permanent representative, their deputy and the desk officials represent the Finnish position. While this is to be expected of those fulfilling a diplomatic role, it has been noted that desk officials present the policy position agreed under the national co-ordination process rather than the approach proposed by their ministry of origin should it vary in any way (interview material). All the officials attached to the Permanent Representation serve as the interface between Helsinki and Brussels. The national process for the co-ordination of EU business, described above, provides for the input of expertise and information from the Brussels based officials. The permanent representative attends the weekly Cabinet meeting to report on positions being adopted by the Institutions, member states and various interests along with the progress of negotiations while ministers and experts provide briefings on policy issues under consideration in the EU. It is Finnish practice to seek to influence EU policy as early as possible in the EU policy process and respond quickly to any proposal. Through a combination formal and informal channels the Permanent Representation maintains regular contact with Commission officials, Finnish members of the European Parliament, the permanent representations of other member states and interest groups.

While the structure of the Permanent Representation has not changed greatly over the course of Finland membership of the EU the number of officials has increased considerably. This is illustrative of the investment in expertise, which is integral to Finland's approach to the management of EU business.

³² For details on the Permanent Representation's staff and their responsibilities see www.eu.finland.fi [consulted 10 May 2004].

Table 3:

The processing of EU Matters in the EU Institutions and in the Finnish State administration

EU		FINLAND	
1	Commission starts to draft a legislative proposal	1	The responsible ministry begins to process the matter
2	Commission enters into negotiations with interest groups and national ministries	2	The ministry negotiates with the Commission and formulates the initial national position
3	Commission publishes the initiative	3	The ministry decides the initial Finnish position. Eduskunta is informed of the matter
4	Commission sends the initiative to the Council	4	Inter-ministerial negotiations determine possible changes to Finland's position
5	The European Parliament starts to process the matter	5	The permanent representation presents the Finnish position to Finnish MEPs
6	Council working groups debate the initiative	6	The responsible civil servant takes part in the Council working group and reports back to her superiors. The Grand Committee is informed of the matter and it can presents its views on the proposal
7	COREPER processes the matter	7	The permanent representative, the minister and civil servants fine-tune the national position
8	The proposal is put on the agenda of the Council	8	Cabinet EU Committee decides on the negotiating mandate of the minister. The minister appears before the Grand Committee prior to the Council meeting

Sources: Adapted from O. Rehn (1998: 16); and M. Mattila (2000: 139), in English in Raunio and Tiilikainen 2003.

Finland's commitment to transparency in government and administration is carried through to its management of EU business as illustrated by national transparency legislation covering EU

matters³³ and the inclusion of EU communication under the principles and code of conduct issued by the Prime Minister's Office in 2002.

Generally the structures in place for the co-ordination of EU business are seen to function well when compared internationally (Interview material; Spence 1995: 364-365, Armstrong and Bulmer 1996: 289-230). Initial difficulties ensuring that the ministries well versed in EU processes and policy co-operated with those less exposed to the EU (interview material) have been overcome. The movement to a co-ordination system based around the Prime Minister and the Prime Minister's Office and most recently by the introduction of an internal computer system which allows for the horizontal flow of information among ministries have established a formal system which encourages the dissemination of information. This objective is also aided by the countries relatively small administration and informal networks of officials across all levels. Lampinen found that direct contacts and negotiations among civil servants from various ministries play a significant part in the preparation of Finland's EU policy positions (Lampinen 2000:154).

Executive – Eduskunta (Parliament) Relations

The Eduskunta (Parliament) has a meaningful role in the definition of Finland's EU policies and the control of negotiation outcomes. Under the Finnish Constitution' as reformed in 1991 and subsequently revised in 2000, the government is required to report to the Eduskunta not only during the preparation of policy positions but also after the final decision has been made at a European level. However, unlike in the case of the Austrian Parliament the Eduskunta does not have the legal right to mandate the government but only provide a political opinion. Since Finland joined the EU all governments have been sufficiently secure to avoid being threatened by an adverse decision of the Eduskunta. Furthermore, any conflict with the Eduskunta is deemed to be politically unwise given that it would be expected to adversely affect the government's popularity, weaken the negotiator's position and undermine the legitimacy of measures during implementation (Boedeker and Uusikylä 2000; Raunio and Tiilikainen 2003). Therefore, the consensus seeking nature of the legislative system together with the large number of parties make negotiations between the government and opposition essential in the Eduskunta. Rather uniquely in relation to EU matters there have been no major conflicts between the government and opposition. During the early stages of EU membership the few differences there were related to institutional matters while the most serious differences of opinion concerned the procedures associated with agreements in the fields of Justice and Home Affairs (Jääskinen 2000: 114ff).

The Eduskunta committee system is organised to mirror the policy division of government departments. Parliamentary Standing Orders, requiring that proposed legislation is examined by a Committee before proceeding to a plenary stage, has raised the profile of the legislative work undertaken by committee members. The Grand Committee is generally responsible for

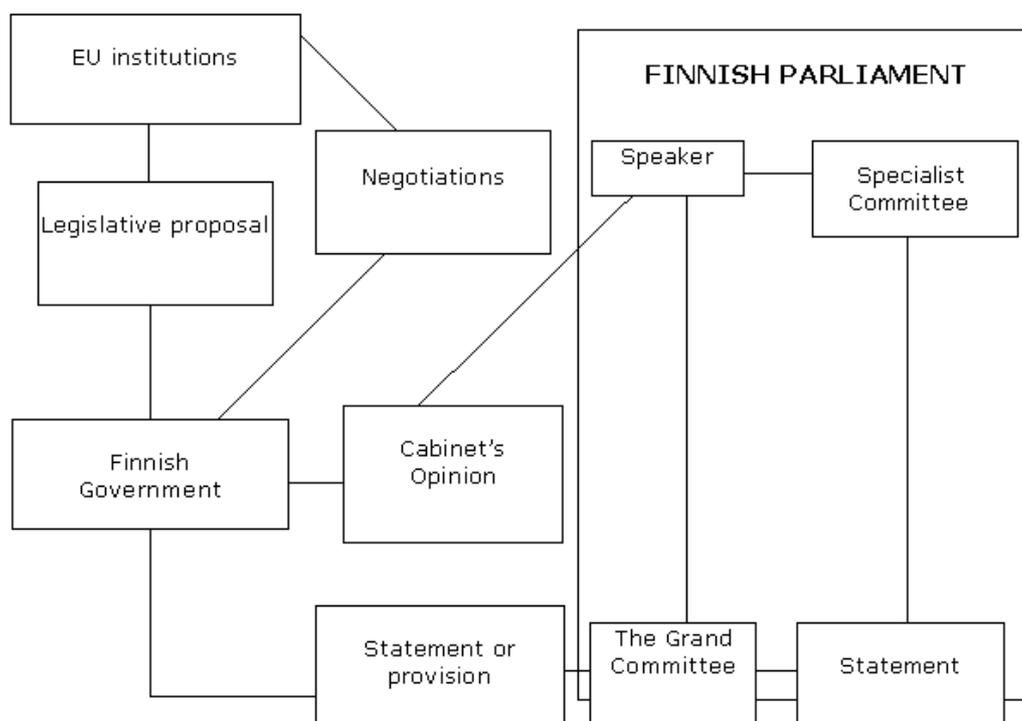
³³ Act on Openness of Government Activities (621/1999) and Decree on the Openness of Government Activities and Good Data Management Practices (1030/1999).

expressing the views Eduskunta on EU matters and most particularly in subject areas over which the Eduskunta possesses legislative competence, technically referred to as 'U matters' (see Figure 3). The Grand Committee issues its opinion following a review of the EU proposal, the Government's communication, the opinions of the Eduskunta's specialist committees and any hearing involving the responsible ministers, civil servants and experts. Although, the Committee's opinion is not binding on the Government, should it deviate from the views expressed the Grand Committee must be informed of the reasons for the change.³⁴ Exceptionally, in the case of EU common foreign and security matters responsibility for issuing the Eduskunta's opinion falls to the Foreign Affairs Committee. Furthermore, the Eduskunta's role regarding EU business is not confined to matters for which it is legislatively competent, other European business for which there is no comparable domestic legislative field, European Commission Green and White papers or Opinions and government EU policy papers, technically named 'E matters', are considered when submitted by the government or specifically requested by the Eduskunta (see Jääskinen 2000; Boedecker and Uusikylä 2000).

After some initial confusion on the part of the ministries as to the classification of matters to be brought before the Eduskunta, civil servants now take great care to ensure that the Eduskunta is informed as required. Direct contacts with those middle ranking civil servants most involved in the detail of EU legislative matters, are maintained by the Grand Committee and the relevant specialist committees (interview material). Despite the Eduskunta criticism of the tight timetables to which it has to work Raunio and Tiilikainen have found the system works smoothly, bringing legitimacy to government actions and finding consensus in Finnish politics (2003). Given the requirements for transparency from the proposal of an EU policy through negotiations to final decision the Grand Committee is required to display some discretion in handling sensitive information on the negotiating positions of the Finnish government or those of other member states.

The Eduskunta does not rely solely on national sources for information on the EU business. Members of the Eduskunta participate in the Conference of the Community and European Affairs Committees of Parliaments of the EU (COSAC). However, relations with the European Parliament and notable with the Finnish members have been weak given that members of the Eduskunta have tended to consider that they are not 'useful sources of information or as an effective channel for influencing EU decision-making' (Raunio and Tiilikainen 2003).

³⁴ Details of the role and working method of the Grand Committee along with data on the Ministerial responsibilities regarding 'U matters' and other related matters are provided on the Eduskunta's web site www.eduskunt.fi [consulted 11 May 2004].

FIGURE 4. Path of a legislative proposal ('U matter') in the Eduskunta (Jääskinen 2000: 118)

III THE AGENTS

Finland has a cadre of EU specialists who work exclusively on EU matters. Those experts who look at the 'large picture' regarding European affairs are relatively few in number (interview material). In addition to the Prime Minister and key ministers the 'co-ordinating centre' (as illustrated in Figure 1) includes the state secretary from the Ministry of Foreign Affairs, the permanent representative in Brussels, the secretary of state in the Prime Minister's Office and the prime minister's adviser (interview material).³⁵ During the two terms of Prime Minister, Paavo Lipponen's government (1995-2003) the same key group of people handled EU business, they knew each other well and were in regular contact.

Over the course of Finland's EU membership there has been an increase in the number of officials dealing with EU business throughout the administration and their level of expertise has developed with experience. The Ministry for Finance has been responsible for organising and funding the training of civil servants while ministries conduct its implementation (Simula 2000: 22). Over the period 1999-2000 some 1500 personnel were trained in handling EU affairs (Lindquist 1999:1). Training for the core executive was enhanced in 1996 in preparation for holding the EU presidency in 1999, which it was recognised would really test the national

³⁵ See Murto 1996 for a discussion of those officials who occupied 'co-ordinating centre' in the early stages of Finland's EU membership.

administration's capacity and skills. This targeted training³⁶ addressed the political and administrative cultures of Member states and the EU, the organising and conducting of working group and Council meetings, and negotiation skills.

However, the knowledge and skills provided by training are not in themselves seen as sufficient to develop the expertise required by officials handling EU business and a great value has been placed on 'learning by doing' and experience gained 'in the field'. The experience of working on rotation in the Permanent Representation and the Government Secretariat for EU Affairs is seen to provide officials with detailed expertise on substantive issues, which benefits their original ministry on their return. Additionally, time spent as a national expert in the European Commission and other international bodies including the OECD or WTO are believed to be beneficial (interview material).

All ministries, to vary degrees, have been exposed to Europeanisation and the responsible officials have to handle a large amount of information from a variety of sources and participate in national and European meetings over a relatively tight timeframe. By now most ministerial departments handle EU matters as part of their daily routine along with domestic issues. It is the middle ranking officials (e.g. heads of departments or units) who consult with other ministries, prepare the policy options for the key decision makers and attend the various EU meetings, accompanied by technical experts when necessary. Furthermore, based on their experience and substantive knowledge, significant responsibility is vested with these officials; who when involved in negotiations may on occasion seek compromises and exercise their own judgement, subject to conditions, on the flexibility contained in a Finnish policy position. When considering adjusting positions or submitting new proposals the officials have to consider how they might be received (interview material and Räsänen 1998: 103) and they will occasionally use the informal environment of corridors to test opinion. The combination of tasks at the national and European level mean that these civil servants play a significant role in defining the Finnish position on EU policy (also see Lampinen 2000: 162-163).

The combination of the training of civil servants, complemented by direct experience of the EU institutions and systems along with the development of expertise and the delegation of responsibilities both benefits from and is fundamental to the structured approach to the management of EU business in Finland. The return over the long term from the significant investment in training has been deemed positive (Simula 2000: 23ff), while the experience and expertise of the officials has contributed to the Finnish pragmatic and constructive approach to EU policy, presenting well supported cases for their position and only entering coalitions which serve their interests.

³⁶ Target groups for training were 1) chairpersons of the Council of Ministers and their most important advisors, 2) chairpersons of the working groups under Council of Ministers, their substitutes and advisors, 3) Finland's representatives for working groups under Council of Ministers and their substitutes, 4) central cadre of officers involved in preparation and co-ordination of EU affairs, and 5) civil servants in the EU representation and selectively entire cadre of Finland's representation in Brussels. (Simula 2000: 23ff.)

CONCLUSIONS

Europeanisation has caused significant change in Finland's politico-administrative system even on constitutional level. The former presidential system would have been an anomaly among the EU member states, with the exception of France. In conjunction with constitutional change in Finland, the prime minister gradually took over the reins of Finnish EU politics and is the leader of the core executive in this area. The office has been strengthened not only constitutionally but also through organisational changes in the co-ordination of EU affairs. Nonetheless, there is still a disagreement beneath the surface about dual representation in the EU Council meetings. The role of the Eduskunta (Finnish Parliament) is also noteworthy. In comparison with most of the other member states, the Eduskunta is influential in EU matters because it has a constitutional base for its and extensive access to information. The Eduskunta can influence the preparation of the Finnish position on EU business and its committees perform both preparatory and monitoring functions. Generally, decision-makers and negotiators have realised that parliamentary support is an asset giving democratic legitimacy to their actions, although tight timetables, for example, have resulted in some differences (Uusikylä and Boedeker 2000, Raunio and Tiilikainen 2003; see also Hegeland and Neuhold 2002, interview material).

The workload of Ministers has increased greatly. Having to attend meetings in Brussels regularly removes ministers from the domestic work of their ministries that may give rise to questions about the division of labour particularly where there is more than one minister attached to a ministry. Of course, parties in government are very careful about keeping power balance between parties in respect to their mandate. Finding balance of power and the division of labour led to situation where, for example, Ministry for Foreign Affairs had '4 ½' ministers in a previous government. However, pressure for change is mounting. The introduction of deputy ministers or political secretaries of state, along the lines of the Swedish model, has been suggested in a parliamentary report. Political secretaries of state would change with the minister, come from the same party and divide the workload as well as responsibility. However, the proposal was turned down in the Eduskunta in 2003. Nevertheless, these problems remain and on occasion impact on the management of EU business and the criticism of the lack of political guidance within ministries remains valid (see Lampinen 2000: 162).

The Finnish co-ordination system is highly structured which has been enhanced during the course of EU membership. Transparency is a key objective of the Finnish administration, which applies equally to domestic and EU matters, involving clear rules, boundaries and codes of conduct. In line with constitutional change co-ordination of EU business was transferred from Ministry for Foreign Affairs to the Prime Minister's Office. With the change the friction that existed between ministries and the co-ordinating body has subsided. Those negotiating at the EU level practically always work to the position agreed through the domestic co-ordination system. Although the consultation obligation on negotiators is tight, it does not preclude the delegation and the use of expertise. The responsible civil servants will study an issue carefully and effectively argue the options in the domestic environment. The formal process of co-

ordination is complemented by frequent informal interaction between the actors, which is facilitated by the small size of the country and the relative nature of the administration. The handling of the EU affairs has become more or less a matter of routine in all ministries. A lot of power has been transferred to the hands of the middle and lower level civil servants – a significant part of the cadre of EU specialists. An originally narrow base of EU expertise on membership has grown aided by training, learning by doing, experience in the field and quality evaluation, with the result that there are experts at every level of administration. However, the need for training and the development of EU and related policy experts is ongoing given the challenges posed by the retirement of experienced officials, ongoing recruitment and movement of personnel between the public and private sector.

The skilful handling of the EU polity, politics and policy-making – processes and procedures – is essential for a small member state like Finland. The aim of Finland's negotiation style is to be constructive, cooperative and emphasise arguments that support the EU's objectives. Finland makes no waves on issues unless they are of extremely high salience for the country. This approach is generally seen to be effective. Successfully placing the Northern Dimension on the EU agenda and its adoption as EU policy suggest that Finland effectively informed its fellow member states of the prevailing circumstances. Another example is the inclusion of crisis management in the Treaty of Amsterdam, advocated by Finland with the support Sweden and considered an important achievement for non-aligned countries.

The hosting of the EU presidency in 1999 was a major learning experience on which many developments since have been based in combination with Finland's administrative and policy objectives. However, Finland is a relatively recent member of the EU and the adjustments continue, as the challenges faced by EU enlargement are addressed at domestic and EU levels.

Box 2. Central features of handling EU affairs in Finland

- Prime Minister and the Office has the lead
- The handling of EU affairs has become a part of daily routines in ministries, all are 'lead ministries' within their own field
- EU expertise is dispersed throughout ministries: training of civil servants in EU affairs is a systematic and an ongoing process
- The Finnish administration is quite transparent and legalistic: administrative boundaries are in most cases clear and responsible civil servants easily identified
- The handling of EU business and its co-ordination is based on a structured system with written rules, codes and guidelines for conduct
- The formal system complimented by informal relations
- Horizontal co-ordination works well, vertical co-ordination has been criticised in a few cases
- The influence of the Eduskunta is notable when compared with other member states
- Relevant sections of civil society and interest groups are often involved in the policy process at domestic level

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